

Hydrotek Public Company Limited

Report of Reviewed Financial Statements

For the three-month period ended March 31, 2024



บริษัท สำนักงาน เอ เอ็ม ซี จำกัด
SAM NAK-NGAN A.M.C. Co., Ltd.



INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Hydrotek Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial positions as at March 31, 2024 and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and the condensed notes to financial statements of Hydrotek Public Company Limited and its subsidiary companies and also of Hydrotek Public Company Limited. The management of the entity is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my reviews in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Basis for disclaimer for conclusion to interim financial information

1. According to the Note to financial statements No.18, as at March 31, 2024, intangible assets in the amount of Baht 108.60 million are the rights under 2 concession agreements to construction of a water production plant and water distribution. Currently, the construction and development of the said project hasn't been according to the plan due to a dispute between the Group with the company that has provided financial support for the project which the Group and the counterparties entered into the Engineering, Procurement and Construction contract (EPC Contract), the Investment Agreement and the Settlement Agreement. The Company and contract parties have file lawsuits against each other. On March 20, 2024, the Civil Court has issued a judgment ordering the Company to repayment the debt to the contract parties with interest rate 7.50% per annum. However, the Company is in the process of appeal to the Appeal Court as mentioned in Note to the financial statements No.28.5, there is a significant uncertainty regarding how the concession project will be resolved and has there been an impact causing the said assets whether to become impaired. I cannot use other audit procedure to be satisfactory with this matter. Therefore, I was unable to determine whether there may be any adjustments were necessary to the intangible assets in the consolidated financial statement and separate financial statements for the period ended March 31, 2024

Claris

2. According to the Note to financial statements No. 3 the Group and the Company faces losses from continued operation over several years. The Group and the Company incurred a net loss for the period ended March 31, 2024 in the consolidated financial statements amount of Baht 5.41 million and in the separate financial statements amount of Baht 15.06 million and as at March 31, 2024, the Group and the Company had current liabilities exceeded current assets by amount of Baht 78.98 million and amount of Baht 81.72 million. The Company also has litigation related to the appeal application to the Supreme Administrative Court as mentioned in the Note to financial statements No. 28.1 These factor along with a lawsuits with the Company filed against counterparties related to the concession project as mentioned in the previous paragraph are indicate significant uncertainties which may has potential interaction of the uncertainties and their possible cumulative effect on the financial statements which cast significant doubt to the Group's and the Company's ability to continue as a going concern which may affect the valuation of significant assets and liabilities in the consolidated and separate financial statements.

Disclaimer of conclusion on the interim financial information

Because the matters described in the basis for disclaimer of conclusion on the interim financial information have significance to the consolidated interim financial information of Hydrotek Public Company Limited and its subsidiaries and the separate interim financial information of Hydrotek Public Company Limited as at March 31, 2024 and for the three-month periods then ended, I do not express a conclusion on the interim financial information.

SAM NAK-NGAN A.M.C. CO., LTD.



(Mr. Naris Saowalagsakul)

Certified Public Accountant Registration No. 5369

Bangkok,

May 15, 2024

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2024

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
Assets					
Current assets					
Cash and cash equivalents		26,138	2,452	19,370	1,441
Other current receivables-related parties	6.1	8,183	7,168	145,220	142,494
Trade and other current receivables-other parties	7	93,709	103,169	22,604	22,687
Contractual assets-current	8.1	61,310	58,915	-	-
Inventories and construction materials	9	33,025	29,049	33	33
Suspend input vat		4,128	4,384	583	749
Short-term loan to other party	10	-	-	-	-
Total current assets		226,493	205,137	187,810	167,404
Non-current assets					
Other non-current financial assets	11	321	321	321	321
Contractual assets-non current	8.1	32,190	30,807	-	-
Investment in subsidiaries	12	-	-	3,585	3,585
Investment in joint venture	13	600	601	490	490
Long-term loan to other party	14	-	-	-	-
Investments property	15	2,181	2,181	2,181	2,181
Equipment	16	7,605	6,860	7,376	6,615
Right-of-use assets	17	3,479	4,982	3,479	4,982
Intangible assets	18	108,754	108,767	108,748	108,761
Withholding tax		7,667	9,816	3,876	3,855
Other non-current assets		505	505	505	505
Total non-current assets		163,302	164,840	130,561	131,295
Total assets		389,795	369,977	318,371	298,699

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2024

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
		Unaudited Limited review only	Audited (Reclassified)	Unaudited Limited review only	Audited (Reclassified)
Liabilities and shareholders' equity					
Current liabilities					
Other current payable-related person and parties	6.1	-	230	3,614	3,824
Trade and other current payables-other parties	19	150,006	158,274	118,838	119,917
Contractual liabilities	8.1	23,471	25,923	-	-
Unbilled output tax		3,038	2,979	2,850	2,792
Short-term loan from related person and parties	6.1	-	11,950	15,269	27,262
Current portion					
Lease liabilities	20	906	1,430	906	1,430
Long-term loan from other party	21	125,901	125,645	125,901	125,645
Long-term loan from financial institution	22	1,569	1,778	1,569	1,778
Current provisions for employee benefits	23	585	326	585	326
Total current liabilities		305,476	328,535	269,532	282,974
Non-current liabilities					
Lease liabilities	20	3,003	2,981	3,003	2,981
Long-term loan from financial institution	22	2,410	2,812	2,410	2,812
Non-current provisions for employee benefits	23	1,903	2,371	1,903	2,371
Other non-current liabilities		12,950	12,834	-	-
Total non-current liabilities		20,266	20,998	7,316	8,164
Total liabilities		325,742	349,533	276,848	291,138
Shareholders' equity					
Share capital	24				
Authorized share capital					
675,838,592 ordinary shares @ Baht 1.00		675,839	675,839	675,839	675,839
Issued and paid-up share capital					
470,121,161 ordinary shares @ Baht 1.00		470,121	-	470,121	-
311,925,504 ordinary shares @ Baht 1.00		-	311,926	-	311,926
Discount on ordinary shares		(110,737)	-	(110,737)	-
Warrants		1,559	-	1,559	-
Deficits-Unappropriated		(296,890)	(291,482)	(319,420)	(304,365)
Total shareholders' equity		64,053	20,444	41,523	7,561
Total liabilities and shareholders' equity		389,795	369,977	318,371	298,699

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2024

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Revenues					
Construction	26	31,346	16,598	-	-
Services	26	22	-	22	-
Other income		572	967	1,858	2,536
Total revenues		31,940	17,565	1,880	2,536
Expenses					
Cost of construction		24,701	15,971	-	-
Cost of services		18	-	18	-
Administrative expenses		9,014	11,878	14,315	12,782
Total expenses		33,733	27,849	14,333	12,782
Loss from operating		(1,793)	(10,284)	(12,453)	(10,246)
Finance costs		(2,582)	(2,317)	(2,602)	(2,336)
Loss before share of profit on investment in joint venture and income tax		(4,375)	(12,601)	(15,055)	(12,582)
Share of profit (loss) on investment in joint venture		(1)	50	-	-
Loss before income tax expenses		(4,376)	(12,551)	(15,055)	(12,582)
Income tax expenses		(1,032)	(1)	-	-
Loss for the period		(5,408)	(12,552)	(15,055)	(12,582)
Other comprehensive income					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(5,408)	(12,552)	(15,055)	(12,582)
Loss attributable to					
Equity holders of the Company		(5,408)	(12,552)		
Non-controlling interests		-	-		
		(5,408)	(12,552)		
Total comprehensive income attributable to					
Equity holders of the Company		(5,408)	(12,552)		
Non-controlling interests		-	-		
		(5,408)	(12,552)		
Basic loss per share (Unit : Baht)		(0.013)	(0.040)	(0.036)	(0.040)
Weighted average of ordinary shares (Unit : Share)		414,492	311,926	414,492	311,926

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2024

(Unit : Thousand Baht)

	Note	Issued and paid-up share capital	Discount on ordinary shares	Warrants	Deficits	Total
					Unappropriated	
Balance as at January 1, 2023		311,926	-	-	(221,633)	90,293
Loss for the period		-	-	-	(12,552)	(12,552)
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	(12,552)	(12,552)
Balance as at March 31, 2023		311,926	-	-	(234,185)	77,741
Balance as at January 1, 2024		311,926	-	-	(291,482)	20,444
Loss for the period		-	-	-	(5,408)	(5,408)
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	(5,408)	(5,408)
Increase share capital	24	158,195	(110,737)	-	-	47,458
Cash received from issue stock warrants	24	-	-	1,559	-	1,559
Balance as at March 31, 2024		470,121	(110,737)	1,559	(296,890)	64,053

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2024

(Unit : Thousand Baht)

	Note	Issued and paid-up share capital	Discount on ordinary shares	Warrants	Deficits	
					Unappropriated	Total
Balance as at January 1, 2023		311,926	-	-	(239,393)	72,533
Loss for the period		-	-	-	(12,582)	(12,582)
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	(12,582)	(12,582)
Balance as at March 31, 2023		311,926	-	-	(251,975)	59,951
Balance as at January 1, 2024		311,926	-	-	(304,365)	7,561
Loss for the period		-	-	-	(15,055)	(15,055)
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	(15,055)	(15,055)
Increase shares capital	24	158,195	(110,737)	-	-	47,458
Cash received from issue stock warrants	24	-	-	1,559	-	1,559
Balance as at March 31, 2024		470,121	(110,737)	1,559	(319,420)	41,523

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2024

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash flow from operating activities				
Loss for the period	(5,408)	(12,552)	(15,055)	(12,582)
Adjustments to reconcile loss for the period for cash received (paid) from operations				
Allowance for expected credit loss other current receivables-related parties	-	-	4,800	-
Depreciation-equipment	242	438	226	423
Depreciation-right of use assets	516	532	516	532
Amortization of intangible assets	13	17	13	13
Share of (profit) loss on investment in joint venture	1	(50)	-	-
Provisions for long-term loan from other party	256	-	256	-
Provisions for employee benefits	117	180	117	180
Interest income	(46)	(19)	-	(2)
Interest expenses	2,530	2,238	2,550	2,257
Interest expenses on lease liabilities	52	79	52	79
Income tax expense	1,032	1	-	-
Loss from operation before changes in operating assets and liabilities	(695)	(9,136)	(6,525)	(9,100)
Changes in operating assets and liabilities				
Other current receivables-related parties	(1,015)	(770)	(7,526)	(3,356)
Trade and other current receivables-other parties	9,460	(8,564)	83	(230)
Contractual assets	(3,778)	(7,477)	-	-
Suspend input vat	256	(65)	166	15
Inventories and construction materials	(3,976)	(2,670)	-	-
Trade and other current payables-related parties	(230)	-	(210)	-
Trade and other current payables-other parties	(10,654)	6,193	(3,231)	2,667
Contractual liabilities	(2,452)	(1,355)	-	-
Unbilled output tax	59	118	58	116
Other non-current liabilities	116	249	-	-
Cash paid from operating	(12,909)	(23,477)	(17,185)	(9,888)
Cash paid for employee benefits	(326)	-	(326)	-
Cash received (paid) for income tax	1,117	943	(21)	(6)
Net cash used in operating activities	(12,118)	(22,534)	(17,532)	(9,894)

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2024

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash flow from investing activities				
Decrease in other non-current financial assets	-	(2)	-	(2)
Cash received from right-of-use assets	-	30	-	30
Cash received from interest	46	19	-	2
Net cash received from investing activities	46	47	-	30
Cash flow from financing activities				
Cash received from short-term loan from related person and parties	-	5,000	-	5,000
Cash paid for short-term loan from related person and parties	(11,950)	-	(11,993)	(123)
Cash received from short-term loan from other party	-	250	-	-
Cash paid for long-term loan from financial institution	(611)	-	(611)	-
Cash paid for lease liabilities	(554)	(570)	(554)	(570)
Cash paid in interest expenses	(144)	-	(398)	-
Cash received from increase of share capital	47,458	-	47,458	-
Cash received from issue stock warrants	1,559	-	1,559	-
Net cash received from financing activities	35,758	4,680	35,461	4,307
Cash and cash equivalents items Increase (decrease)-net	23,686	(17,807)	17,929	(5,557)
Cash and cash equivalents at the beginning of the period	2,452	20,850	1,441	7,199
Cash and cash equivalents at the end of the period	26,138	3,043	19,370	1,642

Additional disclosure :

Items not affecting cash flow are as follows :-

- Right-of-use assets increased from lease liabilities	-	188	-	188
- Transfer of right-of-use assets to equipment	987	-	987	-

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****For the three-month period ended March 31, 2024****(UNAUDITED/LIMITED REVIEW ONLY)**

1. General information

Hydrotek Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The Company is listed on the Market for Alternative Investment (MAI). The address of the Company’s registered office is 14th Floor, TP&T Tower 1 Soi Vibhavadee-Rangsit 19, Chatuchak, Chatuchak, Bangkok.

The principal business operations of the Company and subsidiaries (“the Group”) are construction and management of water treatment and wastewater treatment system, waste management system and selling of related supplies.

2. Basis of preparation of interim financial statements

- 2.1 These interim financial statements are prepared in the condensed format and in accordance with the Thai Accounting Standard No. 34 on “Interim Financial Reporting” including interpretations and guidance promulgated by the Federation of Accounting Professions, related regulations and announcements of the Securities and Exchanges Commission. However, the Group has presented items in the statements of financial position, statements of comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.
- 2.2 These interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2023. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2023.
- 2.3 These interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.
- 2.4 The interim financial statements are presented in Thai Baht, rounded to the nearest thousand Baht unless otherwise stated.

3. Going concern

The Group and the Company faces losses from continued operation over several years. The Group and the Company incurred a net loss for the three-month period ended March 31, 2024 in the consolidated financial statements amount of Baht 5.41 million and in the separate financial statements amount of Baht 15.06 million. (For the year ended December 31, 2023, the Group and the Company incurred a net loss in the consolidated financial statements amount of Baht 71.71 million and in the separate financial statements amount of Baht 66.84 million) respectively and as at March 31, 2024 the Group and the Company has current liabilities exceeded current assets by amount of Baht 78.98 million and amount of Baht 81.72 million. (As at December 31, 2023, the Group and the Company has current liabilities exceeded current assets by amount of Baht 123.40 million and amount of Baht 115.57 million) respectively, addition, The Company has an litigations mattes is being appeal to the Supreme Administrative Count according to mentioned in the note to financial statements No.28.1 These conditions, along with dispute that are litigations matters related to the concession project as set forth as mentioned in the note to financial statements No.18, No.21 and No.28.5 indicate the existence of a material uncertainty that may cast significant doubt about the Group and the Company's ability to continue as a going concern and therefore the Group and the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Group's management is in the process of improving its operating. Including, the Group considers to bid for various projects to make a profit, allocation of additional capital increase shares including requesting credit facilities from financial institutions and other source of funds. The management believes that it will be able to rectify situation and leads the Company has ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis. Accordingly, such financial statements do not include any adjustments to present assets at their realisable values and liabilities at their settlement amounts, and to make the reclassifications that may be required in the event that the Group and the Company is unable to continue its operations as a going concern.

4. Basis of preparation of the interim consolidated financial statements

The interim consolidated financial statements for the three-month period ended March 31, 2024 has been prepared by including the financial statements of Hydrotek Public Company Limited and its subsidiaries and used the same criteria as the consolidated financial statements for the year ended December 31, 2023. The details of investments in subsidiaries in the current period as mentioned in the note to financial statements No. 12.

5. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2023.

Costs that incur unevenly during the financial period are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial period.

6. Related parties transaction

The Company has business transactions with subsidiary and related entities, which have the same group of shareholders or mutual directors. Such transaction which have been concluded on commercial terms and based agreed up on between the Company and related parties and are in ordinary course of business which can be summarized as follow :-

6.1 Inter-assets and liabilities

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Other current receivables				
Accrued interest receivable				
Subsidiary	-	-	903	903
Other current receivables				
Subsidiaries	-	-	190,634	184,123
Joint venture	8,183	7,090	8,183	7,090
Related company	-	78	-	78
Total	8,183	7,168	198,817	191,291
<u>Less</u> Allowance for expected credit loss	-	-	(54,500)	(49,700)
Net	8,183	7,168	144,317	141,591
Total other current receivables	8,183	7,168	145,220	142,494

The movement of allowance for expected credit loss other current receivables-related party for the three-month period ended March 31, 2024 and 2023 were as follows :-

(Unit : Thousand Baht)

	<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>
Beginning balance	(49,700)	(44,230)
Additional in during the period	(4,800)	-
Ending balance	(54,500)	(44,230)

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Other current payables				
Other current payables				
Subsidiary	-	-	103	103
Accrued expenses				
Subsidiary	-	-	1	1
Accrued interest				
Subsidiary	-	-	3,510	3,490
Related company	-	45	-	45
Director	-	185	-	185
Total other current payables	-	230	3,614	3,824
Short-term loan from				
Subsidiary				
Beginning balance	-	-	15,312	15,574
Repayment in during the period	-	-	(43)	(262)
Ending balance	-	-	15,269	15,312
Related company				
Beginning balance	4,950	-	4,950	-
Additional in during the period	-	4,950	-	4,950
Repayment during the period	(4,950)	-	(4,950)	-
Ending balance	-	4,950	-	4,950
Director				
Beginning balance	7,000	-	7,000	-
Additional in during the period	-	7,000	-	7,000
Repayment during the period	(7,000)	-	(7,000)	-
Ending balance	-	7,000	-	7,000
Total	-	11,950	15,269	27,262

As at March 31, 2024 and December 31, 2023, short-term loans from subsidiary is loan in form of promissory notes, at call and interest are carried by the rate of 0.50% per annum for both period.

As at December 31, 2023, the whole amount of short-term loan from related company is loan due within March 31, 2024, and interest are carried by the rate of 7.50% per annum.

As at December 31, 2023, the whole amount of short-term loan from director is loan due within February 31, 2024, and interest are carried by the rate of 4.00% per annum.

6.2 Inter-revenues and expenses

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other income				
Subsidiaries	-	-	1,332	1,644
Joint venture	401	754	401	754
Related company	118	120	118	120
Total	519	874	1,851	2,518
Interest expense				
Subsidiary	-	-	19	19
Related company	37	-	37	-
Director	28	6	28	6
Total	65	6	84	25

6.3 Management's benefits

(Unit : Thousand Baht)

	<u>Consolidated /Separate financial statements</u>	
	<u>For the three-month period</u>	
	<u>ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	1,266	1,210
Post-employment benefits	16	16
Total	1,282	1,226

6.4 Pricing policies

<u>Transaction</u>	<u>Pricing Policies</u>
Other income	Based on the agreed price
Interest income	Interest rate of 6.97% per annum (2023 : 6.97% per annum)
Interest expense	Interest rate of 0.50 - 7.50% per annum (2023 : 0.50 - 7.50% per annum)

6.5 Nature of relationship

<u>Name</u>	<u>Relationship</u>
Hydrotek-Chaisarit Joint Venture	Subsidiary
Hydrotek-Utilities Co., Ltd.	Subsidiary
Sahahydro Joint Venture	Subsidiary
Hydro-Rinrat Joint Venture	Subsidiary
Sahahydro Pathumthani 2 Joint Venture	Subsidiary
Prime-Hydrotek Construction Joint Venture	Joint Venture
Prime Road Power Public Co., Ltd.	Related company with common directors
Acme Ennergy Development Co.,Ltd.	Related company with common directors
Director	Chairman of the board of director

7. Trade and other current receivables-other parties

Outstanding trade and other current receivables-other parties can be aged as follows :-

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Trade accounts receivable and post dated cheque				
Within credit term	-	-	-	-
Overdue 1 - 30 days	-	4,064	-	-
Overdue 31 - 90 days	7,171	-	-	-
Overdue 91 - 180 days	635	-	635	-
Overdue 12 months	7,289	7,289	7,289	7,289
Total	15,095	11,353	7,924	7,289
<u>Less</u> Allowance for expected credit loss	(7,289)	(7,289)	(7,289)	(7,289)
Net	7,806	4,064	635	-
Other current receivables	29,937	29,543	27,801	28,831
Revenue department receivable	11,305	12,647	3,166	2,853
Advances and deposit for purchase of goods	67,785	79,814	14,901	14,902
Advances to subcontractors	14,911	15,136	5,041	5,041
Total	123,938	137,140	50,909	51,627
<u>Less</u> Allowance for expected credit loss	(38,035)	(38,035)	(28,940)	(28,940)
Net	85,903	99,105	21,969	22,687
Total trade and other current receivables	93,709	103,169	22,604	22,687

For the three-month period ended March 31, 2024 and 2023, no movement of allowance for expected credit loss trade and other current receivables-other parties

8. Contractual assets / Contractual liabilities8.1 Contractual balances

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Contractual assets-current				
Unbilled receivables	83,749	81,354	25,191	25,191
Retention receivables	2,752	2,752	-	-
Total contractual assets-current	86,501	84,106	25,191	25,191
<u>Less</u> Allowance for expected credit loss	(25,191)	(25,191)	(25,191)	(25,191)
Total contractual assets-current net	61,310	58,915	-	-
Contractual assets-non current				
Retention receivables	32,190	30,807	-	-
Total contractual assets-non current	32,190	30,807	-	-
Contractual liabilities				
Advance received from employers	23,471	25,923	-	-
Total contractual liabilities	23,471	25,923	-	-

For the three-month period ended March 31, 2024 and 2023, no movement of allowance for expected credit loss-
Contractual assets

8.2 Revenue recognised in relation to contract balances

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Revenue recognised that was included in contract liabilities at the beginning of the period	2,452	16,320	-	-
Revenue recognised from changes in variable considerations of performance obligations satisfied in previous years	-	-	-	-

8.3 Revenue to be recognised for the remaining performance obligations

As at March 31, 2024, the Group revenue is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied or partially unsatisfied totalling amount of Baht 91.75 million (As at December 31, 2023, the Group revenue is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied or partially unsatisfied totalling amount of Baht 106.86 million) The Group expects to satisfy these performance obligations within 1 year.

8.4 Contract assets - unbilled receivables

As at March 31, 2024, for the consolidated financial statements the balances of unbilled receivables which net of allowance for expected credit loss amount of Baht 58.55 million is expected to bill with customers within 1 year (As at December 31, 2023, amount of Baht 56.16 million is expected to bill with customers within 1 year).

9. Inventories and construction materials

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Construction materials	33,163	29,187	171	171
Finished goods	33	33	33	33
Work in progress	2,566	2,566	2,566	2,566
Total	35,762	31,786	2,770	2,770
<u>Less</u> Allowances for decline in value of				
Inventories and construction materials	(2,737)	(2,737)	(2,737)	(2,737)
Net	33,025	29,049	33	33

For the three-month period ended March 31, 2024 and 2023, no movement of allowance for decline in value-inventories and construction materials.

10. Short-term loan to other party

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Loan to other party	500	500
Less Allowance for expected credit loss	(500)	(500)
Ending balance	-	-

As at March 31, 2024 and December 31, 2023, Short-term loans to other party (Subcontractor) is loan in from of agreement, which has interest rate of 5.47% per annum for both period. The Group has recognized an allowance for expected credit losses for the whole amount and ceased revenue recognition for interest income.

For the three-month period ended March 31, 2024 and 2023, no movement of allowance for expected credit loss-loan to other party

11. Other non-current financial assets

In August 2023, the Company received a notice from bank which request repayment to the bank from bank of guarantee obligation of the lawsuit as mentioned in note to financial statement No. 28.2. The bank already paid on behalf of the Company amount of Baht 8.53 million, and settlement of the Company's all bank deposit with the bank amount of Baht 3.91 million. The remaining amount of Baht 4.62 million, which is recognized to long-term loan from financial institution as mentioned in note to financial statement No. 22.

As at March 31, 2024 and December 31, 2023 remaining bank deposit amount of Baht 0.32 million as the collateral against the issuance of the letter of guarantee from a commercial bank for the construction project and guarantee against the short-term loan granted by a commercial bank as mentioned in note to financial statements No. 27.2.

12. Investment in subsidiaries

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiaries in the separate financial statement can be summarized as follows :-

Name of Company	Paid-up capital		% of holding		Cost Method		(Unit : Thousand Baht) Dividened For the three-month period ended March 31,	
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	2024	2023
	2024	2023	2024	2023	2024	2023		
<u>Subsidiaries don't having non-controlling interests</u>								
Hydrotek-Chaisarit Joint Venture	1,000	1,000	1,000	100.00	1,000	1,000	-	-
Hydrotek Utilities Co., Ltd.	1,000	1,000	1,000	100.00	1,000	1,000	-	-
Sahahydro Joint Venture	1,000	1,000	1,000	100.00	1,000	1,000	-	-
Sahahydro Pathumthani 2 Joint Venture	1,000	1,000	1,000	100.00	1,000	1,000	-	-
Hydro-Rinrat Joint Venture	1,000	1,000	1,000	100.00	1,000	1,000	-	-
Total					5,000	5,000	-	-
Less Allowance for impairment					(1,415)	(1,415)	-	-
Net					3,585	3,585	-	-

For the three-month period ended March 31, 2024 and 2023, no movement of allowance for expected credit loss-Investment in subsidiaries.

13. Investment in joint venture

The nature and carrying value of investment in joint venture can be summarized as follows :-

(Unit : Thousand Baht)

Name of Company	Nature of business	Country of incorporation	Joint venture capital		% of holding		Equity Method		Cost Method	
			March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
			2024	2023	2024	2023	2024	2023	2024	2023
Prime-Hyrotek Construction Joint Venture.	Construction of a high-speed train station building	Thailand	1,000	1,000	49.00	49.00	600	601	490	490
Net							600	601	490	490

The financial information of the joint venture can be summarized as follows :-

(Unit : Thousand Baht)

For the three-month period ended March 31, 2024

Revenues	688
Loss from continuous operation	(2)
Other comprehensive income	-
Total comprehensive income	(2)
	<u>March 31, 2024</u>
Current assets	16,852
Non-current assets	136
Current liabilities	(15,762)
Net Assets	<u>1,226</u>

The reconciliations of each financial information with book value that record by equity method in consolidated financial statements as follows :-

(Unit : Thousand Baht)

March 31, 2024

Net assets of the joint venture	1,226
Shareholding of the company (%)	49
Book value for equity method	<u>600</u>

14. Long-term loan to other party

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Long-term loan from other party	13,528	13,528
<u>Less</u> Allowance for expected credit loss	(13,528)	(13,528)
Net	-	-

As at March 31, 2024 and December 31, 2023, long-term loans is loans to SUT Global Co.,Ltd, which former was a subsidiary of the Company and the Company sold its investment in such company on September 27, 2019. The loans is loans agreement with repayment period in 10 years and the interest rate of 8.50% per annum. The repayment must be paid interest and principle every 3 month. The principal paid the first installment in March 2025 and the last installment in December 2029. The Company has recognized an allowance for expected credit losses for the whole amount.

15. Investments property

For the three-month period ended March 31, 2024, no movement of investments property.

As at March 31, 2024, the Company has submit a request for a stay of execution of the Appeal Court by offer their investment property to collateral. The court is in the process of considering the acceptance of the security as mentioned in note to financial statements No.28.3.

16. Equipment

The movement of equipment during the three-month period ended March 31, 2024 are as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning book value	6,860	6,615
Transfer in from right-of-use assets	2,677	2,677
Depreciation for portion shown in profit or loss	(242)	(226)
Transfer in accumulated from right-of-use assets	(1,690)	(1,690)
Ending book value	7,605	7,376

As at March 31, 2024 and December 31, 2023, certain equipment of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 23.65 million and amount of Baht 13.00 million respectively.

As at March 31, 2024 and December 31, 2023, certain equipment of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 23.44 million and amount of Baht 12.78 million respectively.

17. Right-of-use assets

The movement of right-of-use assets for the three-month period ended March 31, 2024 are as follows :-

	(Unit : Thousand Baht)
	<u>Consolidated/</u>
	<u>Separate financial statements</u>
Beginning book value	4,982
Transfer out of equipment	(2,677)
Depreciation for the period	(516)
Transfer out from accumulated depreciation of equipment	1,690
Ending book value	<u>3,479</u>

18. Intangible assets

The movement of intangible assets during for the three-month period ended March 31, 2024 are as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	108,767	108,761
Amortization for the period	(13)	(13)
Ending balance	<u>108,754</u>	<u>108,748</u>

As at December 31, 2023 an intangible assets amount of Baht 108.60 million was rights under the concession agreement which the Company entered into an agreement in 2015 with a Tambon government sector for the construction of the water treatment plant and distribution of the tap water to water consumers in 5 municipal area. for the period of 9 years. Later in January 2019, the Ministry of Natural Resources and Environment signed a concession to operate a tap water distribution plant for areas in all 5 municipalities. The company has received rights under the concession agreement for 2 concessions. The first concession has a period of 25 years, expiring on January 21, 2044. The second concession has a period of 25 years, expiring on January 21, 2044. The rights under the concession agreement have been assigned to the company to construct a water treatment plant within 24 months from the date the permission has been granted by the Ministry of Natural Resources and Environment, which was later extended to date January 20, 2022. The concession agreement stipulate the Company to distribute the tap water to the water consumers in the concession area, which the water tariffs can be charged at the rate stipulated in the said concession agreement. Furthermore, the said concession agreement included the additional conditions for the government sectors to have the option to purchase the entire water supply business from the Company when the concession term expired and in the case where the government agency does not wish to purchase and the Company intends to continue operate. The Company can notify its intention before the concession expires. The Company recognized the compensation that received from the construction of the water treatment plant under the said concession agreement as intangible asset in the financial statements.

In carrying out the construction project for a tap water production and distribution plant, the Company, Hydrotek Utility Co., Ltd. (subsidiary) and Yunnan Water (Hong Kong) Co., Ltd. and Yunnan Water Investment Co., Ltd. have signed an EPC Contract and an Investment Agreement, which were later amended several times. The Company will be responsible for the construction of a water treatment plant and provide land for project location. Yunnan Water (Hong Kong) Company Limited will provide investment funds to the company for use in construction in the amount of Baht 285 million. When the construction project is completed, the plants will be transferred to Hydrotek Utility Co., Ltd. and Yunnan Water (Hong Kong) Co., Ltd. shall have the option to choose to receive repayment in the form of money with interest of 6.75% or choose to change to investment in Hydrotek Utility Co., Ltd., with the shareholding proportion set at 49%. However, during the construction the company has purchased equipment and machinery for water system with Yunnan Water Construction Engineering Co., Ltd., with an advance payment for assets remaining in the amount of Baht 14.87 million. However, in December 2020, the parties enter into a new agreement according to the Settlement Agreement, the agreement defined the conditions to the Company must be complied within the period defined. If the company is unable to complete their task according to the agreement, Yunnan Water (Hong Kong) Co., Ltd. has the right to terminate the contract and call to the Company repayment the entire amount plus interest as mentioned in the note to the financial statements No.21.

The construction project is delay due to the situation of the outbreak of coronavirus disease 2019 (COVID-19) and the Company waited for approval letters from relevant government sector to allow entry into the area to carry out the laying of pipes for the water supply system which the Company has gradually received permission in August 2021, January 2022 and September 2022. However, there are still some areas that the Company need to be applied for permission with the relevant government sector which is under processing. The company's management confirmed that they still have the rights under the concession agreement and the Company has submit a letter requesting to extend the construction period for the tap water production plant and requesting permission to sell tap water in municipal areas which is under consideration by the relevant agencies.

Presently, the construction project for a tap water production hasn't been according to the plan. The Group has postponed its operational plans due to the Group and Yunnan Water (Hong Kong) Co.,Ltd. and Yunnan Water Investment Co.,Ltd. have disputes and filed a lawsuits between them. On March 20, 2024, the Civil Court has issued a judgment ordering the Company to repayment the debt with interest rate 7.50% per annum as mentioned in the financial statement note 21. Currently, the Company is in the process of filing an appeal to the Appeal Court as mentioned in the financial statement note 28.5.

19. Trade and other current payables-other parties

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Trade accounts payable	21,362	24,279	10,312	11,617
Revenue department payable	187	140	112	89
Other current payables and other provision liabilities	36,923	37,709	21,843	24,028
Retention payables	13,476	13,475	11,169	11,169
Post dated cheques payable	2,657	9,657	-	-
Accrued interest	75,401	73,014	75,402	73,014
Total	150,006	158,274	118,838	119,917

20. Lease liabilities

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Lease liabilities	3,909	4,411
<u>Less</u> Current portion	(906)	(1,430)
Net	3,003	2,981

Changes in the lease liabilities during for the three-month period ended March 31, 2024 are as follows :-

(Unit : Thousand Baht)

	<u>Consolidated/</u> <u>Separate financial statements</u>
Lease liabilities at the beginning of period	4,411
Decrease during the period	(502)
Lease liabilities at the end of period	3,909

21. Long-term loan from other party

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Long-term loan	125,901	125,645
<u>Less</u> Current portion	(125,901)	(125,645)
Net	-	-

Changes in the long-term loan from other party for the three-month period ended March 31, 2024, are as follows :-

	(Unit : Thousand Baht)
	<u>Consolidated/Separate financial statements</u>
Beginning balance	125,645
Increased from provisions for litigation in during the period	256
Ending balance	125,901

As at March 31, 2024 and December 31, 2023, the whole amount was long term loans due to Yunnan Water (Hong Kong) Company Limited, which was incorporated in Hong Kong, in order to construct water treatment project in Chiangmai province. The interest was charged at 6.75% per annum, an annually repayment for 5 years from commercial operation date. Furthermore, such loan agreement granted the option to Yunnan Water (Hong Kong) Company Limited, to convert the loan to investment in 49% of the registered share capital of Hydrotek Utility Co., Ltd., a subsidiary, that will provide water management service when the construction of such project is completed and both parties will jointly control the Subsidiary.

On March 25, 2022, Yunnan Water (Hong kong) Company Limited has sent a notice that requesting the Company to repay the whole amount of principal plus interest within 30 days due to the Company is unable to comply with some requirement as specified in the contract. Therefore, long-term loans from other party are classified to current liabilities in whole amount. Currently, The Civil Court has issued a judgment ordering the Company to repay long-term loan along with interest. Currently, the Company is in the process of filing an appeal to the Appeal Court as mentioned in the financial statement note 28.5.

22. Long-term loan from financial institution

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Beginning balance	4,590	-
Addition during the period (Note no.28.2)	-	4,622
Repayment during the period	(611)	(32)
Ending balance	3,979	4,590
<u>Less</u> Current portion	(1,569)	(1,778)
Net	2,410	2,812

As at March 31, 2024, and December 31,2023, the Company has long-term loan from financial institution and interest MLR per annum.

23. Provisions for employee benefit

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current	585	326
Non-Current	1,903	2,371
Total	2,488	2,697

Changes in the present value of the employee benefit obligation for the three-month period ended March 31, 2024 are as follows :-

(Unit : Thousand Baht)

	<u>Consolidated/</u> <u>Separate financial statements</u>
Employee benefit obligations at the beginning of the period	2,697
Current service cost	110
Interest cost	14
Reversed for employee benefit	(7)
<u>Less</u> Repayment for the period	(326)
Employee benefit obligations at the ending of the period	2,488

24. Share capital

	Consolidated/Separate financial statements				
	March 31, 2024			December 31, 2023	
	Per Value (Bath)	Number of shares (Unit : Thousand Shares)	Amount (Unit : Thousand Baht)	Number of shares (Unit : Thousand Shares)	Amount (Unit : Thousand Baht)
Registered share capital					
Ordinary shares at beginning of the period	1.00	675,839	675,839	311,926	311,926
<u>Add</u> Increment of capital	1.00	-	-	363,913	363,913
Ordinary shares at end of the period	1.00	675,839	675,839	675,839	675,839
Issue and paid-up share capital					
Ordinary shares at beginning of the period	1.00	311,926	311,926	311,926	311,926
<u>Add</u> Increment of capital	1.00	158,195	158,195	-	-
Ordinary shares at end of the period	1.00	470,121	470,121	311,926	311,926

In accordance with the Company's minute of the Annual General Meeting of Shareholders for the year 2023 held on April 25, 2023 has significant resolution as follows :-

- 24.1 Resolved to approve increase of the Company's registered capital general mandate in amount of Baht 187,155,300.00 from the existing registered capital in amount of Baht 311,925,504.00 to the new registered capital in amount of Baht 499,080,804.00 by issuing not exceeding, 187,155,300 shares, newly issued ordinary shares with the par value of Baht 1.00 per share and amendment of the Memorandum Company's of Association to comply with the increase of the Company's registered capital. Which the Company has registered the amendment to the Department of Business Development, Ministry of Commerce on May 26, 2023.
- 24.2 Resolved to approve the allocation of newly issued ordinary shares under a general mandate not exceeding, 187,155,300 shares, with the par value of Baht 1.00 per share as follows :-
- 24.2.1 Allocation of newly issued ordinary shares in the amount not exceeding 93,577,650 shares, representing 30% of the paid-up capital, to offer to shareholders in proportion to their shareholding (RO).
- 24.2.2 Allocation of newly issued ordinary shares in the amount not exceeding 62,385,100 shares, representing 20% of the paid-up capital, for sale to the general public (PO).
- 24.2.3 Allocation of newly issued ordinary shares in the amount not exceeding 31,192,550 shares, representing 10% of the paid-up capital, for sale to a private placement (PP).

Therefore, allocation of newly issued ordinary shares under a general mandate be offered for sale at a price not less than Baht 0.50 per share.

24.3 In according with minute of Extraordinary General Meeting of Shareholders No. 1/2566 which will organize on December 14, 2023 has significant resolution as follows :-

24.3.1 Resolved to approve the capital to decrease of the Company's registered capital in the amount of Baht 187,155,300.00 from Baht 499,080,804.00 to the registered capital Baht 311,925,504.00 by canceling the registered but unissued ordinary shares in the number of 187,155,300.00 shares at a par value of Baht 1.00 per share. These are shares allocated to support the issuance and offering of additional common shares under a general mandate (General Mandate) which was approved by the 2023 Annual General Meeting of Shareholders on 25 April 2023 and the amendment of the Company's Memorandum of Association to be consistent with the reduction of the company's registered capital.

24.3.2 Resolved to approve the increase in the Company's registered capital in the amount Baht 363,913,088.00 from Baht 311,925,504.00 to the registered capital Baht 675,838,592.00 by issuing 363,913,088 ordinary shares with a par value of Baht 1.00 to offer for sale to existing shareholders in proportion to the shareholding each shareholder holds (Rights Offering) in the amount of 207,950,336 shares and to accommodate the exercise of rights according to the warrant to purchase additional ordinary shares of the company for the second time. (HYDRO-W2) in the amount of 155,962,762 units and the amendment of the Company's Memorandum of Association to be consistent with the reduction of the company's registered capital.

24.3.3 Resolved to approve the allotment of the capital increase shares in the number of 363,913,088 shares with a par value of Baht 1.00 per share to be offered for sale to existing shareholders in proportion to the shareholding held by each shareholder (Rights Offering) in the amount 207,950,336 shares at the ratio of 1.5 existing share to 1 new share, (If there are remainders arising from the calculation, the entire amount must be rounded off.) at the offering price of Baht 0.30 per share and the disclosed the extension of subscription period and payment for newly issued ordinary shares on 22 December 2023.

24.3.4 Resolved to approve issuance and sell warrants to purchase ordinary shares of the Company No. 2 (HYDRO-W2), amount not exceeding than 155,962,752 units to allocate to the Existing shareholders of the Company according to their shareholding ratio (Right Offering) in the ratio of 2 ordinary shares per 1 unit of warrant (Any fraction of shares from the calculation will be disregarded), the offering price is Baht 0.01 (one Satang) per unit. The term of the warrant is three years upon the issuance with the exercise price of Baht 0.40 (forty Baht). For the subscription of HYDRO-W2, the existing shareholders may indicate the intention to subscribe to the HYDRO-W2 that exceeds their rights (Excess Rights) allocated per the ratio at the same offering price, such shareholders will be allocated with the Excess Right of HYDRO-W2 upon that there is remaining of the HYDRO-W2 from the unexercised rights of the existing shareholders for those existing shareholders that indicated the intention to subscribe the Excess Right of HYDRO-W2, according to shareholdings ratio of each existing shareholder that subscribed the Excess Right, until there is no remaining of HYDRO-W2 allocation or no further HYDRO-W2 subscription.

24.4 According to the minutes of the Board of Directors' meeting No. 1/2024 on January 23, 2024, there was a resolution to consider extending the subscription period for additional common shares offered to existing shareholders in proportion to their shareholding (Right Offering: RO) and Warrants to purchase common shares of the company No. 2 (HYDRO-W2) from the original schedule of 18 - 19 January 2024 and 22 - 24 January 2024 (total 5 business days) to the new schedule of 18 - 19 January 2024, 22 - 26 January 2024 and 29 - 31 January 2024 (total 10 business days).

Later, on February 5, 2024, existing shareholders exercised their rights to purchase 158,195,657 shares, valued amount of Baht 47,458,697.10, consequently, the Company's paid-up capital amount to Baht 470,121,161.00. In this regard, the Company has amended the Company's memorandum of association to be consistent with the increase in the registered capital of the Company. The Company has allocated warrants to purchase the Company's ordinary shares No. 2 (HYDRO-W2) to the existing shareholders of the Company in proportion to their shareholding (Right Offering) at the ratio of 2 ordinary shares to 1 unit of warrant. (If there is a fraction of the warrant arising from the calculation, the said fraction must be rounded off the whole amount.) details are as follows :-

Warrant for Purchase Ordinary Shares (HYDRO-W2)

Types of Warrants	: Warrants to Purchase Ordinary Shares No.2 (HYDRO-W2) Allocate to shareholders who subscribe for additional shares (“Warrant No. 2” or “HYDRO-W2”)
Trading start date	: February 20, 2024
Number of warrants for allocation and sale	: 155,927,150 units
Rights of warrants	: Exercise Ratio,1 unit of warrant per new 1 ordinary share
Exercise Price	: At Baht 0.40 per share
Term of warrants	: 3 years commencing from the issued date (February 6, 2024)
Price of Warrant	: 0.01
First exercise date	: May 31, 2024
Last exercise date	: February 5, 2027

25. Operating segments

The Group identifies the operating segments on the basis of internal reports that are regularly reviewed by the Group’s chief operating decision maker in order to allocate resources to the segment and assess its performance and shall disclose the amount reported for each operating segment item to be the measure reported to the Group’s chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group classifies the operating segment from the category of service. The Group has three operating segments which are consists of 1) construction segment 2) service segment that consist of operation and maintenance service, design and procure equipment and 3) segment of water operator plant and wastewater treatment plant.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses, finance cost and shares of profit or loss in associates.

The segment operation for the three-month period ended March 31, 2024 and 2023 are as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>							
	<u>For the three-month period ended March 31</u>							
	<u>Construction</u>		<u>Services</u>		<u>Water operator plant and wastewater recycle plant</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues from external customers	31,346	16,598	22	-	-	-	31,368	16,598
Gross profit	6,645	627	4	-	-	-	6,649	627
Other income							572	967
Administrative expenses							(9,014)	(11,878)
Finance cost							(2,582)	(2,317)
Share of profit (loss) on investment in joint venture							(1)	50
Loss before income tax expense							(4,376)	(12,551)

The reconciliations of each segment total assets to the Group's assets and other material items.

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>									
	<u>For the three-month period ended March 31</u>									
	<u>Construction</u>		<u>Services</u>		<u>Water operator plant and wastewater recycle plant</u>		<u>Central</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Depreciation	16	15	-	-	-	-	743	955	759	970
Amortization	-	4	-	-	-	-	13	13	13	17

For the three-month period ended March 31, 2024, the Group has the revenue from service to 1 major customer in the amount of Baht 31.37 million earned by construction segment (For the three-month period ended March 31, 2023 : 1 major customers in the amount of Baht 16.60 million earned by construction segment).

26. Revenue

The relationship between the revenue information disclosed for each reportable segment for the three-month periods ended on March 31, 2024 and 2023, are as follows :-

(Unit: Million Baht)

	<u>Consolidated financial statements</u>					
	<u>For the three-month period ended on March 31</u>					
	<u>Segment operation</u>					
	<u>Construction</u>		<u>Services</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue from external customers	31.35	16.60	0.02	-	31.37	16.60
Revenue about geographic areas						
- Thailand	31.35	16.60	0.02	-	31.37	16.60
- Abroad	-	-	-	-	-	-
Total	31.35	16.60	0.02	-	31.37	16.60
Revenue recognized when a performance obligation						
- satisfied at a point in time	-	-	-	-	-	-
- satisfied over time	31.35	16.60	0.02	-	31.37	16.60
Total	31.35	16.60	0.02	-	31.37	16.60

27. Obligation and contingent liabilities

27.1 The commitment of the construction subcontracts and the commitment of the services agreement are as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Total amount of agreement	268,691	361,794	6,538	5,908
Total recognized cost	(168,093)	(214,643)	(2,730)	(2,539)
The remaining of non-operating work	100,598	147,151	3,808	3,369

27.2 Apart from various liability that reflects in the financial statements, the Group still constitutes obligation commitment contingent liability as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>					
	<u>March 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	200.61	172.36	28.25	205.33	177.69	27.64

(Unit : Million Baht)

	<u>Separate financial statements</u>					
	<u>March 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	32.54	4.29	28.25	32.54	4.90	27.64

The Group pledged bank deposit including transferal of the claimant right to receive the installment payment of project to the bank. The Group's deposit account has been pledged with the bank. When the money is received from the sales of the tap water, the bank would retain the money in the said account at the amount equivalent to the Company's obligation for that particular month.

28 Litigations

28.1 In November 2016, the Company has filed a lawsuit to the Central Administrative Court against a contractual party to claims for Baht 52.57 million of construction service fees to be paid to the Company and a release of the guarantee money in accordance to the bank's letter of guarantee at Baht 10.60 million to the Company. The said contractual party has breached the contract for the construction of waste collection and wastewater treatment systems by notifying the termination of the said contract without any default or defect created by the Company. In March 2017, the said counter party has filed a counterclaim to the Central Administrative Court demanding compensation of Baht 52.81 million plus interest at 7.50% per annum from the Company alleging that the construction performed by the Company has been delayed so the counter party has terminated the contract and demanded compensation from the Company.

On July 22, 2021, the Central Administrative Court has ordered the counterparty partial repayment of the construction service fee to the Company and that the Company pay compensation to the counterparty for the breach of contract with the net result that the Company must repay the counterparty in amount of Baht 23.86 million plus interest rate at 7.50% per annum.

However, the Company disagreed with the Central Administrative Court's judgement on both in terms of facts and legal regulation. The Company appeal to the Supreme Administrative Court.

The lawsuit is being considered by the court. the management believe that the outcome of the appeal will be favorable to the Company. Therefore, the Company has not recorded provision for the losses that may occur in the financial statements.

28.2 In October 2016, the Company has filed a claim to the Arbitration Institute against a contractual party to claim for a compensation of damages and opportunity losses incurred from the irrational termination of the waste collection and wastewater treatment systems contracts amount of Baht 15.77 million plus interest at 7.50% per annum and release of the bank's letter of guarantee amount of Baht 10.07 million to the Company. The said counter party has filed an objection and counter-claim by demanding the Company to repay advance received amount of Baht 9.87 million (shown as a portion of Advances received from customers under construction contracts) plus interest at 7.50% per annum. The counter party defened by reasoning that an exercise of the right to terminate the contract did not consider to be breach of contract.

Subsequently, in October 2019, the Arbitration Institute has judged an order the counter party paid construction fee to the Company in amount of Baht 3.84 million and the Company to repayment an advance received to the counter party in amount of Baht 9.87 million plus interest rate at 7.50% per annum since the date of filing the lawsuit by the company has already recognized the damage in the financial statement.

However, the Company disagreed with the Arbitration Institute. The Company appeal to the Central Administrative Court. The lawsuit is being considered by the Central Administrative Court.

In August 2023, the Company received a notice from bank fo demanding repayment of bank guarantee obligation from the event that a bank has paid to the counterparty on behalf of the Company amount of Baht 8.53 million. The bank has already forfeit the Company's all bank deposited that were pledge as collateral and there is still the remaining amount which will repay to the bank in amount of Baht 4.62 million which recognize as long-term loan as mentioned in note to financial statements No.22.

28.3 During the year 2021, the Company was sued in the case of breach of contract of consultation for project acquired in amounting to Baht 2.62 million plus interest at 7.50% per annum. Subsequently, on November 7, 2022, the Civil Court ordered the Company to pay to the counterparty amount of Baht 0.42 million plus interest. The Company disagreed with the judgment and appeal to the Appeal Court. In this regard, the Civil Court ordered the enforcement officer to freeze the Company's bank accounts. The Company is propose to submitting land as collateral to the Appeal Court to consider collateral and requesting permission to stay the execution in the appeals stage.

The management believe that the outcome of the appeal will be favorable to the Company. Therefore, the Company has not recorded provision for the losses that may occur in the financial statements.

28.4 During the year 2023, the Company and former directors was sued as a co-defendant to be jointly liable with the government officer for supporting the officer offense against the officer position under the Criminal Code to the Criminal Court for corruption cases. The said lawsuit was caused by the company entered into a contract to purchase and sale tap water with the Chedi Mae Krua Subdistrict, Nong Harn Subdistrict, Nong Yang Subdistrict, San Sai District, Chiang Mai Province in 2012. The management and legal advisor have an opinion that the Company has no intention to supporting the officer to breaking the criminal laws. Entering into a water purchase and sale contract is a common practice in commercial business. The lawsuit is being investigated the witness. However, the management believe that the outcome of the investigation will be favorable to the Company.

Presently, The Criminal Court for Corruption and Misconduct Cases, Region 5 has ordered that the Company and its former directors were not guilty of the charges against them for purchase and sale tap water with the Chedi Mae Krua Subdistrict and Nong Han Subdistrict. However, Nong Yang Subdistrict was under considering by The Criminal Court for Corruption and Misconduct Cases, Region 5.

28.5 The Company and Hydrotek Utilites Co., Ltd., a subsidiary (Plaintiff), have filed a lawsuit against Yunnan Water Investment Co., Ltd. and their related parties which totaling 3 defendants (Defendants). The lawsuit by suing for dissolution of an unregistered ordinary partnership and requests the appointment of the Company and its subsidiary as liquidators. Additionally, the Plaintiff has testified revocation of the settlement agreement alleging that the Company and its subsidiary breached the said settlement agreement and therefore call for reimbursement. Subsequently, Yunnan Water Investment Co., Ltd. and their related parties which totaling 3 Plaintiffs (Plaintiff) have filed a counter lawsuit against the Company and their 2 defendants (Defendants), alleging breach of the settlement agreement and call for reimbursement with interest. In 2023, the Civil Court has combined both lawsuits for joint consideration. On March 20, 2024, the Civil Court has issued a judgment ordering the Company to repay the debt with interest rate 7.50% per annum. Currently, the Company is in the process of filing an appeal to the Appeal Court.

29 The Reclassified

Some items in the consolidated and separate statements of financial positions as at December 31, 2023 have been reclassified in line with the presentation of the consolidated there was no impact to profit and loss for the period and the shareholders' equity as reported which can be summarise as following.

(Unit : Thousand Baht)

	<u>Consolidated / Separate financial statements</u>		
	<u>Before</u> <u>reclassified</u>	<u>Reclassified</u> <u>increase (decrease)</u>	<u>After</u> <u>reclassified</u>
<u>Statements of financial positions as at December 31, 2023</u>			
Current provisions for employee benefits	-	326	326
Non-current provisions for employee benefits	2,697	(326)	2,371

30. Event after the reporting period

30.1 In accordance with the Company's minute of the Annual General Meeting of Shareholders for the year 2024 held on April 30, 2024 has significant resolution as follows :-

30.1.1 Resolved to approve the capital to decrease of the Company's registered capital in the amount of Baht 49,754,679.00 from Baht 675,838,592.00 to the registered capital Baht 626,083,913.00 by canceling the registered but unissued ordinary shares in the number of 49,754,679 shares at a par value of Baht 1.00 per share to offer for sale to existing shareholders in proportion to the shareholding each shareholder holds (Right Offering) in the amount of 207,950,336 shares which was approved by the Extraordinary General Meeting of Shareholders No. 1/2566 on December 14, 2023 and the amendment of the Company's Memorandum of Association, to be consistent with the reduction of the Company's registered capital.

30.1.2 Resolved to approve increase of the Company's registered capital general mandate in amount of Baht 282,072,696.00 from the former registered capital of Baht 626,083,913.00 to the new registered capital of Baht 908,156,609.00 by issuing newly issued ordinary shares not exceeding 282,072,696 shares par value of Baht 1.00 per share and the amendment of the Company's Memorandum of Association, to be consistent with the increasing of the Company's registered capital.

30.1.3 Resolved to approve the allocation of newly issued ordinary shares under general mandate no more than 282,072,696 shares par value of Baht 1.00 per share as follows :-

Method 1 Allotment of newly issued ordinary shares not exceeding 141,036,348, representing 30% of the paid-up capital to be offered to shareholders in proportion to their shareholders (RO).

Method 2 Allotment of newly issued ordinary shares not exceeding 94,024,232, representing 20% of the paid-up capital to be offered to shareholders in proportion to public offering (PO).

Method 3 Allotment of newly issued ordinary shares not exceeding 47,012,116, representing 10% of the paid-up capital to be offered to shareholders in proportion to private placement (PP).

By allocating newly issued ordinary shares according to Method 1, Method 2 and Method 3 above by one or three methods, the total amount shall not exceed 30% of the paid-up capital or not exceeding 141,036,348 shares, but if allocated according to Method 2 and Method 3, the additional paid-up capital shall not exceed 20% of the paid-up capital as of the date the Board of Directors resolves to increase the capital or the amount not exceeding 94,024,232 share.

31. Approval of financial statements

These interim consolidated and separated financial statements were authorized for issue by the Company's board of directors on May 15, 2024
