

Information Memorandum on Connected Transactions

**Engagement of CH. Karnchang Public Company Limited as Engineering,
Procurement and Construction (EPC) Contractor for the 2nd Tap Water
Production Plant Construction Project for Production Capacity
Expansion in Samut Sakhon - Nakhon Pathom Area**

by

TTW Public Company Limited

and

**Production Capacity Expansion Project in
Pathum Thani - Rangsit Area**

by

Pathum Thani Water Company Limited (Subsidiary)

Supporting Documents of the Extraordinary General Meeting of Shareholders No. 1/2014 Monday, December 22, 2014
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Engagement of CH. Karnchang Public Company Limited as Engineering, Procurement and Construction (EPC) Contractor for the 2nd Tap Water Production Plant Construction Project for Production Capacity Expansion in Samut Sakhon - Nakhon Pathom Area
by TTW Public Company Limited

1. Transaction Date

After the approval by the resolution of the Extraordinary General Meeting of Shareholders No. 1/2014 of TTW Public Company Limited which will be held on Monday, December 22, 2014.

2. Related Parties

Service Provider: CH. Karnchang Public Company Limited

Service Customer: TTW Public Company Limited (the “Company”)

3. General Characteristics of the Transaction

With regard to the Company's 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon - Nakhon Pathom area, according to its forecast of the water usage demand in the next 20 years, the water usage demand is continuously rising and it is likely to reach its maximum production capacity of 440,000 m³/day in late 2015. The majority of such water usage demand would be in Amphoe Mueang and Amphoe Krathum Baen, Samut Sakhon Province (in the south of the Company's service area). The Company then needs to construct the raw water pumping station and the 2nd tap water production plant adjacent to the aforesaid potential area. The 2nd tap water production capacity expansion project in Samut Sakhon - Nakhon Pathom area represents the construction of structures to accommodate the production capacity expansion of approximately 400,000 m³/day in the future, with an initial production capacity of 100,000 m³/day, including improvements in relation to rights and privileges obtained from the Board of Investment (BOI). The Company will execute the Engineering, Procurement and Construction (EPC) Contract with CH. Karnchang Public Company Limited as EPC Contractor for the 2nd Tap Water Production Plant, with the service fee for this engagement of CH. Karnchang Public Company Limited in the total amount of Baht 2,903.7 Million (excluding value added tax). This is because CH. Karnchang Public Company Limited is the country's leading construction company, with the good financial standing, expertise, and experience in construction of a number of large-scale infrastructure projects, such as, expressway construction projects, Tap Water Production Plant Construction Projects in

Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, Nam Ngum 2 Hydroelectric Power Project, etc., thereby demonstrating the potentials, know-how, and readiness of its engineers and working teams.

CH. Karnchang Public Company Limited holds 759,877,400 shares in the Company or representing 19.04 percent of all issued and paid-up shares in the Company (information as at the closing date of the shareholder register on October 31, 2014). Therefore, the aforesaid transaction with CH. Karnchang Public Company Limited represents a transaction between the Company and the Company's major shareholder, and as such, it is considered a connected transaction in the category of assets or services under the Notification of the Capital Market Supervisory Board No. ThorChor. 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (collectively, the "Notifications on Connected Transactions"), with the essence as follows:

Executive Summary

Transaction Date:

After the approval by the resolution of the Extraordinary General Meeting of Shareholders No. 1/2014 of TTW Public Company Limited which will be held on Monday, December 22, 2014 for execution of the Engineering, Procurement and Construction (EPC) Contract with CH. Karnchang Public Company Limited.

Contractual Parties and Relationship of the Contractual Parties:

Employer: TTW Public Company Limited (the "Company")

Contractor: CH. Karnchang Public Company Limited

CH. Karnchang Public Company Limited is the major shareholder of TTW Public Company Limited, holding 759,877,400 shares or representing 19.04 percent of all issued and paid-up shares in the Company (information as at the closing date of the shareholder register of TTW Public Company Limited on October 31, 2014).

Purpose of the Contract:

The contractual parties agree to engage CH. Karnchang Public Company Limited to design, engineer, manufacture, supply, install, procure, construct, test and commission TTW Public Company Limited's 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon – Nakhon Pathom area, by constructing the structures to accommodate the production capacity expansion of approximately 400,000 m³/day in the future, with an initial production capacity of 100,000 m³/day, including improvements in relation to rights and privileges obtained from the Board of Investment (BOI). The tap water production system will utilize raw water from Tha Chi River in the area adjacent to Wat DonWai, Amphoe Sam Phran, Nakhon Pathom Province, and the construction site of the 2nd Tap Water Production Plant will be located next to the Krathum Baen Booster Station, Samut Sakhon Province. The service fee shall be paid on a fixed lump sum turnkey basis by TTW Public Company Limited, whereby payment shall be made in installments under the conditions of the Contract, with the final installment at 10 percent of the total Contract Price, upon receipt of the Taking Over Certificate (TOC), thereby bringing the construction value to a total of Baht 2,903.7 Million (excluding value added tax).

Scope of Contract:

CH. Karnchang Public Company Limited shall have the obligations under the Contract as follows:

1. To provide all rights and entitlements with respect to all licenses related to design and construction of the 2nd Tap Water Production Plant without any additional service fee other than the construction price.
2. To carry out the design and construction of the 2nd Tap Water Production Plant per details attached to the Contract.

3. To provide equipment, tools, labor, experts, training and services to ensure the successful construction of the 2nd Tap Water Production Plant in order to be ready for start-up and commissioning of various systems and equipment.
4. To provide necessary consumables, utilities and services as required for the construction and commissioning of the systems and equipment, and related works until taking over.
5. To undertake the procurement including activities related to equipment, such as, import, clearance and transportation to the site, including relevant filings for exercise of rights under the investment promotion.
6. To provide for sufficient construction and maintenance personnel.
7. To carry out the commissioning of various systems and the operation of the 2nd Tap Water Production Plant.
8. To provide for training of operating and maintenance personnel of the Company.
9. To supply and make available facilities at the construction site of the 2nd Tap Water Production Plant and other related sites, including the construction equipment needed.
10. To provide sufficient quantity of office accommodation and facilities, equipment, services and others for consulting engineers throughout the construction period.
11. To import equipment in the name of the Company and make proper arrangements relating to documents, licenses and rights in accordance with the procedures of the Customs Department, the Port Authority, the Board of Investment and other relevant government authorities.

The Contractor shall perform such works subject to the Company's EPC Contract, with the period of construction, installation, commissioning of systems until completion within 730 days from the date as agreed upon in the Contract.

Obligations of the Contractual Parties:

CH. Karnchang Public Company Limited

1. To perform the works under the scope of works as mutually agreed to ensure the completion according to schedule as agreed upon in the Contract, whereby any works under this Contract shall commence from the date as agreed upon in the Contract.
2. To complete the works under the Contract in accordance with the schedule of works in order to achieve each milestone, and submit the progress report of completed works to TTW Public Company Limited.
3. To ensure that the works shall be completed under the requirements of the Contract for inspection and acceptance of the 2nd Tap Water Production Plant Construction Project within 730 days from the date as agreed upon in the Contract.
4. To perform all activities for the construction of the 2nd Tap Water Production Plant Construction Project as stipulated in the Contract.

TTW Public Company Limited

1. To make available the site according to time schedules as mutually agreed in the Contract, so as to grant CH. Karnchang Public Company Limited access thereto to perform its works, including assistance in terms of documentations for CH. Karnchang Public Company Limited to obtain various necessary licenses or approvals from the relevant governmental authorities;
2. To provide for its engineer(s) or representative(s) for contact with CH. Karnchang Public Company Limited, with the power and duties as authorized by TTW Public Company Limited;
3. To make available utilities necessary for CH. Karnchang Public Company Limited's performance of its obligations, at CH. Karnchang Public Company Limited's own cost;
4. To inspect construction work and works as delivered by the Contractor for inspection;
5. The Company may provide for its project management consultant(s) to monitor, inspect equipment or engagement of labor in various fields in relation to works under the Contract to ensure that CH. Karnchang Public Company Limited has complied with its obligations as specified in the Contract;
6. To pay the Contract Price to CH. Karnchang Public Company Limited.

Contract Price:

1. The Contract Price is equal to the consideration to be paid by TTW Public Company Limited to CH. Karnchang Public Company Limited in the amount of Baht 2,903.7 Million (excluding value added tax), whereby a down payment shall be paid in the amount of 15 percent of the Contract Price upon TTW Public Company Limited's receipt of the Performance Security with a value of 10 percent of the Contract Price and the Advance Payment Guarantee with a value equivalent to the down payment.
2. The Contract Price is fixed and not be subject to escalation, irrespective of exchange rates with other currencies, and shall only be payable in the currency as stated in the Contract.
3. Payment of the Contract Price shall be made to CH. Karnchang Public Company Limited in installments as follows:
 - 15 percent of the total Contract Price as down payment upon TTW Public Company Limited's receipt of the Performance Security with a value of 10 percent of the Contract Price and the Advance Payment Guarantee with a value equivalent to the down payment;
 - 90 percent of the total Contract Price in accordance with the monthly progress of work;
 - 10 percent of the total Contract Price upon receiving the Taking Over Certificate (TOC).

The Company shall deduct the return of the down payment at the rate of 15 percent of each payment installment and deduct retention money at the rate of 10 percent of each

payment installment, whereby retention money shall be deducted not exceeding five percent of the Contract Price.

Summary of Key Terms and Conditions:

1. With regard to performance of the works under the Contract, CH. Karnchang Public Company Limited shall have the duty to provide guarantees relating to the works performed under the Contract for TTW Public Company Limited that the works will be free from defects and that the 2nd Tap Water Production Plant and the Production Capacity Expansion will be capable of producing clean, safe, continuous, and reliable tap water to meet the objectives and requirements of the Company.
2. Upon the expiration of all guarantees relating to the works and fulfillment of all obligations of CH. Karnchang Public Company Limited related thereto, TTW Public Company Limited shall issue the Final Acceptance Certificate to CH. Karnchang Public Company Limited.
3. Should CH. Karnchang Public Company Limited fail to complete the delivery of the works according to schedule, including upon a lapse of the extended period under the Contract, without any fault on the part of TTW Public Company Limited, CH. Karnchang Public Company Limited shall be liable to pay damages to TTW Public Company Limited at the daily rate of 0.12 percent of the total Contract Price from the lapse of such period of time, with the maximum penalty at the rate of 10 percent of the Contract Price. Furthermore, construction related to equipment and current systems of CH. Karnchang Public Company Limited shall be subject to payment of compensation for delay arising from return of equipment and systems to the Company at the rate of Baht 10,000 per hour, with the maximum penalty not exceeding Baht 200,000 each.
4. **Total Value and Basis for Determination of Total Value**
 - 4.1 Total Value of Consideration
 - Baht 2,903.7 Million (excluding value added tax)
 - 4.2 Payment
 - The payment shall be made in installments under the conditions of the Contract as follows:
 - (1) 15 percent of the total Contract Price as down payment upon TTW Public Company Limited's receipt of the Performance Security with a value of 10 percent of the Contract Price and the Advance Payment Guarantee with a value equivalent to the down payment;
 - (2) 90 percent of the total Contract Price in accordance with the monthly progress of work;
 - (3) 10 percent of the total Contract Price upon receiving the Taking Over Certificate (TOC).

The Company shall deduct the return of the down payment at the rate of 15 percent of each payment installment and deduct retention money at the rate of 10 percent of each payment installment, whereby retention money shall be deducted not exceeding five percent of the Contract Price.

4.3 Basis for Determination of Value

(1) Basis for Consideration and Selection of the Contractor

TTW Public Company Limited has considered selecting CH. Karnchang Public Company Limited, which is the country's leading construction company, with the good financial standing, expertise, and experience in construction of a number of large-scale infrastructure projects, such as, expressway construction projects, Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, Nam Ngum 2 Hydroelectric Power Project, etc., thereby demonstrating the potentials, know-how, and readiness of its engineers and working teams. The construction price for the 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon – Nakhon Pathom area amounts to Baht 2,903.7 Million (excluding value added tax) for a period of 730 days.

(2) Basis for Consideration of Value

TTW Public Company Limited has considered the appropriateness of the construction price based on the price appraisal report of the independent consulting engineer. TTW Public Company Limited has engaged EPSILON Co., Ltd., an independent consulting engineer, to review the appropriateness of the construction price and the justification of the transaction, in comparison with the construction value of the 2nd Tap Water Production Plant for production capacity expansion in Samut Sakhon - Nakhon Pathom area by CH. Karnchang Public Company Limited.

Upon comparison between the price proposed by CH. Karnchang Public Company Limited and the price estimated and reviewed by the independent consulting engineer, the price of Baht 2,916.0 Million appraised by the independent consulting engineer is higher than the price proposed by CH. Karnchang Public Company Limited by Baht 12.3 Million or representing 0.42 percent. The Board of Directors' Meeting of TTW Public Company Limited considered the price proposed by CH. Karnchang Public Company Limited reasonable.

4.4 Transaction Size

The execution of the Contract engaging CH. Karnchang Public Company Limited as EPC Contractor for the 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon - Nakhon Pathom area by TTW Public Company Limited is a transaction between the Company and its major shareholder. Therefore, such transaction is considered a connected transaction in the category of large-sized assets or services under the SET Notifications on Connected Transactions, with the transaction size of 26.20 percent of the net tangible asset (NTA) value per the consolidated financial statements of TTW Public Company Limited, which, as at June 30, 2014, amounted to Baht 11,083 Million.

The net tangible assets per the consolidated financial statements of TTW Public Company Limited as at June 30, 2014 can be calculated as follows:

$$\begin{aligned} &= \text{Total assets} - \text{Total liabilities} - \text{Non-controlling interests} - \text{Intangible assets} \\ &= 24,229.1 - 13,099.9 - 37.3 - 8.9 \\ &= \text{Baht 11,083 Million} \end{aligned}$$

The transaction size can be calculated as follows:

$$\begin{aligned} &= (2,903.7 / 11,083) \times 100\% \\ &= 26.20\% \end{aligned}$$

Given that the transaction size to be executed by TTW Public Company Limited exceeds 3 percent of the net tangible assets per the consolidated financial statements of TTW Public Company Limited, it shall be deemed a large-sized connected transaction. Therefore, TTW Public Company Limited shall have the duty to seek approval of the shareholders' meeting by not less than three-fourths of all votes of the shareholders attending the Meeting and having the right to vote, excluding the votes by the interested shareholders, to approve the execution of such transaction. In addition, TTW Public Company Limited is required to engage an independent financial advisor to provide an opinion on the justification and benefits of the transaction, fairness of price and conditions of the transaction, for submission to the Company's shareholders, and disclose the information on such transaction to the Stock Exchange of Thailand.

In this regard, upon consideration of the execution of this transaction pursuant to the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004), and its amendments per the Notification of the Capital Market Supervisory Board No. ThorChor. 20/2551, including Section 89/29 of the Securities and Exchange Act B.E. 2551 (2008), the highest transaction size on the

basis of total value of consideration is equal to 11.98 percent of the total assets value of the Company and its subsidiaries per the consolidated financial statements ended June 30, 2014, with the details of the calculation of the transaction size of the acquisition of assets on the following four bases:

Basis of calculation	Calculation	Transaction size (percent)
1. Value of assets	<u>% of NTA per acquisition percentage</u> NTA of the Company and subsidiaries	The size cannot be calculated due to the absence of NTA in respect of assets to be acquired.
2. Net profit	<u>% of net profit from assets to be acquired</u> Net profit of the Company and subsidiaries	The size cannot be calculated due to the absence of net profit in respect of assets to be acquired.
3. Total value of consideration	<u>Payment to be made</u> Total assets of the Company and subsidiaries	<u>2,903.70</u> 24,229.12 = 11.98%
4. Share capital value	<u>Shares to be issued as payment for assets</u> Company's issued and paid-up shares	The size cannot be calculated since the Company will not issue any shares as payment for assets.

Upon combination of the size of this transaction, namely, 11.98 percent, with the transaction size of the engagement of CH. Karnchang Public Company Limited in the Production Capacity Expansion Project in Pathum Thani – Rangsit Area, of which the highest transaction size on the basis of total value of consideration is equal to 1.52 percent, the total transaction size represents 13.50 percent, which is less than 15 percent, and is not regarded as a transaction of acquisition of assets which is subject to the notification requirement to the Stock Exchange of Thailand ("SET").

5. Potential Benefits of the Transaction

This engagement of CH. Karnchang Public Company Limited as EPC Contractor for the 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon - Nakhon Pathom area by TTW Public Company Limited is due to the fact that CH.

Karnchang Public Company Limited is the country's leading company, with the good financial standing, expertise, and experience in construction of a number of large-scale infrastructure projects, such as, expressway construction projects, Nam Ngum 2 Hydroelectric Power Project, and most importantly, as a contractor with experience in successful construction, supply and installation of equipment for the Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, and as such, it has proper understanding and capability to implement the 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon - Nakhon Pathom area, thereby demonstrating the potentials, know-how, and readiness of its engineers and working teams.

Moreover, the engagement on the fixed cost lump sum turnkey basis within the specified timeframe will assure that TTW Public Company Limited is able to manage time and costs of the 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon - Nakhon Pathom area.

6. Details of Connected Persons

- (1) CH. Karnchang Public Company Limited is the major shareholder of TTW Public Company Limited, by holding 759,877,400 shares or representing 19.04 percent of all issued and paid-up shares in the Company.^{1/}
- (2) Dr. Sombat Kitjalaksana is a director of TTW Public Company Limited, by holding 2,860,100 shares or representing 0.07 percent of the registered and paid-up capital^{1/}, and a director of CH. Karnchang Public Company Limited, by holding 307,500 shares or representing 0.00 percent of the registered and paid-up capital.^{2/}
- (3) Mr. Plew Trivisvavet is the Vice-Chairman of the Board of Directors of TTW Public Company Limited, by holding 1,100,000 shares or representing 0.027 percent of the registered and paid-up capital^{1/}, and the President and Chief Executive Officer and a shareholder of CH. Karnchang Public Company Limited, by holding 12,613,497 shares or representing 0.75 percent of the registered and paid-up capital.^{2/}
- (4) Mr. Prasert Trivisvavet is a close relative of Mr. Plew Trivisvavet, and Mr. Prasert Trivisvavet is a shareholder of TTW Public Company Limited, by holding 2,300,000 shares or representing 0.05 percent of the registered and paid-up capital.^{1/}
- (5) Miss Nopaneera Sangsuriya is a daughter of Mr. Narong Sangsuriya who is a shareholder of TTW Public Company Limited, by holding 1,000,000 shares or representing 0.03 percent of the registered and paid-up capital.^{1/}

- (6) Mr. Natus Sangsuriya is a son of Mr. Narong Sangsuriya who is a shareholder of TTW Public Company Limited, by holding 1,000,000 shares or representing 0.03 percent of the registered and paid-up capital.^{1/}
- (7) M.R. Achariya Kongsiri is the spouse of Mr. Aswin Kongsiri who is the Chairman of the Board of Directors of CH. Karnchang Public Company Limited, and a shareholder of TTW Public Company Limited, by holding 300,000 shares or representing 0.01 percent of the registered and paid-up capital.^{1/}
- (8) Dr. Supamas Trivisvavet is a daughter of Mr. Plew Trivisvavet, and a shareholder of TTW Public Company Limited, by holding 200,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (9) Mr. Sittidej Trivisvavet is the Executive Vice President: Purchasing of CH. Karnchang Public Company Limited, and Mr. Sittidej Trivisvavet is a shareholder of TTW Public Company Limited, by holding 100,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (10) Mrs. Korakot Trivisvavet is a close relative of Mr. Sittidej Trivisvavet, the Executive Vice President: Purchasing of CH. Karnchang Public Company Limited, and Mrs. Korakot Trivisvavet is a shareholder of TTW Public Company Limited, by holding 140,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (11) Mrs. Saikasem Trivisvavet is the spouse of Mr. Plew Trivisvavet, and a shareholder of TTW Public Company Limited, by holding 100,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (12) Miss Chansai Santaannop is a daughter of Mr. Ratn Santaannop who is a director and the Executive Vice President: Construction 1 of CH. Karnchang Public Company Limited, and Miss Chansai Santaannop is a shareholder of TTW Public Company Limited, by holding 23,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (13) Mr. Puwanet Trivisvavet is a close relative of Mr. Sittidej Trivisvavet, and Mr. Puwanet Trivisvavet is a shareholder of TTW Public Company Limited, by holding 50,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (14) Mr. Kamthorn Trivisvavet is an executive director of CH. Karnchang Public Company Limited, and Mr. Kamthorn Trivisvavet is a shareholder of TTW Public Company Limited, by holding 40,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (15) Mr. Nattavut Trivisvavet is a son of Mr. Plew Trivisvavet, and a shareholder of TTW Public Company Limited, by holding 10,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}

- (16) Mr. Prasert Marittanaporn is the Senior Executive Vice President: Administration Group of CH. Karnchang Public Company Limited, and Mr. Prasert Marittanaporn is a shareholder of TTW Public Company Limited, by holding 100 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (17) Mr. Narong Sangsuriya is the Chairman of the Executive Committee of TTW Public Company Limited, by holding 100 shares or representing 0.00 percent of the registered and paid-up capital^{1/}, and a director and Senior Executive Vice President: Operation Group as well as a shareholder of CH. Karnchang Public Company Limited, by holding 512,500 shares or representing 0.00 of the registered and paid-up capital.^{2/}

Remarks: 1/ Information as at the closing date of the shareholder register of TTW Public Company Limited on October 31, 2014

2/ Information upon closing of the shareholder register of CH. Karnchang Public Company Limited as at August 14, 2014

7. Nature and Scope of Interest of the Connected Persons

The execution of this transaction with CH. Karnchang Public Company Limited is considered a connected transaction in the category of large-sized assets or services. The transaction value is Baht 2,903.7 Million or representing 26.20 percent, as compared with the net tangible asset value per the consolidated financial statements of TTW Public Company Limited as at June 30, 2014. Pursuant to the Notifications on Connected Transactions, the execution of any transaction with a value higher than 3 percent shall require the approval of the shareholders' meeting of TTW Public Company Limited by not less than three-fourths of all votes of the shareholders attending the meeting and having the right to vote, excluding the votes by the interested shareholders.

In this regard, TTW Public Company Limited has appointed Triple A Plus Advisory Co., Ltd. as independent financial advisor to provide an opinion on the justification and benefits for TTW Public Company Limited, fairness of price and conditions of the connected transaction, and report such opinion to the Stock Exchange of Thailand and the shareholders.

8. Source of Funding

With respect to the source of funding to be utilized for the 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon – Nakhon Pathom area on this occasion, the Company is considering bank loan and/or issuance of debentures in the total amount of Baht 3,000 Million, depending on the likelihood of interest rate in the future.

9. Other Information relating to the Company

(a) Summary of Corporate Profile of the Company and Business Operations

TTW Public Company Limited (the “Company”) (formerly “Thai Tap Water Public Company Limited”) operates the business of production and distribution of tap water for the Provincial Waterworks Authority (“PWA”) covering service areas in Amphoe Nakhon Chaisri, Amphoe Sam Phran and Amphoe Phutthamonthon in Nakhon Pathom Province and Amphoe Mueang Samut Sakhon and Amphoe Krathum Baen in Samut Sakhon Province, to replace the private sector’s utilization of groundwater and PWA’s tap water production from groundwater wells, and to increase the tap water production volume to sufficiently accommodate the consumers’ demand which is continuously increasing so as to help alleviate the problems of land subsidence and saline water intrusion in accordance with the government’s policy.

The Company was incorporated on September 11, 2000 under the name of VKCS (Thailand) Co., Ltd. (later changed to Thai Tap Water Supply Company Limited, and converted into a public limited company on January 6, 2006 as Thai Tap Water Supply Public Company Limited, and then changed to TTW Public Company Limited on March 14, 2014, respectively) to engage in the business of land management and development for the purpose of tap water production and distribution projects, by way of a joint venture between CH. Karnchang Public Company Limited and Thames Water Group in the shareholding percentage at the ratio of 50:50, with the registered and paid-up capital of Baht 100,000 (at the par value of Baht 100 per share). Subsequently, the Company entered into a Water Purchase and Sale Agreement with PWA on September 21, 2000, for a period of 30 years, commencing from July 21, 2004 to July 20, 2034, on a Build-Own-Operate (“BOO”) basis, namely, the Company is the owner of the tap water production and distribution systems and is under no obligation to transfer them to PWA. Should the Company wish to renew this Agreement, the Company shall give a written notice to PWA at least three years prior to the end of the period of the Agreement.

In this regard, the Company shall provide for the Minimum Offtake Quantity (MOQ) guarantee of 320,000 m³/day. Pursuant to the Water Purchase and Sale Agreement, the Minimum Offtake Quantity (MOQ) to be purchased by PWA from the Company throughout the 30-year period can be summarized as follows:

Starting Date	Ending Date	MOQ to be purchased by PWA (m ³ /day)
July 21, 2004	July 20, 2006	200,000
July 21, 2006	July 20, 2008	250,000
July 21, 2008	July 20, 2034 (end of the Agreement)	300,000

In addition to the requirements regarding the Minimum Offtake Quantity to be purchased by PWA from the Company per the aforesaid details, the Water Purchase and Sale Agreement also required the Company to always monitor and ensure the sufficient production capacity of the Company's tap water production system for distribution of the Minimum Offtake Quantity of tap water to be purchased by PWA at such time plus seven percent of the Minimum Offtake Quantity to be purchased at such time or plus 20,000 m³/day, whichever is fewer. Therefore, the Company's maximum production capacity was only sufficient for distribution of tap water to PWA under the Water Purchase and Sale Agreement. The volume of tap water for trading in each month would be measured by water meters at two distribution stations, namely, Phutthamonthon Distribution Station and Mahachai Distribution Station, and would also be calculated based on the water tariff as specified under the Agreement, subject to escalation on January 1 each year per the General Consumer Price Index (General CPI) of Bangkok Metropolis and surrounding provinces, and K factor. In this regard, the water tariff at the initial production capacity (300,000 m³/day) is equal to Baht 28.269483/m³ in 2014.

Moreover, the Company entered into the Amendment Agreement with PWA on December 29, 2008, whereby PWA agrees to purchase the additional MOQ from 300,000 m³/day to 354,000 m³/day, in which the purchase will be increased by 9,000 m³/day each year until MOQ reaches 354,000 m³/day throughout the period of the existing Water Purchase and Sale Agreement. September 1, 2010 was set to be the Actual Commencement Date for additional MOQ. Initial water tariff for the additional production capacity as at the date of execution of the Amendment Agreement was specified at Baht 10.52/m³, subject to escalation every year from the date of execution of the Amendment Agreement based on the calculation formula as specified in the Agreement. In this regard, the water tariff for the additional production capacity (in excess of 300,000 m³/day) amounts to Baht 11.93/m³ in 2014.

The Company obtained Promotional Certificates from the Board of Investment (BOI) No. 1382(2)/2545, dated June 19, 2002, for the initial production capacity of 320,000 m³/day, and No. 2437(2)/2553, dated December 23, 2010, for the production capacity expansion of 120,000 m³/day, with tax privileges for the business operation in Category 7.1 Infrastructure and Basic Services. Such tax privileges in relation to the corporate income tax exemption for the initial production capacity have ended on January 4, 2012 while the corporate income tax exemption for the production capacity expansion will end on September 13, 2018. Moreover, during 2013, the Company has obtained the investment promotion from the Board

of Investment for investment recovery program after the flood crisis per Promotional Certificate No. 5177(2)/2556 on May 27, 2013 (in replacement of the existing Promotional Certificate No. 1382(2)/2545 which expired in 2012) subject to the specified conditions and privileges.

The Company carried out the construction of the tap water production and distribution systems to consumers with its maximum production capacity as at December 31, 2009 of 320,000 m³/day which was expanded to 440,000 m³/day in August, 2010. In addition to the Water Purchase and Sale Agreement, the Company was also awarded a tap water business concession from the Ministry of Natural Resources and Environment for a period of 25 years from March 11, 2005 to March 10, 2030, whereby the Company has been permitted to produce tap water for distribution in five districts of two provinces, namely, Amphoe Nakhon Chaisri, Amphoe Sam Phran and Amphoe Phutthamonthon in Nakhon Pathom Province and Amphoe Mueang Samut Sakhon and Amphoe Krathum Baen in Samut Sakhon Province.

The Company was converted into a public limited company on July 6, 2006 under the name of Thai Tap Water Supply Public Company Limited, and made its initial public offering of the ordinary shares for capital increase and was listed on the Stock Exchange of Thailand on May 22, 2008, abbreviated as "TTW" for securities trading. Subsequently, the Company's 2014 Annual Ordinary General Meeting of Shareholders on March 14, 2014 has resolved to change its name to TTW Public Company Limited, while its abbreviation remains "TTW" for securities trading. As at September 30, 2014, the Company's registered and paid-up capital amounted to Baht 3,990 Million, divided into 3,990 million ordinary shares at the par value of Baht 1 per share.

Other than the agreement for production of tap water for distribution to PWA, the Company also expanded its business scope by means of investment in its subsidiaries and associated companies, including acquisition of rights in operation and management of tap water and wastewater in the industrial estate, per the details which can be summarized as follows:

1) Investment in Pathum Thani Water Company Limited

On June 29, 2007, the Company acquired the ordinary shares in Pathum Thani Water Company Limited ("PTW"), representing 98 percent of all issued and paid-up capital of PTW, with a total investment value of Baht 3,998.3 Million, and since then, PTW becomes the Company's subsidiary.

Currently, PTW's registered and paid-up capital amounts to Baht 1,200 Million. PTW operates the business of tap water production and distribution to PWA like the Company, by entering into the Water Production and Distribution Agreement with PWA on August 31, 1995, for a term of 25 years from October 15, 1998 to October 14, 2023, on a Build-Own-Operate-Transfer ("BOOT") basis, namely, PTW constructs the tap water production and distributions systems, and the tap water distribution system shall be transferred to PWA as at the commencement date of business while the ownership of the tap water production system shall be transferred to PWA upon the 25th anniversary. In this regard, PTW may request to take on lease of the tap water production system from PWA for tap water production and distribution after the end of the 25-year period on two occasions, for a lease term of 10 years each, subject to submission of the letter of intent to PWA after the 24th anniversary of the commencement date of business and at least six months prior to transfer of such tap water production system or during October 15, 2022 to April 14, 2023. PWA shall purchase the tap water from PTW for distribution to people in its service area in Pathum Thani - Rangsit, Pathum Thani Province. Besides the Water Production and Distribution Agreement with PWA, PTW was also awarded a tap water business concession from the Ministry of Interior on January 13, 2000, whereby PTW has been permitted to produce tap water for distribution in its service area in Pathum Thani - Rangsit, Pathum Thani Province, for a period of 25 years.

PTW's tap water production plant is located in Amphoe Sam Khok, Pathum Thani Province, by distributing tap water to PWA, Waterworks Office of Pathum Thani, Waterworks Office of Rangsit, Waterworks Office of Thanyaburi, and Waterworks Office of Khlong Luang. PTW formerly had its maximum production capacity of 288,000 m³/day, which was later expanded, on August 1, 2008, to 388,000 m³/day in order to accommodate the increasing water usage demand in such area. For this reason, on September 15, 2006, PTW signed a water purchase and sale agreement with for additional MOQ to be purchased by PWA from PTW by approximately 70,000 m³/day, in which the purchase would be gradually increased from an initial volume of 50,000 m³/day as at the date of PTW's ability to produce and distribute tap water at 70,000 m³/day, subject to

escalation every year at 10,000 m³/day per year until the additional purchased water volume reaches 70,000 m³/day. PTW's MOQ was increased to 330,000 m³/day from August 1, 2010. In this regard, the water tariff charged by PTW to PWA amounts to Baht 12.39 /m³ in 2014.

PTW obtained Promotional Certificates from the Board of Investment (BOI) No. 1739/2539, dated November 6, 1996, for the initial production capacity of 288,000 m³/day and No. 1451(2)/2551, dated August 1, 2008, for the production capacity expansion of 100,000 m³/day, with tax privileges for the business operation in Category 7.2 Tap Water or Water for Industrial Purpose and Category 7.1 Infrastructure and Basic Services. Such tax privileges in relation to the corporate income tax exemption for the initial production capacity have ended on October 14, 2006 while the corporate income tax exemption for the production capacity expansion will end on July 30, 2016. Currently, PTW's entitlement to corporate income tax exemption has been extended until May 26, 2021.

2) Business Merger of Thai Water Operations Company Limited

Thai Water Operations Company Limited ("Thai Water") is founded through a business merger between WaterFlow Co., Ltd., formerly as the Company's subsidiary, and BJT Water Co., Ltd., as PTW's subsidiary, on January 8, 2010, and the Operation and Maintenance Agreement was changed to the Maintenance, Operation and Repair Agreement for the Company and PTW, as well as in Bang Pa-in Industrial Estate, whereby the Company and PTW holds shares in Thai Water representing 68.5 percent and 31.5 percent of the total of 60 million shares, respectively, and as such, Thai Water is the Company's subsidiary.

3) Investment in Bang Pa-in Industrial Estate

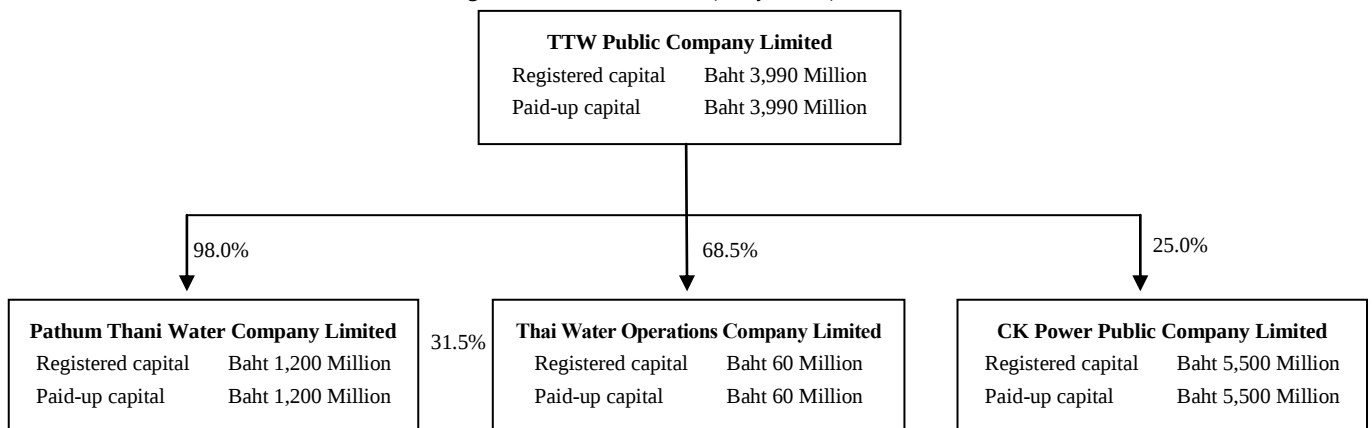
On August 7, 2009, the Company signed an agreement for acquisition of rights in operation and management of tap water and wastewater in Bang Pa-in Industrial Estate, for a period of 30 years, worth Baht 1,400 Million, with the production capacity of 48,000 m³/day, at the water sales price of Baht 22.5/m³, and the wastewater treatment capacity of 18,000 m³/day, at the wastewater treatment service fee of Baht 7-9/m³ depending on the wastewater quality level; however, if the wastewater quality level exceeds the specified requirement, the service fee will be charged at Baht 20/m³. The main reasons for the Company's acquisition of such rights in Bang Pa-

in Industrial Estate are: 1) to minimize its reliance on revenue from a single customer, i.e., PWA, and to expand the service area, thereby generating more revenue for the Company; 2) to enhance skills, knowledge and experience in the wastewater treatment business; and 3) to provide full services directly to its customers.

4) Investment in CK Power Public Company Limited

In 2011, the Company acquired the ordinary shares representing 30 percent of the registered capital of CK Power Public Company Limited (“CKP”) which operates its core business as a holding company by holding shares in other companies engaging in the electricity production and distribution businesses, totaling five plants, comprising one hydro power plant, three solar power plants, and one cogeneration power plant. Subsequently in 2013, CKP was converted into a public limited company under the name of “CK Power Public Company Limited”, by way of its initial public offering of the ordinary shares for capital increase, and was listed on the Stock Exchange of Thailand. It has Nam Ngum 2 Power Company Limited which operates the hydropower business as its core company. Furthermore, in July 2013, the Company sold its 999,999 ordinary shares in CKP at the par value of Baht 5 per share to general investors, its shareholding percentage in CKP then reduced from 30 percent to 25 percent, and as such, CKP is the Company's associated company. Currently, CKP's registered and paid-up capital is Baht 5,500 Million.

Shareholding Structure of the Company Group as at October 31, 2014



(b) List of Directors, Executives, and Top 10 Shareholders as at the Closing Date of the Share Register for Suspension of Share Transfer as at October 31, 2014

List of directors

No.	Name	Position
1	Dr. Thanong Bidaya	Chairman of the Board of Directors
2	Mr. Plew Trivisvavet	Director / Vice Chairman of the Board of Directors
3	Mr. Narong Sangsuriya	Director / Chairman of the Executive Committee
4	Dr. Sombat Kitjalaksana	Director / Executive Director
5	Mr. Somnuk Chaidejsuriya	Director / Chairman of the Corporate Governance Committee / Audit Committee Member / Nomination and Remuneration Committee Member
6	Mr. Techapit Sangsingkeo	Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee / Corporate Governance Committee Member
7	Mr. Phairuch Mekarporn	Director / Chairman of the Nomination and Remuneration Committee / Audit Committee Member / Corporate Governance Committee Member
8	Mr. Tomoaki Matsumoto	Director / Executive Director / Risk Management Committee Member
9	Mr. Suvich Pungchareon	Director / Executive Director

No.	Name	Position
10	Mr. Ryotaro Sumi	Director / Nomination and Remuneration Committee Member
11	Mr. Chaiwat Utaiwan	Director / Executive Director / Corporate Governance Committee Member / Risk Management Committee Member / Managing Director

List of executives

No.	Name	Position
1	Mr. Tanat Siricharoen	Operations Director
2	Mr. Hongthong Artit	Customer Service Director
3	Mr. Somkiat Pattamamongkolchai	Finance Director
4	Mr. Nattapon Klinghawharn	Director Attached to Office of Managing Director
5	Miss Pathida Chaiyasen	Human Resources Director
6	Miss Sudarat Chiamchan	Director, Office of Managing Director / Company Secretary

List of top 10 shareholders as at the closing date of the share register for suspension of share transfer (October 31, 2014)

List of Shareholders		Percentage Shareholding	
		Amount of Shares	Percentage (%) of all shares
1	Mitsui Water Holdings (Thailand) Ltd.	1,036,500,000	25.98
2	Bangkok Expressway Public Company Limited	801,436,800	20.09
3	CH. Karnchang Public Company Limited	759,877,400	19.04
4	Thai NVDR Company Limited	170,288,349	4.27
5	Bangkok Life Assurance Public Company Limited	166,177,800	4.16

List of Shareholders		Percentage Shareholding	
		Amount of Shares	Percentage (%) of all shares
6	Mr. Min Tieanworn	72,000,000	1.80
7	STATE STREET BANK EUROPE LIMITED	59,903,924	1.50
8	AIA Company Limited - AIA D-PLUS	59,800,000	1.50
9	HSBC (SINGAPORE) NOMINEES PTE LTD	43,645,533	1.09
10	AIA Company Limited - APEX	38,198,600	0.96
	Total	3,207,828,406	80.40

(c) Related Party Transactions during Previous Year and the Current Year until the Latest Quarter

Related party transactions

- Relationship between the Company and its Subsidiaries with the Related Companies/Parties

The Company and its subsidiaries

Company	Shareholding Percentage	Business Operation
TTW Public Company Limited	-	Tap water production and distribution for the Provincial Waterworks Authority ("PWA") in the vicinity of Amphoe Nakhon Chaisri, Amphoe Sam Phran and Amphoe Phutthamonthon in Nakhon Pathom Province, and Amphoe Mueang Samut Sakhon and Amphoe Krathum Baen in Samut Sakhon Province
Pathum Thani Water Company Limited	98%	Tap water production and distribution for PWA in the vicinity of Pathum Thani - Rangsit
Thai Water Operations Company Limited	68%	The Maintenance, Operation and Repair Agreement for the Company and Pathum Thani Water Company Limited, as well as in Bang Pa-in Industrial Estate, and acceptance of engagement in operation and management of tap water and wastewater in Amata Nakorn Industrial Estate and Amata City Industrial Estate

The Related Companies/Parties

Company	Business Operation	Relationship
CH. Karnchang Public Company Limited	General construction by accepting engagements from government agencies, state enterprises and private entities, in the form of main contractor, sub-contractor or joint venture or consortium	The Company's shareholder by holding 759,877,400 shares or representing 19.04 percent of the registered and paid-up capital ^{1/}
Bang Pa-in Land Development Company Limited	Operation of Bang Pa-in Industrial Estate, sales of land areas in the industrial estate, management and service provision of certain utilities	Trade payable - related party
Bangpa-in Cogeneration Limited	Production and distribution of electricity and steam from a natural gas-fired cogeneration power plant, located in Bang Pa-in Industrial Estate	Trade receivable - related party
Expert Transport Company Limited	Provision of land transportation service	Trade receivable - related party

Remark: 1/ Information upon closing of the shareholder register of TTW Public Company Limited as at October 31, 2014

2. Related Party Transactions of TTW Public Company Limited and its Subsidiaries with the Related Companies/Parties

Related party transactions of TTW Public Company Limited and its subsidiaries with the related companies/parties for the previous year and the nine-month period ended September 30, 2014 can be summarized as main subjects as follows:

- (1) Transactions between TTW Public Company Limited and CH. Karnchang Public Company Limited
 - (1.1) Costs of sales and wastewater services with payment under the contract as collected by the Company from CH. Karnchang Public Company Limited in carrying out construction of various projects within Bang Pa-in Industrial Estate.
- (2) Transactions between TTW Public Company Limited and Pathum Thani Water Company Limited

- (2.1) Dividend income as declared by Pathum Thani Water Company Limited;
 - (2.2) Interest income based on the minimum loan rate minus stipulated margin per annum;
 - (2.3) Long-term loans based on the minimum loan rate minus stipulated margin under the contract;
 - (2.4) Interest receivable;
 - (2.5) Management income.
- (3) Transactions between TTW Public Company Limited and Thai Water Operations Company Limited
 - (3.1) Service and maintenance fees for treated water production system paid under the contract;
 - (3.2) Office rental paid under the contract;
 - (3.3) Retention money paid under the contract;
 - (3.4) Other income;
 - (3.5) Trade payables - related parties;
 - (3.6) Management income.
- (4) Transactions between TTW Public Company Limited and Bang Pa-in Land Development Company Limited
 - (4.1) Costs of electricity and treated water pumping service and cost of annual service supervision based on actual costs.
- (5) Transactions between TTW Public Company Limited and Bangpa-in Cogeneration Limited
 - (5.1) Trade receivables - related parties comprising cost of sales, cost of treated water pumping service and cost of annual service supervision based on actual costs.
- (6) Transactions between TTW Public Company Limited and Expert Transport Company Limited
 - (6.1) Trade receivables - related parties comprised costs of sales and wastewater services paid under the contract.

3. Related Party Transactions during Previous Year and Nine-Month Period Ended September 30, 2014

Related party transactions of the Company and related companies or parties which may have a conflict of interest in 2013 and the nine-month period ended September 30, 2014 were as follows:

3.1 Related party transaction between TTW Public Company Limited and CH. Karnchang Public Company Limited

Transaction	Transaction Volume (Thousand Baht)		Nature of Transaction/Necessity and Justification	Pricing Policy
	Accounting Period Ended December 31, 2013	Nine-Month Period Ended September 30, 2014		
Other receivables - related parties	80	101	- Costs of sales and wastewater services were paid under the contract.	Costs of sales and wastewater services collected from CK were based on the normal rates charged to general customers.

3.2 Related party transactions between TTW Public Company Limited and Pathum Thani Water Company Limited

Transaction	Transaction Volume (Thousand Baht)		Nature of Transaction/Necessity and Justification	Pricing Policy
	Accounting Period Ended December 31, 2013	Nine-Month Period Ended September 30, 2014		
- Dividend income	1,105,000	714,757	- Dividend income was paid according to the Company's declaration.	-
- Interest income	99,894	61,896	- Interest income was paid based on the minimum loan rate minus stipulated margin per annum.	
- Long-term loans to related party	1,782,500	1,550,000	- The rate of long-term loans was calculated based on the minimum loan rate minus stipulated margin under the contract.	
- Interest receivable	-	205		
- Management income	1,208	3,600		

3.3 Related party transactions between TTW Public Company Limited and Thai Water Operations Company Limited

Transaction	Transaction Volume (Thousand Baht)		Nature of Transaction/Necessity and Justification	Pricing Policy
	Accounting Period Ended December 31, 2013	Nine-Month Period Ended September 30, 2014		
- Cost of sales and services	31,462	24,834	- Service and maintenance fees for treated water production system were paid under the contract.	This transaction was necessary for the Company's operations which required specific expertise. The payment was based on the contract as agreed upon at the project commencement.
- Rental income	1,310	-	- Office rental was paid under the contract.	
- Management income	-	4,500		
- Other income	2,000	-		
- Trade payables - related parties	2,983	3,076		
- Retention payable	5,000	5,000	- Retention money was paid under the contract.	

3.4 Related party transaction between TTW Public Company Limited and Bang Pa-in Land Development Co., Ltd.

Transaction	Transaction Volume (Thousand Baht)		Nature of Transaction/Necessity and Justification	Pricing Policy
	Accounting Period Ended December 31, 2013	Nine-Month Period Ended September 30, 2014		
Other payables - related parties	66	129	Costs of electricity and treated water pumping service and cost of annual service supervision were paid based on actual costs.	

3.5 Related party transaction between TTW Public Company Limited and Bangpa-in Cogeneration Limited

Transaction	Transaction Volume (Thousand Baht)		Nature of Transaction/Necessity and Justification	Pricing Policy
	Accounting Period Ended December 31, 2013	Nine-Month Period Ended September 30, 2014		
Other receivables - related parties	5,693	6,976	Costs of sales and wastewater services were paid under the contract.	Costs of sales and wastewater services collected from Bangpa-in Cogeneration Limited were based on the normal rates charged to general customers.

3.6 Related party transaction between TTW Public Company Limited and Expert Transport Company Limited

Transaction	Transaction Volume (Thousand Baht)		Nature of Transaction/Necessity and Justification	Pricing Policy
	Accounting Period Ended December 31, 2013	Nine-Month Period Ended September 30, 2014		
Other receivables - related parties	6	8	Costs of sales and wastewater services were paid under the contract.	Costs of sales and wastewater services collected from Expert Transport Company Limited were based on the normal rates charged to general customers.

(d) Summary of Financial Position and Operational Results**Statement of Financial Position**

Statement of financial position of the Company and its subsidiaries as at December 31, 2011 - 2013 and September 30, 2014

(Unit : Million)	2011		2012		2013		September 30, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets								
Cash and cash equivalents	1,967.11	9.05%	2,676.87	10.85%	2,148.02	8.76%	1,670.85	7.11%
Current investments	2,965.96	13.64%	3,096.57	12.55%	3,679.04	15.00%	4,060.22	17.29%
Trade and other receivables	431.24	1.98%	452.06	1.83%	539.93	2.20%	526.74	2.24%
Raw materials and supplies	24.87	0.11%	23.64	0.10%	22.19	0.09%	21.81	0.09%
Other current assets	45.77	0.21%	57.36	0.23%	28.01	0.11%	29.92	0.13%
Total current assets	5,434.95	24.99%	6,306.50	25.56%	6,417.20	26.17%	6,309.53	26.87%
Non-current assets								
Other long-term investments	0.00	0.00%	200.00	0.81%	400.00	1.63%	0.00	0.00%
Investment in associate	24.81	0.11%	2,771.31	11.23%	2,905.00	11.84%	2,970.70	12.65%
Property, plant and equipment	9,232.03	42.45%	8,869.87	35.95%	8,640.27	35.23%	8,484.14	36.13%
Assets for production of treated water which must be transferred at end of concession	3,367.42	15.49%	3,088.46	12.52%	2,851.79	11.63%	2,700.94	11.50%
Rights to produce and sell treated water and treat wastewater	1,333.83	6.13%	1,304.16	5.29%	1,267.12	5.17%	1,235.10	5.26%
Rights to produce and sell treated water	2,299.30	10.57%	2,104.31	8.53%	1,909.36	7.79%	1,763.55	7.51%
Intangible assets	13.01	0.06%	11.35	0.05%	9.69	0.04%	8.45	0.04%
Deferred tax assets	17.92	0.08%	1.13	0.00%	1.38	0.01%	1.54	0.01%
Advance for land	0.00	0.00%	0.00	0.00%	90.40	0.37%	0.00	0.00%

(Unit : Million)	2011		2012		2013		September 30, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Advance payment for assets for production of treated water that must be transferred at end of concession	0.00	0.00%	0.00	0.00%	21.51	0.09%	0.00	0.00%
Other non-current assets	22.95	0.11%	14.44	0.06%	11.51	0.05%	10.68	0.05%
Total non-current assets	16,311.27	75.01%	18,365.02	74.44%	18,108.02	73.83%	17,175.09	73.13%
Total assets	21,746.22	100.00%	24,671.52	100.00%	24,525.21	100.00%	23,484.62	100.00%
Liabilities and shareholders' equity								
Current liabilities								
Trade and other payables	108.55	0.50%	110.12	0.45%	133.02	0.54%	148.39	0.63%
Current portion of long-term loans from financial institutions	470.00	2.16%	490.00	1.99%	510.00	2.08%	745.00	3.17%
Current portion of debentures	3,500.00	16.09%	0.00	0.00%	1,700.00	6.93%	0.00	0.00%
Income tax payable	91.04	0.42%	159.37	0.65%	162.58	0.66%	35.07	0.15%
Accrued interest	112.38	0.52%	139.72	0.57%	138.34	0.56%	65.04	0.28%
Other current liabilities	76.39	0.35%	82.84	0.34%	63.39	0.26%	63.67	0.27%
Total current liabilities	4,358.35	20.04%	982.06	3.98%	2,707.34	11.04%	1,057.17	4.50%
Non-current liabilities								
Long-term loans from financial institutions, net of current portion	3,670.00	16.88%	5,940.00	24.08%	5,430.00	22.14%	6,402.50	27.26%
Debentures, net of current portion	3,496.21	16.08%	6,990.47	28.33%	5,292.80	21.58%	5,294.02	22.54%
Provision for long-term employee benefits	12.07	0.06%	14.78	0.06%	18.49	0.08%	21.22	0.09%
Deferred tax liabilities	16.79	0.08%	83.82	0.34%	65.41	0.27%	65.72	0.28%
Total non-current	7,195.07	33.09%	13,029.07	52.81%	10,806.70	44.06%	11,783.45	50.18%

(Unit : Million)	2011		2012		2013		September 30, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
liabilities								
Total liabilities	11,553.42	53.13%	14,011.13	56.79%	13,514.04	55.10%	12,840.62	54.68%
Shareholders' equity								
Share capital								
Registered capital								
3,990,000,000	3,990.00	18.35%	3,990.00	16.17%	3,990.00	16.27%	3,990.00	16.99%
ordinary shares of								
Baht 1 each								
Issued and fully paid-up								
capital								
3,990,000,000	3,990.00	18.35%	3,990.00	16.17%	3,990.00	16.27%	3,990.00	16.99%
ordinary shares of								
Baht 1 each								
Share premium	2,637.77	12.13%	2,637.77	10.69%	2,637.77	10.76%	2,637.77	11.23%
Retained earnings								
Appropriated -	399.00	1.83%	399.00	1.62%	399.00	1.63%	399.00	1.70%
statutory reserve								
Appropriated - other	516.86	2.38%	723.13	2.93%	935.53	3.81%	1,171.41	4.99%
reserve								
Unappropriated	3,219.20	14.80%	3,475.16	14.09%	3,642.11	14.85%	3,032.22	12.91%
Other components of	-600.36	-2.76%	-600.36	-2.43%	-629.29	-2.57%	-620.30	-2.64%
shareholders' equity								
Equity attributable to	10,162.47	46.73%	10,624.70	43.06%	10,975.12	44.75%	10,610.09	45.18%
owners of the								
Company								
Non-controlling interests	30.33	0.14%	35.69	0.14%	36.05	0.15%	33.91	0.14%
of the subsidiaries								
Total shareholders' equity	10,192.80	46.87%	10,660.39	43.21%	11,011.17	44.90%	10,644.00	45.32%
Total liabilities and shareholders' equity	21,746.22	100.00%	24,671.52	100.00%	24,525.21	100.00%	23,484.62	100.00%

Statement of Comprehensive Income

Statement of comprehensive income of the Company and its subsidiaries for the period ended as at December 31, 2011 - 2013 and September 30, 2014

(Unit : Million Baht)	2011		2012		2013		9-Month Period of 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Profit or loss:								
Revenues								
Sales of treated water	4,461.10	96.25%	4,837.95	91.75%	5,076.08	87.67%	3,963.85	93.36%
Service income	85.06	1.84%	87.21	1.65%	106.35	1.84%	82.14	1.93%
Interest income	42.72	0.92%	87.19	1.65%	107.56	1.86%	66.83	1.57%
Gain on sales of investment in associate	0.00	0.00%	0.00	0.00%	113.08	1.95%	0.00	0.00%
Other income	46.21	1.00%	260.37	4.94%	386.77	6.68%	133.16	3.14%
Total revenues	4,635.09	100.00%	5,272.72	100.00%	5,789.83	100.00%	4,245.98	100.00%
Expenses								
Cost of sales of treated water and services	1,323.00	28.54%	1,495.38	28.36%	1,550.26	26.78%	1,152.57	27.14%
Administrative expenses	221.95	4.79%	262.32	4.98%	341.67	5.90%	194.29	4.58%
Amortization of rights to produce and sell treated water and treat wastewater	30.38	0.66%	29.67	0.56%	37.04	0.64%	32.02	0.75%
Amortization of rights to produce and sell treated water	194.95	4.21%	194.99	3.70%	194.95	3.37%	145.81	3.43%
Total expenses	1,770.27	38.19%	1,982.37	37.60%	2,123.92	36.68%	1,524.69	35.91%
Profit before share of profit from investment in associate, finance cost and income tax expenses	2,864.82	61.81%	3,290.35	62.40%	3,665.91	63.32%	2,721.29	64.09%
Share of profit from investment in associate	-11.29	-0.24%	16.50	0.31%	62.53	1.08%	56.72	1.34%
Profit before finance cost and income tax expenses	2,853.53	61.56%	3,306.86	62.72%	3,728.45	64.40%	2,778.01	65.43%
Finance cost	-517.96	-11.17%	-608.24	-11.54%	-614.75	-10.62%	-428.22	-10.09%
Profit before income tax expenses	2,335.56	50.39%	2,698.62	51.18%	3,113.70	53.78%	2,349.79	55.34%

(Unit : Million Baht)	2011		2012		2013		9-Month Period of 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Income tax expenses	-210.94	-4.55%	-343.34	-6.51%	-316.53	-5.47%	-117.87	-2.78%
Income tax expenses of prior year	0.00	0.00%	0.00	0.00%	-200.48	-3.46%	0.00	0.00%
Profit for the period	2,124.62	45.84%	2,355.27	44.67%	2,596.68	44.85%	2,231.92	52.57%
Other comprehensive income:								
Unrealized gain (loss) from cash flow hedges	0.00	0.00%	0.00	0.00%	-28.93	-0.50%	8.99	0.21%
Other comprehensive income for the period	0.00	0.00%	0.00	0.00%	-28.93	-0.50%	8.99	0.21%
Total comprehensive income for the period	2,124.62	45.84%	2,355.27	44.67%	2,567.76	44.35%	2,240.91	52.78%
Profit attributable to:								
Equity holders of the Company	2,112.97	45.59%	2,337.50	44.33%	2,573.76	44.45%	2,219.48	52.27%
Non-controlling interests of the subsidiaries	11.65	0.25%	17.77	0.34%	22.92	0.40%	12.44	0.29%
	2,124.62	45.84%	2,355.27	44.67%	2,596.68	44.85%	2,231.92	52.57%
Total comprehensive income attributable to:								
Equity holders of the Company	2,112.97	45.59%	2,337.50	44.33%	2,544.84	43.95%	2,228.47	52.48%
Non-controlling interests of the subsidiaries	11.65	0.25%	17.77	0.34%	22.92	0.40%	12.44	0.29%
	2,124.62	45.84%	2,355.27	44.67%	2,567.76	44.35%	2,240.91	52.78%
Earnings per share (Baht)								
Basic earnings per share								
Profit attributable to equity holders of the Company	0.53		0.59		0.65		0.56	

Cash Flow Statement

Cash flow statement of the Company and its subsidiaries as at December 31, 2011 - 2013 and September 30, 2014

(Unit : Million Baht)	2011	2012	2013	9-Month Period of 2014
	Amount	Amount	Amount	Amount
Net cash from (used in) operating activities	2,731.00	3,384.35	3,279.21	2,649.70
Net cash from (used in) investing activities	-1,194.86	-3,067.22	-1,101.40	-26.59
Net cash from (used in) financing activities	-1,642.93	392.63	-2,706.65	-3,100.28
Net increase (decrease) in cash and cash equivalents	-106.79	709.76	-528.84	-477.18
Cash and cash equivalents at beginning of period	2,073.89	1,967.11	2,676.87	2,148.02
Cash and cash equivalents at end of period	1,967.11	2,676.87	2,148.02	1,670.85

Source: The consolidated financial statements of TTW Public Company Limited (formerly “Thai Tap Water Supply Public Company Limited”), audited and reviewed by Mr. Khitsada Lerdwana, Certified Public Accountant No. 4958, EY Office Limited (formerly “Ernst & Young Office Limited”).

Remark: * Accounting transactions have been reclassified to ensure consistency with new accounting transactions in the financial statements for 2013 and the nine-month period of 2014 and indicate effects from compliance with Accounting Standard No. 12 Income Tax. The shareholders may view additional details of the Company in Form 56-1 and the financial statements, as audited or reviewed by the auditor, on the website of the SEC Office (www.sec.or.th) or the Stock Exchange of Thailand (www.set.or.th).

Key Financial Ratios

Financial ratios	2011	2012	2013	9-Month Period of 2014
Liquidity Ratio				
Liquidity Ratio (times)	1.25	6.42	2.37	5.97
Cash Flow Ratio (times)	1.23	6.34	2.35	5.92
Profitability Ratio				
Gross Profit Margin (%)	70.90%	69.64%	70.09%	71.51%
Net Profit Margin (%)	45.84%	44.67%	44.85%	52.57%
Return on Equity (%)	21.54%	22.49%	23.83%	27.42%*
Efficiency Ratio				
Return on Assets (%)	9.83%	10.15%	10.56%	12.40%*
Assets Turnover (times)	0.21	0.23	0.24	0.24*
Return on Fixed Assets (%)	17.93%	20.46%	23.23%	26.81%*
Financial Policy Ratio				
Debt to Equity Ratio (times)	1.13	1.31	1.23	1.21
Dividend Payment Ratio (%)	75.53%	88.76%	93.02%	N.A.

Remark: * The data was annualized for comparison purpose.

Analysis on Operational Results and Financial Position of the Company and its Subsidiaries

Operational Results

Revenue

In 2011 - 2013, the Company and its subsidiaries had total revenues of approximately Baht 4,635 Million, Baht 5,273 Million and Baht 5,790 Million, respectively, representing an average increase of approximately 11.76 percent per year for such period, mainly due to increases sales of treated water and other income, namely, the corporate income tax refund from the Area Revenue Office.

In the first nine months of 2014, the Company and its subsidiaries had total revenues of approximately Baht 4,246 Million, which decreased by approximately Baht 193 Million or representing 4.35 percent, as compared with that of the same period of the previous year, mainly due to a decrease in other income. During the same period of 2013, the subsidiaries received the corporate income tax refund for 2009, 2010, and 2011 from the Area Revenue Office in a total amount of approximately Baht 348 Million. In addition, in the first nine months of 2013, the Company and its subsidiaries realized a gain on sales of investment in associate in the amount of Baht 113 Million, as compared with none during the same period of 2014.

Sales of Treated Water

Sales of treated water represented income from the Company's and PTW's distribution of tap water to PWA under the Water Purchase and Sale Agreement with PWA, including the Company's distribution of tap water to industrial operators in Bang Pa-in Industrial Estate under the Water Production and Distribution Agreement, whereby the Company and its subsidiaries had sales of treated water in 2011 - 2013 in the total amount of Baht 4,461 Million, Baht 4,838 Million, and Baht 5,076 Million, respectively, which increased by approximately Baht 377 Million and Baht 238 Million or representing 8.45 percent and 4.92 percent, as compared with the previous year, respectively. The increased sales of treated water in 2012 and 2013 were due to the increased tap water demand volume in the service area and the increased average selling price of treated water from each previous year under the conditions of price adjustment based on the General Consumer Price Index (CPI) of Central Region as announced by the Bureau of Trade and Economic indices, the Department of Business Economics, the Ministry of Commerce, namely:

2012: sales of treated water increased by approximately Baht 377 Million or 8.45 percent, as compared with the previous year, since:

1) The Company's sales of treated water increased by approximately Baht 231 Million or 7.7 percent, due to the fact that the sales of treated water in the Company's service area increased by 11 million cubic meters or 9.2 percent and the tap water price increased from the previous year.

2) PTW's sales of treated water increased by approximately Baht 146 Million or 9.9 percent, due to the fact that PTW's sales of treated water increased by 7.3 million cubic meters or 5.6 percent and PTW's tap water price increased from the previous year.

2013: sales of treated water increased by approximately Baht 238 Million or 4.92 percent, as compared with the previous year, since:

1) The Company's sales of treated water increased by approximately Baht 190 Million or 5.9 percent, due to the fact that the sales of treated water in the Company's service area increased by 5.1 million cubic meters or 3.9 percent and the tap water price increased from the previous year.

2) PTW's sales of treated water increased by approximately Baht 48 Million or 3.0 percent, due to the fact that PTW's tap water price increased from the previous year.

In the first nine months of 2014, the Company and its subsidiaries had sales of treated water in the amount of approximately Baht 3,964 Million, which increased by approximately Baht 170 Million or 4.49 percent, as compared with the same period of the previous year, since:

1) The Company's sales of treated water increased by approximately Baht 169 Million or 6.7 percent, due to the fact that the sales of treated water in the Company's service area increased by 2.7 million cubic meters or 2.6 percent and the tap water price increased from the previous year.

2) PTW's sales of treated water increased approximately Baht 1 Million or 0.1 percent, due to the fact that PTW's tap water price increased from the previous year.

Previous water tariffs charged by the Company and PTW from PWA are as follows:

Unit : Baht/m ³	Water Tariffs of the Company		Water Tariffs of PTW
	1-300,000 m ³	300,001 m ³ or higher	
January 1, 2011 - December 31, 2011	25.110952	11.02	11.37
January 1, 2012 - December 31, 2012	26.016171	11.49	11.83
January 1, 2013 - December 31, 2013	26.858730	11.72	12.15
January 1, 2014 - September 30, 2014	28.269483	11.93	12.39

Service Income

Service income represented income from provision of tap water production service for Amata City Industrial Estate and provision of wastewater treatment service for Bang Pa-in Industrial Estate in the amount of Baht 85 Million, Baht 87 Million, Baht 106 Million, and Baht 82 Million, in 2011 - 2013 and the first nine months of 2014, respectively, or representing 1.84 percent, 1.65 percent, 1.84 percent, and 1.93 percent of total revenues, respectively.

Other Income

Other income included interest income, gain on sales of investment in associate, and corporate income tax refund from the Area Revenue Office in the amount of Baht 89 Million, Baht 348 Million, Baht 607 Million, and Baht 200 Million, respectively, in 2011 - 2013 and the first nine months of 2014, respectively, or representing 1.92 percent, 6.59 percent, 10.49 percent, and 4.71 percent of total revenues, respectively. In this regard, an increase in other income in 2012 and 2013 was due to the receipt of corporate income tax refund from the Area Revenue Office for corporate income tax overpaid by PTW in during 2008 - 2010 in the total amount of Baht 62 Million and Baht 348 Million, respectively; and PTW's recording of corporate income tax of 2011 higher than actual payment by Baht 91 Million, and as such, such transaction was reversed and treated as other income in 2012 and 2013, respectively; and in 2013, the Company realized gain on sales of investment in associate in the amount of Baht 113 Million, while in the first nine months of 2014, the Company's other income amounted to Baht 200 Million, which decreased by approximately Baht 367 Million, as compared with the same period of 2013, since in the first nine months of 2013, PTW had other income from corporate income tax refund in the amount of Baht 348 Million.

Cost of Sales of Treated Water and Services

The cost of sales of treated water and services of the Company and its subsidiaries mostly comprised depreciation and amortization of the assets for production of treated water, costs of electricity, chemicals, land rental for raw water pipeline, labor and materials.

In 2011 - 2013, the Company and its subsidiaries incurred cost of sales of treated water and services in the amount of Baht 1,323 Million, Baht 1,495 Million, and Baht 1,550 Million, respectively, representing a ratio of sales of tap water and services equal to 29.10 percent, 30.36 percent, and 29.91 percent, respectively, mainly due to increased costs of sales of treated water and services in response to increased sales of treated water, thereby increasing main production cost, and due to

increased electricity tariff from the previous year, and lower quality of raw water used in tap water production in 2012 than the previous year.

In the first nine months of 2014, the Company and its subsidiaries incurred cost of sales of treated water and services in the amount of Baht 1,153 Million, or representing 28.50 percent of sales of treated water and service income, which were similar to that of the same period of 2013, in which the cost of sales of treated water and services amounted to Baht 1,155 Million, or representing 29.83 percent of sales of treated water and service income.

Administrative Expenses

Administrative expenses of the Company and its subsidiaries in 2011 - 2013 amounted to Baht 222 Million, Baht 262 Million, and Baht 342 Million, respectively, or representing a ratio of the Company's total revenues equal to 4.79 percent, 4.98 percent, and 5.90 percent, respectively, whereby its growth rates in 2012 and 2013 were equal to 18.19 percent and 30.25 percent, respectively, which can be described as follows:

In 2012, the Company and its subsidiaries incurred the insurance premium which increased by approximately Baht 16 Million due to the great flood crisis in 2011, and as such, the insurance company charged higher insurance premium rate, including the Company's feasibility study on investment in energy and environmental businesses, which incurred increased legal and consulting fees by approximately Baht 13 Million, and staff-related expenses which increased by approximately Baht 4 Million.

In 2013, the Company recorded the withholding tax and surcharge from late tax payment in the total amount of Baht 60 Million under the caption of administrative expenses, resulting from incorrect calculation of the final month for the corporate income tax exemption under the Promotional Certificate (which should have ended in December 2012, as opposed to July 2012), and as such, the Company did not withhold tax on interim dividend paid to the shareholders in August 2012 for dividend paid from net profit in February - July 2012, together with the Company's amortization of costs for the feasibility study on investment in wastewater treatment system incurred during 2010 - 2011 in the amount of Baht 9 Million, and the Company's increased staff-related expenses from its corporate restructuring by Baht 9 Million.

In the first nine months of 2014, the Company and its subsidiaries incurred administrative expenses in the amount of Baht 194 Million, or representing 4.58 percent of total revenues, which decreased from Baht 197 Million in the same period of the previous year, or representing a decrease by 1.16 percent, due to decreased advertising and marketing expenses.

Share of Profit (Loss) from Investment in Associate

The Company had a share of loss from investment in associate in 2011 in the amount of Baht 11 Million, and a share of profit from investment in associate in 2012 and 2013 in the amount of approximately Baht 17 Million and Baht 63 Million, respectively, whereby its growth rates in 2012 and 2013, as compared with 246.16 percent and 278.88 percent, respectively, can be described as follows:

In 2012, the Company recognized an increased share of profit from investment in associate in the amount of approximately Baht 28 Million, as compared with 2011. This was because of the loan repayment by CKP as its associated company in the amount of Baht 2,566 Million in May 2012, and the interest expenses thus decreased. In addition, CKP's shareholding in SouthEast Asia Energy Limited ("SEAN") increased from 38 percent to 56 percent of the paid-up capital. Therefore, CKP then recognized SEAN's increased operating profit.

In 2013, the Company recognized an increased share of profit from investment in associate in the amount of approximately Baht 46 Million, as compared with 2012. This was because interest expenses of CKP decreased after the loan repayment in the amount of Baht 1,400 Million and CKP recognized the increased operating profit of Bangpa-in Cogeneration Limited as CKP's subsidiary, which commenced its commercial production since June 2013.

In the first nine months of 2014, the Company recognized a share of profit from investment in associate in the amount of Baht 57 Million, which increased by Baht 12 Million, as compared with that of the same period of 2013, in which the share of profit from investment in associate was recognized in the amount of Baht 45 Million. This was due to CKP's improved operational results, which resulted in an increased share of profit from investment in associate.

Finance Cost

The finance cost in 2011 - 2013 amounted to Baht 518 Million, Baht 608 Million, and Baht 615 Million, respectively, or representing 11.17 percent, 11.54 percent, and 10.62 percent of the total revenues, respectively, mainly due to the fact that in 2012, the Company's long-term loans increased by Baht 2,760 Million for acquisition of capital increase shares in CKP, and then, interest expenses in 2012 increased by approximately Baht 74 Million and interest expenses in 2013 also increased by approximately Baht 7 Million accordingly since the Company borrowed such loans in May 2012. Therefore, the finance cost in 2012 for such loans was recognized for only eight months while the Company recognized the finance cost for such loans for the entire year of 2013.

In the first nine months of 2014, the Company incurred the finance cost in the amount of Baht 428 Million, or representing 10.09 percent of the total revenues, which decreased from Baht 466 Million of the same period of 2013, due to the decreased in the average lending interest rate and loans.

Corporate Income Tax

The corporate income tax in 2011 - 2013 amounted to Baht 211 Million, Baht 343 Million, and Baht 517 Million, representing 4.55 percent, 6.51 percent, and 8.93 percent of the total revenues, respectively. The reasons of the increased corporate income tax can be explained as follows:

In 2012, the Company's privileges for corporate income tax exemption expired on July 20, 2012, the Company was therefore obliged to pay the corporate income tax from such date. In addition, in 2012, PTW's operational results improved, as compared with that of 2011.

In 2013, the corporate income tax increased by approximately Baht 174 Million, or representing 50.58 percent, as compared with that of 2012. This was because the Company unduly exercised the corporate income tax exemption per the Company's Promotional Certificate, which expired in July 2012. The Company therefore recorded the corporate income tax payment during February - July 2012 in the amount of Baht 201 Million, and the Company recorded the surcharge due to late settlement of the corporate income tax in the amount of Baht 18 Million as administrative expenses, as previously mentioned.

In the first nine months of 2014, the corporate income tax amounted to Baht 118 Million, which decreased by approximately Baht 137 Million, or representing 53.72 percent, as compared with that of the same period of the previous year. This was because on May 27, 2013, the Company was granted the corporate income tax exemption from such date for a period of eight years by the Office of the Board of Investment for investment recovery after the flood crisis in 2011 per Promotional Certificate No. 5177(2)/2556.

Net Profit

The profitability of the Company and its subsidiaries remains constant. The gross profit margin accounted for 70.90 percent, 69.64 percent, 70.09 percent, and 71.51 percent in 2011 - 2013 and the first nine months of 2014, respectively. The net profit attributable to equity holders of the Company amounted to Baht 2,113 Million, Baht 2,338 Million, Baht 2,574 Million, and Baht 2,219 Million, respectively, which represented 45.59 percent, 44.33 percent, 44.45 percent, and 52.27 percent, respectively, of the total revenues. The net profit and the net profit ratio increased as described in each item above.

Financial Position

Assets

The Company and its subsidiaries had total assets as at December 31, 2011 - 2013 and as at September 30, 2014 in the amount of Baht 21,746 Million, Baht 24,672 Million, Baht 24,525 Million, and Baht 23,485 Million, respectively. The assets mostly comprised non-current assets, representing approximately 73 - 75 percent of the total assets. Non-current assets substantially increased in 2012, namely, from Baht 16,311 Million in 2011 to Baht 18,365 Million in 2012, or representing an increase by Baht 2,054 Million. This was because the Company's investment in associate increased by Baht 2,747 Million, and the subsidiaries' other long-term investments (fixed deposit) increased by Baht 200 Million. In 2013, the total assets decreased by Baht 146 Million, as compared with that of

2012. This was because the plant and equipment, and assets for production of treated water that must be transferred at the end of concession decreased by Baht 466 Million; while the Company's other long-term investments increased by Baht 200 Million. Furthermore, as at September 30, 2014, the total assets of the Company and its subsidiaries decreased by approximately Baht 1,041 Million, as compared with that as at the end of 2013. This was mainly because other long-term investments decreased by Baht 400 Million, and due to the depreciation and amortization of the assets and rights for production of treated water of the Company and its subsidiaries.

The total assets turnover of the Company and its subsidiaries was rather low, namely, 0.21 times, 0.23 times, 0.24 times, and 0.24 times in 2011 - 2013 and the first nine months of 2014, respectively, which was common for the basic infrastructure business which requires high investment, but slow recognition of revenues during contract terms.

Liabilities

The total liabilities of the Company and its subsidiaries as at December 31, 2011 - 2013 and as at September 30, 2014 amounted to Baht 11,553 Million, Baht 14,011 Million, Baht 13,514 Million, and Baht 12,841 Million, or representing 53.13 percent, 56.79 percent, 55.10 percent, and 54.68 percent of the total assets, respectively. The liabilities mostly comprised long-term loans from financial institutions and from issuance of debentures. In 2012, the total liabilities substantially increased by approximately Baht 2,458 Million, as a result of the Company's increased long-term loans from financial institutions by Baht 2,760 Million for acquisition of the capital increase shares of its associated company. In 2013 and the third quarter of 2014, the total liabilities continued to decrease, mainly due to the Company's repayment of the principal as specified in the loan agreement and the redemption of the Company's debentures.

Shareholders' Equity

As at December 31, 2011 - 2013, the shareholders' equity of the Company amounted to Baht 10,162 Million, Baht 10,625 Million, and Baht 10,975 Million, or representing 46.73 percent, 43.06 percent, and 44.75 percent of the total assets, respectively. The shareholders' equity of the Company continued to increase due to the operating profits of the Company and its subsidiaries every year. In 2012, the shareholders' equity of the Company increased by Baht 462 Million, as compared with that of 2011, due to the net profit attributable to equity holders of the Company in the amount of approximately Baht 2,338 Million, and dividend payment in the amount of Baht 1,875 Million. In 2013, the shareholders' equity of the Company increased by Baht 350 Million, as

compared with that of 2012, due to the net profit attributable to equity holders of the Company in the amount of approximately Baht 2,574 Million, and dividend payment in the amount of Baht 2,194 Million.

As at September 30, 2014, the shareholders' equity of the Company amounted to Baht 10,610 Million, which decreased by approximately Baht 365 Million, as compared with that as at the end of 2013, due to the net profit attributable to equity holders of the Company in the amount of approximately Baht 2,219 Million, and dividend payment in the amount of Baht 2,594 Million.

The Company's debt to equity ratio as at the end of 2011 - 2013 and as at the end of the third quarter of 2014 amounted to 1.13 times, 1.31 times, 1.23 times, and 1.21 times, respectively, which were considered rather low as compared with general basic infrastructure business.

Liquidity

The cash flows from operating activities in 2012 amounted to Baht 3,384 Million, which increased by Baht 653 Million, as compared with that of 2011. This was because in 2012, the profit before tax of the Company and its subsidiaries increased by Baht 363 Million. The Company and its subsidiaries used Baht 3,067 Million in investing activities, namely, investment in associate increased by Baht 2,730 Million, and other long-term investments increased by Baht 200 Million. The Company and its subsidiaries had cash flows from financing activities in the amount of Baht 393 Million, due to the Company's repayment of debentures in the amount of Baht 3,500 Million, and proceeds from the issuance of new series of debentures in the amount of Baht 3,493 Million, and the net increased long-term loans from financial institutions by Baht 2,287 Million, and dividend payment in the amount of Baht 1,875 Million, thereby resulting in a net increase in cash and cash equivalents in 2012 in the amount of Baht 710 Million, and the cash and cash equivalents at the end of 2012 amounted to Baht 2,677 Million.

The cash flows from operating activities in 2013 amounted to Baht 3,279 Million, which decreased by Baht 105 Million, as compared with that of 2012. This was because in 2013, the profit before tax of the Company and its subsidiaries increased by Baht 415 Million, and the income tax payment and interest expenses increased by Baht 471 Million. The Company and its subsidiaries used Baht 1,101 Million in investing activities, namely, current investments increased by Baht 492 Million, plant and equipment and assets for production of treated water that must be transferred at the end of concession increased by Baht 187 Million, and advance payment for land increased by Baht 90 Million. The Company and its subsidiaries had cash flows used in financing activities in the

amount of Baht 2,707 Million, due to the Company's dividend payment in the amount of Baht 2,194 Million, and repayment of long-term loans from financial institutions in the amount of Baht 490 Million, thereby resulting in a net decrease in cash and cash equivalents in 2013 in the amount of Baht 529 Million, and the cash and cash equivalents as at the end of 2013 amounted to Baht 2,148 Million.

The cash flows from operating activities in the first nine months of 2014 amounted to Baht 2,650 Million, which increased by Baht 42 Million, as compared with that of the same period of 2013. This was because in the first nine months of 2014, the income tax paid by the Company and its subsidiaries decreased by Baht 146 Million. As for the cash flows from investing activities in the first nine months of 2014, the Company and its subsidiaries used Baht 27 Million, whereby the Company and its subsidiaries used Baht 3,100 Million in financing activities, namely, Baht 2,593 Million in dividend payment, and Baht 493 Million in the long-term loan repayment. In the meantime, the Company received cash from the long-term loans from financial institutions in the amount of Baht 1,700 Million for repayment of the loans upon due in full, thereby resulting in a net decrease in cash and cash equivalents in the first nine months of 2014 in the amount of Baht 477 Million, and the cash and cash equivalents as at the end of the third quarter of 2014 amounted to Baht 1,671 Million.

The liquidity ratio as at December 31, 2011 - 2013 and as at September 30, 2014 amounted to 1.25 times, 6.42 times, 2.37 times and 5.97 times, respectively, which the Company's liquidity was considered positive.

10. Based on such information upon the closing of the share register on October 31, 2014, shareholders who are connected persons and have no right to vote were as follows:

No.	Shareholders	Number of Shares
1	CH. Karnchang Public Company Limited	759,877,400
2	Mr. Sombat Kitjalaksana	2,860,100
3	Mr. Prasert Trivisvavet	2,300,000
4	Mr. Plew Trivisvavet	1,100,000
5	Miss Nopaneera Sangsuriya	1,000,000
6	Mr. Natus Sangsuriya	1,000,000
7	M.R. Achariya Kongsiri	300,000
8	Dr. Supamas Trivisvavet	200,000
9	Mrs. Korakot Trivisvavet	140,000
10	Mr. Sittidej Trivisvavet	100,000
11	Mrs. Saikasem Trivisvavet	100,000
12	Mr. Puwanet Trivisvavet	50,000
13	Mr. Kamthorn Trivisvavet	40,000

No.	Shareholders	Number of Shares
14	Miss Chansai Santaannop	23,000
15	Mr. Nattavut Trivisvavet	10,000
16	Mr. Prasert Marittanaporn	100
17	Mr. Narong Sangsuriya	100
Total		769,100,700

11. Appraisal of Price of Assets by the Independent Appraiser

EPSILON Co., Ltd., an independent consulting engineer, has appraised the price by taking into consideration the costs of design, supply, construction and installation of equipment for the 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon - Nakhon Pathom area.

12. Directors who are the interested persons and connected persons

- (1) Mr. Plew Trivisvavet
- (2) Mr. Narong Sangsuriya
- (3) Mr. Sombat Kitjalaksana

All three directors as listed above neither attended the meeting nor voted in the item of connected transaction in the Board of Directors' Meeting No. 5/2014 on October 14, 2014.

13. Opinion of the Board

- (1) CH. Karnchang Public Company Limited is the country's leading construction company, with the expertise and experience in construction of a number of large-scale infrastructure projects, such as, expressway construction projects, Nam Ngum 2 Hydroelectric Power Project, Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, etc., thereby demonstrating the potentials, know-how, and readiness of its engineers and working teams.
- (2) CH. Karnchang Public Company Limited has the experience as Engineering, Procurement and Construction (EPC) Contractor for the Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, which has completely commenced the production and distribution of tap water.
- (3) CH. Karnchang Public Company Limited is a construction company, with the good financial standing, therefore, its working capital is sufficient to complete the construction according to schedule.
- (4) The value of consideration for this engagement of CH. Karnchang Public Company Limited under the EPC Contract of each project area is reasonable as it is lower

than the price appraised by the consulting engineer, and the payment conditions are in the ordinary course of business.

14. Opinion of the Audit Committee and/or the Company's directors which is different from the opinion of the Board

- None -

15. Other information which may materially affect the decision of the investors

- None -

16. Responsibility of the Board towards the Information Memorandum

The Board of Directors shall be responsible for the Information Memorandum, which, upon consideration, is believed to be materially correct, complete and adequate to support the shareholders' decision.

17. Opinion of the Independent Financial Advisor

Per details in the Report on Opinions of Triple A Plus Advisory Co., Ltd. (Independent Financial Advisor).

Engagement of CH. Karnchang Public Company Limited as Engineering, Procurement and
Construction (EPC) Contractor for the Production Capacity Expansion Project in Pathum Thani -
Rangsit Area
by Pathum Thani Water Company Limited

1. Transaction Date

After the approval by the resolution of the Extraordinary General Meeting of Shareholders No. 1/2014 of TTW Public Company Limited which will be held on Monday, December 22, 2014.

2. Related Parties

Service Provider: CH. Karnchang Public Company Limited

Service Customer: Pathum Thani Water Company Limited ("Pathum Thani") as the Company's subsidiary

3. General Characteristics of the Transaction

With respect to the Production Capacity Expansion Project in Pathum Thani - Rangsit area from the current production capacity in the tap water production system at 388,000 m³/day, Pathum Thani conducted the study on the tap water demand within its service area and found that in the near future, the tap water demand in such area will be higher than its current maximum production capacity. To minimize any potential impacts of tap water shortage in the future, Pathum Thani will have to carry out the construction of the Production Capacity Expansion Project for another 100,000 m³/day in the future to enable it to begin the distribution of water to meet the users' increasing demand, with an initial production capacity at 57,000 m³/day. Pathum Thani, as subsidiary, then intends to make the engagement for construction of the Production Capacity Expansion Project in Pathum Thani - Rangsit area. Pathum Thani will execute the Engineering, Procurement and Construction (EPC) Contract with CH. Karnchang Public Company Limited as EPC Contractor for Pathum Thani's tap water production plant, with the service fee for this engagement of CH. Karnchang Public Company Limited in the total amount of Baht 367.1 Million (excluding value added tax). This is because CH. Karnchang Public Company Limited is the country's leading construction company, with the good financial standing, expertise, and experience in construction of a number of large-scale infrastructure projects, such as, expressway construction projects, Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, Nam Ngum 2 Hydroelectric Power Project, etc., thereby demonstrating the potentials, know-how, and readiness of its engineers and working teams.

CH. Karnchang Public Company Limited holds 759,877,400 shares in the Company or representing 19.04 percent of all issued and paid-up shares in the Company (information as

at the closing date of the shareholder register on October 31, 2014), and the Company holds 11,759,733 shares in Pathum Thani or representing 98 percent (information as at October 31, 2014). Therefore, the aforesaid transaction between CH. Karnchang Public Company Limited and Pathum Thani represents a transaction between the Company's subsidiary and the Company's major shareholder, respectively, and as such, it is considered a connected transaction in the category of assets or services under the Notification of the Capital Market Supervisory Board No. ThorChor. 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (collectively, the "Notifications on Connected Transactions"), with the essence as follows:

Executive Summary

Transaction Date:

After the approval by the resolution of the Extraordinary General Meeting of Shareholders No. 1/2014 of TTW Public Company Limited which will be held on Monday, December 22, 2014 for execution of the Engineering, Procurement and Construction (EPC) Contract with CH. Karnchang Public Company Limited.

Contractual Parties and Relationship of the Contractual Parties:

Employer: Pathum Thani Water Company Limited ("Pathum Thani")

Contractor: CH. Karnchang Public Company Limited

Purpose of the Contract:

The contractual parties agree to engage CH. Karnchang Public Company Limited to design, engineer, manufacture, supply, install, procure, construct, test and commission the Production Capacity Expansion Project in Pathum Thani - Rangsit area to accommodate the production capacity expansion of approximately 100,000 m³/day in the future, with an initial production capacity of 57,000 m³/day. The service fee shall be paid on a fixed lump sum turnkey basis, whereby payment shall be made in installments under the conditions of the Contract, with the final installment, i.e., upon delivery of work, at 10 percent of the total Contract Price, upon receipt of the Taking Over Certificate (TOC), thereby bringing the construction value to a total of Baht 367.1 Million (excluding value added tax).

Scope of Contract:

CH. Karnchang Public Company Limited shall have the obligations under the Contract as follows:

1. To provide all rights and entitlements with respect to all licenses related to design and construction of the Production Capacity Expansion Project in Pathum Thani - Rangsit area without any additional service fee other than the construction price.
2. To carry out the design and construction of the Production Capacity Expansion Project in Pathum Thani - Rangsit area per details attached to the Contract.
3. To provide equipment, tools, labor, experts, training and services to ensure the successful construction of the Production Capacity Expansion Project in Pathum Thani - Rangsit area in order to be ready for start-up and commissioning of various systems and equipment.
4. To provide necessary consumables, utilities and services as required for the construction and commissioning of the systems and equipment, and related works until taking over.
5. To undertake the procurement including activities related to equipment, such as, import, clearance and transportation to the site, including relevant filings for exercise of rights under the investment promotion.
6. To provide for sufficient construction and maintenance personnel.
7. To carry out the commissioning of various systems and the operation of the Production Capacity Expansion in Pathum Thani - Rangsit area.

8. To provide for training of operating and maintenance personnel of Pathum Thani Water Company Limited.
9. To supply and make available facilities at the construction site of the Production Capacity Expansion Project in Pathum Thani - Rangsit area and other related sites, including the construction equipment needed.
10. To provide sufficient quantity of office accommodation and facilities, equipment, services and others for consulting engineers throughout the construction period.
11. To import equipment in the name of Pathum Thani Water Company Limited and make proper arrangements relating to documents, licenses and rights in accordance with the procedures of the Customs Department, the Port Authority, the Board of Investment and other relevant government authorities.

The Contractor shall perform such works subject to the Company's EPC Contract, with the period of construction, installation, commissioning of systems until completion within 365 days from the date as agreed upon in the Contract.

Obligations of the Contractual Parties:

CH. Karnchang Public Company Limited

1. To perform the works under the scope of works as mutually agreed to ensure the completion according to schedule as agreed upon in the Contract, whereby CH. Karnchang Public Company Limited shall commence various works from the date as agreed upon in the Contract.
2. To complete the works under the Contract in accordance with the schedule of works in order to achieve each milestone, and submit the progress report of completed works to Pathum Thani Water Company Limited.
3. To ensure that the works shall be completed for inspection and acceptance of the Production Capacity Expansion in Pathum Thani - Rangsit area within 365 days from the date as agreed upon in the Contract.
4. To perform all activities for the Production Capacity Expansion in Pathum Thani - Rangsit area as stipulated in the Contract.

Pathum Thani Company Limited

1. To make available the site according to time schedules as mutually agreed in the Contract, so as to grant CH. Karnchang Public Company Limited access thereto to perform its works, including assistance in terms of documentations for CH. Karnchang Public Company Limited to obtain various necessary licenses or approvals from the relevant governmental authorities;

2. To provide for its engineer(s) or representative(s) for contact with CH. Karnchang Public Company Limited, with the power and duties as authorized by Pathum Thani Water Company Limited;
3. To make available utilities necessary for CH. Karnchang Public Company Limited's performance of its obligations, at CH. Karnchang Public Company Limited's own cost;
4. To inspect construction work and works as delivered by the Contractor for inspection;
5. The Company may provide for its project management consultant(s) to monitor, inspect equipment or engagement of labor in various fields in relation to works under the Contract to ensure that CH. Karnchang Public Company Limited has complied with its obligations as specified in the Contract;
6. To pay the Contract Price to CH. Karnchang Public Company Limited.

Contract Price:

1. The Contract Price is equal to the consideration to be paid by Pathum Thani Water Company Limited to CH. Karnchang Public Company Limited in the amount of Baht 367.1 Million (excluding value added tax), whereby a down payment shall be paid in the amount of 15 percent of the Contract Price upon TTW Public Company Limited's receipt of the Performance Security with a value of 10 percent of the Contract Price and the Advance Payment Guarantee with a value equivalent to the down payment.
2. The Contract Price is fixed and not be subject to escalation, irrespective of exchange rates with other currencies, and shall only be payable in the currency as stated in the Contract.
3. Payment of the Contract Price shall be made to CH. Karnchang Public Company Limited in installments as follows:
 - 15 percent of the total Contract Price as down payment upon TTW Public Company Limited's receipt of the Performance Security with a value of 10 percent of the Contract Price and the Advance Payment Guarantee with a value equivalent to the down payment;
 - 90 percent of the total Contract Price in accordance with the monthly progress of work;
 - 10 percent of the total Contract Price upon receiving the Taking Over Certificate (TOC).

The Company shall deduct the return of the down payment at the rate of 15 percent of each payment installment and deduct retention money at the rate of 10 percent of each payment installment, whereby retention money shall be deducted not exceeding five percent of the Contract Price.

Summary of Key Terms and Conditions:

1. With regard to performance of the works under the Contract, CH. Karnchang Public Company Limited shall have the duty to provide guarantees relating to the works performed under the Contract for Pathum Thani Water Company Limited that the works will be free from

defects, with the capability to produce clean, safe, continuous, and reliable tap water to meet the objectives and requirements of the Company.

2. Upon the expiration of all guarantees relating to the works and fulfillment of all obligations of CH. Karnchang Public Company Limited related thereto, Pathum Thani Water Company Limited shall issue the Final Acceptance Certificate to CH. Karnchang Public Company Limited.
3. Should CH. Karnchang Public Company Limited fail to complete the delivery of the works according to schedule, including upon a lapse of the extended period under the Contract, without any fault on the part of Pathum Thani Water Company Limited, CH. Karnchang Public Company Limited shall be liable to pay damages to Pathum Thani Water Company Limited at the daily rate of 0.12 percent of the total Contract Price from the lapse of such period of time, with the maximum penalty at the rate of 10 percent of the Contract Price.

4. **Total Value and Basis for Determination of Total Value**

4.1 Total Value of Consideration

- Baht 367.1 Million (excluding value added tax)

4.2 Payment

- The payment shall be made in installments under the conditions of the Contract as follows:
 - (1) 15 percent of the total Contract Price as down payment upon TTW Public Company Limited's receipt of the Performance Security with a value of 10 percent of the Contract Price and the Advance Payment Guarantee with a value equivalent to the down payment;
 - (2) 90 percent of the total Contract Price in accordance with the monthly progress of work;
 - (3) 10 percent of the total Contract Price upon receiving the Taking Over Certificate (TOC).

The Company shall deduct the return of the down payment at the rate of 15 percent of each payment installment and deduct retention money at the rate of 10 percent of each payment installment, whereby retention money shall be deducted not exceeding five percent of the Contract Price.

4.3 Basis for Determination of Value

- Basis for Consideration and Selection of the Contractor

Pathum Thani Water Company Limited has considered selecting CH. Karnchang Public Company Limited, which is the country's leading construction company, with the good financial standing, expertise, and

experience in construction of a number of large-scale infrastructure projects, such as, expressway construction projects, Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, Nam Ngum 2 Hydroelectric Power Project, etc., thereby demonstrating the potentials, know-how, and readiness of its engineers and working teams. The construction price for the Production Capacity Expansion Project in Pathum Thani – Rangsit area amounts to Baht 367.1 Million (excluding value added tax) for a period of 365 days.

- Basis for Consideration of Value

Pathum Thani Water Company Limited has considered the appropriateness of the construction price based on the price appraisal report of the independent consulting engineer. Pathum Thani Water Company Limited has engaged EPSILON Co., Ltd., an independent consulting engineer, to review the appropriateness of the construction price and the justification of the transaction, in comparison with the construction value of the Production Capacity Expansion in Pathum Thani – Rangsit area by CH. Karnchang Public Company Limited.

Upon comparison between the price proposed by CH. Karnchang Public Company Limited and the price estimated and reviewed by the independent consulting engineer, the price of Baht 378.3 Million appraised by the independent consulting engineer is higher than the price proposed by CH. Karnchang Public Company Limited by Baht 11.2 Million or representing 3.05 percent. The Board of Directors' Meeting of Pathum Thani Water Company Limited considered the price proposed by CH. Karnchang Public Company Limited reasonable.

4.4 Transaction Size

The execution of the Contract engaging CH. Karnchang Public Company Limited as EPC Contractor for the Production Capacity Expansion Project in Pathum Thani – Rangsit area by Pathum Thani Water Company Limited is a transaction between Pathum Thani Water Company Limited, as TTW Public Company Limited's subsidiary, and TTW Public Company Limited's major shareholder. Therefore, such transaction is considered a connected transaction in the category of large-sized assets or services under the SET Notifications on Connected Transactions, with the transaction size of 3.31 percent of the net tangible asset (NTA) value per the consolidated financial statements of TTW Public Company Limited, which, as at June 30, 2014, amounted to Baht 11,083 Million.

The net tangible assets per the consolidated financial statements of TTW Public Company Limited as at June 30, 2014 can be calculated as follows:

$$\begin{aligned}
 &= \text{Total assets} - \text{Total liabilities} - \text{Non-controlling interests} - \text{Intangible assets} \\
 &= 24,229.1 - 13,099.9 - 37.3 - 8.9 \\
 &= \text{Baht 11,083 Million}
 \end{aligned}$$

The transaction size can be calculated as follows:

$$\begin{aligned}
 &= (367.1 / 11,083) \times 100\% \\
 &= 3.31\%
 \end{aligned}$$

Given that the transaction size to be executed by Pathum Thani Water Company Limited exceeds 3 percent of the net tangible assets per the consolidated financial statements of TTW Public Company Limited, it shall be deemed a large-sized connected transaction. Therefore, TTW Public Company Limited shall have the duty to seek approval of the shareholders' meeting by not less than three-fourths of all votes of the shareholders attending the Meeting and having the right to vote, excluding the votes by the interested shareholders, to approve the execution of such transaction. In addition, TTW Public Company Limited is required to engage an independent financial advisor to provide an opinion on the justification and benefits of the transaction, fairness of price and conditions of the transaction, for submission to the Company's shareholders, and disclose the information on such transaction to the Stock Exchange of Thailand.

In this regard, upon consideration of the execution of this transaction pursuant to the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004), and its amendments per the Notification of the Capital Market Supervisory Board No. ThorChor. 20/2551, including Section 89/29 of the Securities and Exchange Act B.E. 2551 (2008), the highest transaction size on the basis of total value of consideration is equal to 1.52 percent of the total assets value of the Company and its subsidiaries per the consolidated financial statements ended June 30, 2014, with the details of the calculation of the transaction size of the acquisition of assets on the following four bases:

Basis of calculation	Calculation	Transaction size (percent)
1. Value of assets	<u>% of NTA per acquisition percentage</u> NTA of the Company and subsidiaries	The size cannot be calculated due to the absence of NTA

Basis of calculation	Calculation	Transaction size (percent)
		in respect of assets to be acquired.
2. Net profit	<u>% of net profit from assets to be acquired</u> Net profit of the Company and subsidiaries	The size cannot be calculated due to the absence of net profit in respect of assets to be acquired.
3. Total value of consideration	<u>Payment to be made</u> Total assets of the Company and subsidiaries	<u>367.10</u> 24,229.12 = 1.52%
4. Share capital value	<u>Shares to be issued as payment for assets</u> Company's issued and paid-up shares	The size cannot be calculated since the Company will not issue any shares as payment for assets.

Upon combination of the size of this transaction, namely, 1.52 percent, with the transaction size of the engagement of CH. Karnchang Public Company Limited in the Company's 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon - Nakhon Pathom area, of which the highest transaction size on the basis of total value of consideration is equal to 11.98 percent, the total transaction size represents 13.50 percent, which is less than 15 percent, and is not regarded as a transaction of acquisition of assets which is subject to the notification requirement to the Stock Exchange of Thailand ("SET").

5. **Potential Benefits of the Transaction**

This engagement of CH. Karnchang Public Company Limited as EPC Contractor for the Production Capacity Expansion Project in Pathum Thani - Rangsit area by Pathum Thani Water Company Limited is due to the fact that CH. Karnchang Public Company Limited is the country's leading company, with the good financial standing, expertise, and experience in construction of a number of large-scale infrastructure projects, such as, expressway construction projects, Nam Ngum 2 Hydroelectric Power Project, and most importantly, as a contractor with experience in successful construction, supply and installation of equipment for the Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, and as such, it has proper understanding and capability to implement construction of the Production Capacity Expansion Project in Pathum Thani - Rangsit area, thereby demonstrating the potentials, know-how, and readiness of its engineers and working teams. Moreover, the engagement on the fixed cost

lump sum turnkey basis within the specified timeframe will assure that Pathum Thani Water Company Limited is able to manage time and costs of the Production Capacity Expansion Project in Pathum Thani - Rangsit area.

6. Details of Connected Persons

- (1) TTW Public Company Limited is a shareholder of Pathum Thani Water Company Limited, by holding 11,759,733 shares or representing 98 percent of all issued and paid-up shares (information as at the date of the 2014 Annual Ordinary General Meeting of Shareholders on March 7, 2014), and as such, Pathum Thani Water Company Limited is a subsidiary of TTW Public Company Limited.
- (2) CH. Karnchang Public Company Limited is the major shareholder of TTW Public Company Limited, by holding 759,877,400 shares or representing 19.04 percent of all issued and paid-up shares in the Company.^{1/}
- (3) Dr. Sombat Kitjalaksana is a director of TTW Public Company Limited, by holding 2,860,100 shares or representing 0.07 percent of the registered and paid-up capital^{1/}, and a director of CH. Karnchang Public Company Limited, by holding 307,500 shares or representing 0.00 percent of the registered and paid-up capital.^{2/}
- (4) Mr. Plew Trivisvavet is the Vice-Chairman of the Board of Directors of TTW Public Company Limited, by holding 1,100,000 shares or representing 0.027 percent of the registered and paid-up capital^{1/}, and the President and Chief Executive Officer and a shareholder of CH. Karnchang Public Company Limited, by holding 12,613,497 shares or representing 0.75 percent of the registered and paid-up capital.^{2/}
- (5) Mr. Prasert Trivisvavet is a close relative of Mr. Plew Trivisvavet, and Mr. Prasert Trivisvavet is a shareholder of TTW Public Company Limited, by holding 2,300,000 shares or representing 0.05 percent of the registered and paid-up capital.^{1/}
- (6) Miss Nopaneera Sangsuriya is a daughter of Mr. Narong Sangsuriya who is a shareholder of TTW Public Company Limited, by holding 1,000,000 shares or representing 0.03 percent of the registered and paid-up capital.^{1/}
- (7) Mr. Natus Sangsuriya is a son of Mr. Narong Sangsuriya who is a shareholder of TTW Public Company Limited, by holding 1,000,000 shares or representing 0.03 percent of the registered and paid-up capital.^{1/}
- (8) M.R. Achariya Kongsiri is the spouse of Mr. Aswin Kongsiri who is the Chairman of the Board of Directors of CH. Karnchang Public Company Limited, and a shareholder of TTW Public Company Limited, by holding 300,000 shares or representing 0.01 percent of the registered and paid-up capital.^{1/}
- (9) Dr. Supamas Trivisvavet is a daughter of Mr. Plew Trivisvavet, and a shareholder of TTW Public Company Limited, by holding 200,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (10) Mr. Sittidej Trivisvavet is the Executive Vice President: Purchasing of CH. Karnchang Public Company Limited, and Mr. Sittidej Trivisvavet is a shareholder of

TTW Public Company Limited, by holding 100,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}

- (11) Mrs. Korakot Trivisvavet is a close relative of Mr. Sittidej Trivisvavet, the Executive Vice President: Purchasing of CH. Karnchang Public Company Limited, and Mrs. Korakot Trivisvavet is a shareholder of TTW Public Company Limited, by holding 140,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (12) Mrs. Saikasem Trivisvavet is the spouse of Mr. Plew Trivisvavet, and a shareholder of TTW Public Company Limited, by holding 100,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (13) Miss Chansai Santaannop is a daughter of Mr. Ratn Santaannop who is a director and the Executive Vice President: Construction 1 of CH. Karnchang Public Company Limited, and Miss Chansai Santaannop is a shareholder of TTW Public Company Limited, by holding 23,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (14) Mr. Puwanet Trivisvavet is a close relative of Mr. Sittidej Trivisvavet, and Mr. Puwanet Trivisvavet is a shareholder of TTW Public Company Limited, by holding 50,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (15) Mr. Kamthorn Trivisvavet is an executive director of CH. Karnchang Public Company Limited, and Mr. Kamthorn Trivisvavet is a shareholder of TTW Public Company Limited, by holding 40,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (16) Mr. Nattavut Trivisvavet is a son of Mr. Plew Trivisvavet, and a shareholder of TTW Public Company Limited, by holding 10,000 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (17) Mr. Prasert Marittanaporn is the Senior Executive Vice President: Administration Group of CH. Karnchang Public Company Limited, and Mr. Prasert Marittanaporn is a shareholder of TTW Public Company Limited, by holding 100 shares or representing 0.00 percent of the registered and paid-up capital, and a shareholder of Pathum Thani Water Company Limited, by holding one share or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (18) Mr. Narong Sangsuriya is the Chairman of the Executive Committee of TTW Public Company Limited, by holding 100 shares or representing 0.00 percent of the registered and paid-up capital^{1/}, and a director and Senior Executive Vice President: Operation Group as well as a shareholder of CH. Karnchang Public Company Limited, by holding 512,500 shares or representing 0.00 of the registered and paid-up capital.^{2/}
- (19) Mr. Vorapote Uchupaiboonvong is the Executive Vice President: Accounting and Finance of CH. Karnchang Public Company Limited, by holding one share in

Pathum Thani Water Company Limited or representing 0.00 percent of the registered and paid-up capital.

Remarks: 1/ Information as at the closing date of the shareholder register of TTW Public Company Limited on October 31, 2014

2/ Information upon closing of the shareholder register of CH. Karnchang Public Company Limited as at August 14, 2014

7. **Nature and Scope of Interest of the Connected Persons**

The execution of this transaction with CH. Karnchang Public Company Limited is considered a connected transaction between TTW Public Company Limited's subsidiary (namely, Pathum Thani Water Company Limited) with TTW Public Company Limited's major shareholder (namely, CH. Karnchang Public Company Limited) in the category of large-sized assets or services. The transaction value is Baht 367.1 Million or representing 3.31 percent, as compared with the net tangible asset value per the consolidated financial statements of TTW Public Company Limited as at June 30, 2014. Pursuant to the Notifications on Connected Transactions, the execution of any transaction with a value higher than 3 percent shall require the approval of the shareholders' meeting of TTW Public Company Limited, as Pathum Thani Water Company Limited' major shareholder, by not less than three-fourths of all votes of the shareholders attending the meeting and having the right to vote, excluding the votes by the interested shareholders. In this regard, TTW Public Company Limited has appointed Triple A Plus Advisory Co., Ltd. as independent financial advisor to provide an opinion on the justification and benefits for Pathum Thani Water Company Limited, fairness of price and conditions of the connected transaction, and report such opinion to the Stock Exchange of Thailand and the shareholders.

8. **Source of Funding**

With respect to the source of funding to be utilized for this production capacity expansion, the subsidiary shall take out a loan of Baht 400 Million from TTW Public Company Limited for the production capacity expansion, with the principal repayment in installments in full within 2022.

9. **Other Information relating to the Company**

Summary of Corporate Profile of the Company and Business Operations

Pathum Thani Water Company Limited as TTW Public Company Limited's subsidiary operates a business of tap water production and distribution to the Provincial Waterworks Authority (PWA) in its service area in Pathum Thani and Rangsit, Pathum Thani Province, with the maximum production capacity of 388,000 m³/day as at September 30, 2014. Pathum Thani Water Company Limited entered into the Water Production and Distribution Agreement with PWA on August 31, 1995, for a term of 25 years. In addition, Pathum Thani Water Company Limited was also awarded a tap water business concession from the Ministry of Interior on January 13, 2000, whereby PTW has been permitted to produce tap water for distribution in its service area in Pathum Thani - Rangsit, Pathum Thani Province, for a period of 25 years. PWA shall purchase the tap water from Pathum Thani Water

Company Limited for distribution to people in its service area in Pathum Thani and Rangsit, Pathum Thani Province. In the tap water production of Pathum Thani Water Company Limited, it shall pump raw water from the Chao Phraya River for use in tap water production at its tap water production plant which is located in Amphoe Sam Khok, Pathum Thani Province, and will distribute the produced tap water through Bulk Transmission Main (BTM) to its 3 Distribution Stations, namely, Rangsit Distribution Station, Thammasat Distribution Station and Pathum Thani Distribution Station, whereby the tap water from Rangsit Distribution Station and Thammasat Distribution Station will be distributed to Waterworks Office of Rangsit, Waterworks Office of Thanyaburi and Waterworks Office of Khlong Luang, while the tap water from Pathum Thani Distribution Station will be distributed to Waterworks Office of Pathum Thani.

10. Based on such information upon the closing of the share register on October 31, 2014, shareholders who are connected persons and have no right to vote were as follows:

No.	Shareholders	Number of Shares
1	CH. Karnchang Public Company Limited	759,877,400
2	Mr. Sombat Kitjalaksana	2,860,100
3	Mr. Prasert Trivisvavet	2,300,000
4	Mr. Plew Trivisvavet	1,100,000
5	Miss Nopaneera Sangsuriya	1,000,000
6	Mr. Natus Sangsuriya	1,000,000
7	M.R. Achariya Kongsiri	300,000
8	Dr. Supamas Trivisvavet	200,000
9	Mrs. Korakot Trivisvavet	140,000
10	Mr. Sittidej Trivisvavet	100,000
11	Mrs. Saikasem Trivisvavet	100,000
12	Mr. Puwanet Trivisvavet	50,000
13	Mr. Kamthorn Trivisvavet	40,000
14	Miss Chansai Santaannop	23,000
15	Mr. Nattavut Trivisvavet	10,000
16	Mr. Prasert Marittanaporn	100
17	Mr. Narong Sangsuriya	100
Total		769,100,700

11. Appraisal of Price of Assets by the Independent Appraiser

EPSILON Co., Ltd., an independent consulting engineer, has appraised the price by taking into consideration the costs of design, supply, construction and installation of equipment for the Production Capacity Expansion Project in Pathum Thani - Rangsit area.

12. Directors who are the interested persons and connected persons
- (1) Mr. Plew Trivisvavet
 - (2) Mr. Narong Sangsuriya
 - (3) Mr. Sombat Kitjalaksana
- All three directors as listed above neither attended the meeting nor voted in the item of connected transaction in the Board of Directors' Meeting No. 5/2014 on October 14, 2014.
13. Opinion of the Board
- (1) CH. Karnchang Public Company Limited is the country's leading construction company, with the expertise and experience in construction of a number of large-scale infrastructure projects, such as, expressway construction projects, Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, and Nam Ngum 2 Hydroelectric Power Project, etc., thereby demonstrating the potentials, know-how, and readiness of its engineers and working teams.
 - (2) CH. Karnchang Public Company Limited has the experience as Engineering, Procurement and Construction (EPC) Contractor for the Tap Water Production Plant Construction Projects in Samut Sakhon - Nakhon Pathom area and in Pathum Thani - Rangsit area, which has completely commenced the production and distribution of tap water.
 - (3) CH. Karnchang Public Company Limited is a construction company, with the good financial standing, therefore, its working capital is sufficient to complete the construction according to schedule.
 - (4) The value of consideration for this engagement of CH. Karnchang Public Company Limited under the EPC Contract of each project area is reasonable as it is lower than the price appraised by the consulting engineer, and the payment conditions are in the ordinary course of business.
14. Opinion of the Audit Committee and/or the Company's directors which is different from the opinion of the Board
- None -
15. Other information which may materially affect the decision of the investors
- None -
16. Responsibility of the Board towards the Information Memorandum
- The Board of Directors shall be responsible for the Information Memorandum, which, upon consideration, is believed to be materially correct, complete and adequate to support the shareholders' decision.
17. Opinion of the Independent Financial Advisor
- Per details in the Report on Opinions of Triple A Plus Advisory Co., Ltd. (Independent Financial Advisor).