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**Minutes of the Extraordinary General Meeting of Shareholders No.1/2011**  
**of**  
**Thai Tap Water Supply Public Company Limited**

Date, Time and Place

The Meeting was held on Tuesday, 20 December 2011 at 1.00 p.m. at Grand Ballroom, The Emerald Hotel, 99/1 Ratchadapisek Road, Din Daeng, Bangkok.

12 directors attending the Meeting

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|-----------------------------|--|
| 1. Dr.Thanong Bidaya        | Chairman of the Board of Directors, Independent Director   |
| 2. Mr.Plew Trivisvavet      | Vice Chairman of the Board of Directors  |
| 3. Mr.Narong Sangsuriya     | Chairman of the Executive Committee  |
| 4. Mr.Techapit Sangsingkeo  | Chairman of the Audit Committee, Chairman of the Risk Management Committee, Independent Director |
| 5. Mr.Phairuch Mekarpon     | Chairman of the Nomination and Remuneration Committee, Independent Director                      |
| 6. Mr.Somnuk Chaidejsuriya  | Chairman of the Corporate Governance Committee, Independent Director                             |
| 7. Mr.Prasert Marittanaporn | Director and Nomination and Remuneration Committee Member  |
| 8. Mr.Jun Aketa             | Director and Nomination and Remuneration Committee Member  |
| 9. Mr.Suvich Pungchareon    | Director and Executive Committee Member  |
| 10. Dr.Sombat Kitjalaksana  | Director and Executive Committee Member  |
| 11. Mr.Tomonori Suzuki      | Director and Executive Committee Member  |
| 12. Mr.Sompodh Sripoom      | Director, Executive Committee Member and Company Secretary / Managing Director                   |

7 executives attending the Meeting

- |                                 |  |
|---------------------------------|--|
| 1. Mr.Somkiat Patamamongkolchai | Accounting and Finance Director            |
| 2. Mr.Sompol Kritsadasima       | Business Development Director              |
| 3. Mr.Chutchawan Tienprasertkit | Marketing Directors                        |
| 4. Ms.Pathida Chaiyasen         | Human Resource and Administration Director |

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| 5. Mr.Sivar Nagdhary       | Management Information System Director           |
| 6. Mr.Thanat Siricharoen   | Operations Director                              |
| 7. Mr.Sahachai Hengtrakool | Director Attached to Office of Managing Director |
| 8. Ms.Sudarat Chiamchan    | Director, Office of Managing Director            |

Others attending

- |                               |   |
|-------------------------------|---|
| 1. Ms.Suthang Kolsilpa        | Trinity Securities Company Limited, Independent Financial Advisor |
| 2. Ms.Maneerat Jangjamjitt    | Trinity Securities Company Limited, Independent Financial Advisor |
| 3. Mr.Pitavat Tantivat        | Trinity Securities Company Limited, Independent Financial Advisor |
| 4. Ms.Umaporn Jirakaseamphong | Trinity Securities Company Limited, Independent Financial Advisor |
| 5. Mr.Nopadol Intralib        | The Legists Ltd., Legal Advisor                                   |
| 6. Ms.Sawitree Treenawarut    | The Legists Ltd., Legal Advisor                                   |

Prior to proceeding with the Meeting in accordance with the agenda, the Meeting was informed the details of the Meeting and vote counting procedures as follow:

According to Clause 31 of the Company's Articles of Association, each Shareholder or a proxy authorized by anyone of the Shareholders to vote on his/her behalf had his/her votes equal to the number of share holding. One share would be entitled to one vote. The voting should be made by a show of hands.

Vote casting would be executed on each of the meeting's agenda, shareholders could cast their votes either "disapprove" or "abstain" by marking on the voting cards with signatures. However, those who voted "disapprove", or "abstain" were requested to raise their hands so that TTW officers could collect the voting cards. The voted "approve" cards could not be collected.

For the vote counting, the company would deduct the disapproved votes and abstained votes from total votes casted from shareholders attending the meeting. The remaining votes would be considered as approved votes in that agenda. When considering such votes, this would include votes made by the proxy who has been appointed by the shareholders and stated in the proxy form. For any agenda that would require resolution, the resolution would be passed with majority votes casted by shareholders who attended the meeting and had voting rights.

In case of equality of votes, the Chairman of the Meeting would cast the final vote. The voting result of the previous agenda would be declared at the end of each agenda, whereby the person who would be acting as mediator, Ms.Sawitree Treenawarut from The Legists, a legal advisor who would be overseeing the voting and vote counting process. However, this would not be applied to Agenda 3 which had interest and connected person having no right to vote at 1,580,339,800 shares or 39.61 % of the total shareholders.

In this regards, Mr.Techapit Sangsingkeo, Chairman of the Audit Committee, attended the Meeting as proxy for 16 shareholders, holding 182,228,400 shares.

### **Preliminary Proceedings**

Dr. Thanong Bidaya Chairman of the Meeting stated that there were shareholders presented in person and by proxy, as follows:

- 165 Shareholders present in person, representing 151,393,065 shares; and
- 158 Proxy-holders from the shareholders, representing 2,761,570,383 shares;

Totaling 323 shareholders, representing 2,912,963,448 shares, equal 73.0066 % of the total 3,990,000,000 outstanding shares of the Company and thereby a quorum was constituted in accordance with Article 30 of the Company's Articles of Association. The Chairman, thus, declared the Meeting open and proceeded with the Meeting in accordance with the following agenda :

### **Agenda 1. To Consider and Approve the Minutes of the 2011 Annual Ordinary General Meeting of Shareholders**

The Chairman requested the Meeting to consider and approve the Minutes of the 2011 Annual General Meeting of Shareholders which was held on Monday, 7 March 2011. Copies of the Minutes were distributed together with the Meeting Notice to all Shareholders prior to this Meeting.

The Chairman gave the opportunity to the meeting to ask questions.

**Mr.Thongin Sang-ngam**, by proxies, expressed his appreciation to the venue of meeting which was convenience. Then, the Chairman thank you to the shareholders for the suggestion would be benefit to the next shareholders meeting arrangement.

**Resolution:** The Meeting had thoroughly considered and by a major vote of the shareholders approved the Minutes of the 2011 Annual General Meeting of Shareholders held on 7 March 2011 as proposed with the following votes :

From total 334 shareholders, being 3,281,788,799 votes or accounting of 100% of all the votes of the shareholders who attend the meeting and cast their votes :

- Approved                      3,281,760,699 votes or accounting of                      99.9991 % of total votes of shareholders attending the meeting.
- Disapproved                      0 vote or accounting of                      0.0000 % of total votes of shareholders attending the meeting.
- Abstained                      28,100 votes or accounting of                      0.0009 % of total votes of shareholders attending the meeting.

## **Agenda 2.      Acknowledgement of 2011 Interim Dividend Payment**

The Chairman requested the Managing Director to inform the meeting.

The Managing Director reported the fact that under Articles 38 of the Articles of Association, the Board of Directors might pay interim dividends to the shareholders from time to time when the Board of Directors found that the Company had sufficient profit and report thereof should be made to the next shareholders meeting.

The Company had net profit from the first half of 2011 of the business under the investment promotion, therefore, the Board of Directors resolved during its meeting no. 3/2011 held on 29 July 2011 approved to pay interim dividend at 0.15 Bt. per share or 598.5 mil. Bt. and the payment had been made on 26 August 2011.

The Chairman gave the opportunity to the meeting to ask questions.

**Mr.Thongin Sang-ngam**, by proxy, commented that according to the Article of Association mentioned in the meeting agenda 2, the dividend payment could be made depending on the company's performance. Therefore, the Meeting should acknowledge the company's performance prior to the approval of dividend payment.

**Mr.Sompodh Sripoom**, the Managing Director informed that according to the Article of Association, the Board of Directors might pay interim dividend from time to time when found that the company had sufficient profit and a report thereof should be made to the next shareholders meeting. The company had net profit of the first half of 2011, thus, the Board of Directors resolved to pay interim dividend at Baht 0.15 per share and the payment had been made on 26 August 2011. Thus, if there was no extra ordinary general meeting of shareholders, the acknowledgement of the interim dividend payment should be made at the next annual general meeting of shareholders. Therefore, the company should report to this shareholders meeting. The Company's performance was presented in the Independent Financial Advisor's report page 43-44

shown the 9 months of 2011 compared to 2010 and 2009 resulting that the Company had the profit of 1,629 mil. Bt. which could be quarterly averaged almost the same as 2010.

**Dr.Thanong Bidaya**, as the Chairman of the Meeting, proposed the shareholders to consider the IFA's report and the question could be asked in the other agenda.

The Chairman proposed the Meeting to consider this matter.

**Resolution** : The Meeting acknowledged the 2011 interim dividend payment .

**Agenda 3. To Consider and Approve the Investment in Shares in CK Power Limited**

The Chairman informed to the Meeting that in this agenda, there were 7 interest and connected persons, namely, Mr.Plew Trivisavavet, Mr.Narong Sangsuriya, Mr.Prasert Marittanaporn, Dr.Sombat Kitjalaksana, Mr.Suvich Pungchareon, Mr.Sompodh Sripoom and Mr.Somkiat Pattamamongkolchai who entitled to the attend the meeting but did not cast the vote, then, the Managing Director would provide the information with no suggestive to the Meeting and had no right to vote.

The Chairman requested the Managing Director to report to the meeting.

The Managing Director reported the fact to the Meeting that since the company hold 30% of CK Power Limited (CKP)'s shares which eligible to obtain 2 board seats at CKP. The Company's Managing Director and Accounting & Finance Director were appointed to assume board member of CKP, therefore, it was considered as the connected persons. Then, the Managing Director would be assumed the role of a reporter to the meeting and had not right to cast the vote.

The Managing Director expressed his thanks to the shareholders who asked for more information regarding this agenda to the Company.

The Managing Director reported to the Meeting that this shareholders meeting was requested to kindly consider approving the Company to purchase ordinary shares in CKP by way of purchase of newly-issued capital increase shares in proportion to the shareholding percentage not exceeding 273 mil. shares at the par price of 10 Bt., totaling value not exceeding 2,730 mil. Bt. and upon combination with the investment in purchase 3 mil. shares in CKP at the par price of 10 Bt. per share, totaling of 30 mil. Bt., as previously acquired by the Company, thereby totaling 276 mil. shares, or representing 30 percent of the registered capital of CKP. This project value would total 2,760 mil. Bt.

On 14 September 2011, the Company purchased shares in CKP from CH. Karnchang Public Company Limited ("CK"), Bangkok Expressway Public Company Limited ("BECL") and Bang Pa-in Land Development Co., Ltd. ("BLDC"), at the price equal to the par value (10 Bt. per share), totaling 30 mil. Bt., and upon combination with one share as previously acquired by the Company, thereby causing the Company to currently hold a total of 30 percent of the 100 mil. Bt. registered capital of CKP. Therefore, the Company obtained 2 seats from 7 board members in CKP's Board of Directors and has nominated the Managing Director and Account & Finance Director as representatives to CKP's Board of Directors.

Subsequently, on 1 November 2011, the Extraordinary General Meeting of Shareholders of CKP resolved to approve the increase of its registered capital from 100 mil. Bt. to 9,200 mil. Bt. In this regard, CKP would use the proceeds from such capital increase to purchase the ordinary shares in South East Asia Energy Limited ("SEAN"). CKP's goal was to hold shares in SEAN at approximately 55 percent of all paid-up capital of SEAN. Therefore, to maintain the Company's shareholding percentage in CKP, the Company should purchase capital increase shares in CKP at 30 percent or 273 mil. shares in the amount of 2,730 mil. Bt.

The Board of Directors approved during its meeting held on 14 November 2011 to arrange these Extra Ordinary General Meeting of Shareholder to consider this matter. The Managing Director presented the details as follow :

On 8 June 2011, CKP was registered with the 100 mil. Bt. registered capital and the 3 major shareholders were ;

CH. Karnchang Public Company Limited

Bangkok Expressway Public Company Limited

Bang Pa-in Land Development Co., Ltd.

On 14 September 2011, the Company purchased 3 mil. shares in CKP from CK in the amount of 30 mil. Bt. representing 30 % of CKP's shares. As a result, CK decreased their shares from 49 % to 38%, BECL decreased from 42 % to 30% and BLDC decreased from 9 % to 2%.

The Shareholders Meeting of CKP resolved to approve the increase of its registered capital from 100 mil. Bt. to 9,200 mil. Bt. and would be offered for sale to the existing shareholders in proportion to their current shareholding percentage.

The Managing Director reported to the Meeting that CKP was a holding company which held shares in another company which in the present, CKP has invested in SEAN at the ratio

of 38 percent with a desire to increase at the ratio of 55 percent through buying shares from the other shareholder as a result of increasing the capital to 9,200 mil. Bt. Therefore, the company needed to repay loans from financial institutions due to the purchase of the shares of SEAN from CK. in the first time. Another part was the company bought shares from other shareholders approximately 2,000 mil. Bt. The remaining proceeds of 10 mil. Bt. from the capital increase would be used as the company's working capital.

For information details of SEAN, the Managing Director informed the meeting that SEAN was the concessionaire for produce electricity from the Nam Ngum 2 Dam in Lao People's Democratic Republic (Lao PDR), while SEAN also had power purchase agreement with the Electricity Generating Authority of Thailand.

The business of SEAN was about Power Plants. The registered capital was 6,607 mil. Bt. and the existing shareholders consisted of the companies such as CK in a ratio of 38 percent, Ratchaburi Electricity Generating Holding Plc.(RATCH) at 33.33 percent, BECL at 16.67 percent and other shareholders at 12 percent. Moreover, CKP has purchased shares of SEAN from CK. in the ratio of 38 percent. As a result, CKP was a Major shareholder in the company instead of CK.. Then the other's equity remained unchanged.

In 2006 SEAN has established Nam Ngum 2 Power Company Limited (NN2) which was a listed company in Lao PDR. The assignment of the concession agreement. power purchases agreements as well as other contracts to the NN2. That led to the concessionaire in the production of electricity was under the NN2.

NN2 had registered capital of 8,809 mil. Bt. with 2 shareholders' equity companies which were SEAN the ratio of 75 percent and the government of Lao by the state enterprise in the proportion of 25 percent. The reason for the SEAN need to transfer the concession power to NN2 was in by Lao PDR's Law the government could not be held the share for the international company , in order to take part in the project, It was necessary to establish the NN2 in the Lao PDR.

For the project to generate electricity from the Nam Ngum 2 Dam, Managing Director reported to the shareholders' meeting that the Nam Ngum 2 Dam was located above the Nam Ngum 1 about 35 kilometers or 96 kilometers north of Vientiane. The size of the dam was about 485-meter-long and 181-meter-high with a production capacity of electricity 615 MW. The power could be produced electricity about 2,218 mil. units.

The company transferred electricity to the Electricity Generating Authority of Thailand (EGAT) and the power purchasing point was located in the middle of the Mekong River in Nong Khai province, with a concession period of 25 years and started to sell electricity at the end of March 2011. However, when included at the year start of the power supply both of first and second years, the concession period was 27 years. Anyhow, the project produced electricity from the Nam Ngum 2 Dam would generate revenue of about 4,000 mil. Bt. per year.

In order to have clear picture of NNM2, the Managing Director informed that 2 multi-purpose dams which was well known in Thailand such as Srinakarin Dam which had the capacity to generate electricity at 720 MW. It could generate electricity all year at 1,250 mil. Units per year, and Bhumibol Dam had the capacity to generate electricity 730 MW. It could generate electricity was 1,026 mil. Units per year. Therefore, the two dams could generate electricity at 2,276 mil. units. When compared to the capacity to generate electricity, Nam Ngum 2 Dam could equally generate electricity throughout the year with the capacity of 2 dams since the location of the dam had the height of the terrain to 181 meters, with the release of water into the power plant to move 3 turbine spin machines that could generate electricity at 205 MW each.

In terms of financial analysis, TTW would invest in CKP at 2,730 mil. Bt. with 100% loans from commercial banks, so there was no impact on cash flows of the Company. In the meantime, there were more than one bank that proposed to provide full amount of non-conditional loan to the company.

The Managing Director informed to the meeting about the reason why investing in CKP that the Annual General Meeting of Shareholders held on 7 March 2011 had approved to amend the company's objectives to operate in water, energy and environmental friendly business. So it was a good chance for the company to expand the operation into these businesses, especially clean energy. The reasons of the company trying to focus on clean energy or environmental friendly businesses was because the public seemed to perceive water business as green business that environmental-friendly. Therefore, in order to ensure compatibility with its core business, the Company was trying to focus on investments in clean energy business and environmental friendly businesses.

Moreover, the revenue of the company which came from water production and supply in Samuthsakorn, Nakhonpatom, Pathum Thani – Rangsit, accounting for 96 percent of total revenue of the company came from only one customer, PWA. Furthermore, the revenue which earned 4 percent came from the water supply and wastewater management in Bang Pa-in



Industrial Estate. Therefore, the revenue from the distribution of power could reduce dependence on revenue from a single source. One more advantage was investing in this company could record revenue immediately. Since The Nam Ngum 2 project had started production and distribution of electricity since March 2011. If the acquisition had been approved by shareholders, the Company would recognize revenue of approximately 190 mil. Bt. in 2012.

By the way, the Managing Director had informed earlier that the investment was 100% loan without the use of company's cash. Therefore, it would use of the company's financial strength in order to bring maximum benefit to the shareholders. However, there might be interest expense on the 2,730 mil.Bt-loan amount which would be increase. But in the second half of 2012, the Company would not gain to tax benefits received by the Board of Investment (BOI). So the company had to pay tax from water production. Then the interest expense would help to reduce the tax part. Otherwise, the tax rate was 23 percent of any tax to be paid.

For the question whether the acquisition of CKP share at a price of 10 Bt. per share was too high or not. The independent financial advisors had assessed that value, the reasonable price range was between 10.08 to 11.54 Bt., depending on the case. But the case was the standard price of 10.79 Bt. per share.

TTW had CK which was a shareholder at 33 percent and BECL at 9.24 percent, so when TTW needed to do in financial transaction with CKP, it was considered a connected transaction and the approval from shareholders was required.

The Chairman gave the opportunity to the meeting to ask questions.

**Mr. Chatree Jaruennuen**, as a shareholder, expressed his appreciation to the Chairman regarding the meeting's venue. The place was convenient and the Japanese foods prepared for the shareholders were excellent. In addition, the shareholder was asked

1. When the company was acquired, it expected that how much profit would be payback to shareholders?

2. If CKP could manage well why CK, BECL and BLDC had to sell the shares to TTTW?

**Dr. Thanong Bidaya**, the Chairman of the Meeting, expressed its gratitude to all shareholders. The chairman told shareholders that the company would try to choose meeting place to be comfortable for the shareholder. If the shareholders were satisfied with this place, the company would choose this place again for the shareholders' meeting next year.

**Mr.Sompodh Sripoom**, as the Managing Director, informed to the meeting that the revenue which generated to shareholder was dividend. The Board of Directors preferred that it should not less than that of last year. The company agreed that CKP was a good company to invest. For that reason, why CK, BECL and BLDC sell shares to TTW, he was unable to explain for those companies. Because it was their purpose to sell their shares.

**Dr. Thanong Bidaya**, as the Chairman of the Meeting, also explained that CK and BECL held nearly 40% of TTW's shares. Another shareholder was Mitsui Water Holdings Company Limited which held the shares nearly 26 percent. According to TTW, the company would pay tax on the profit of the company in the second half of the year 2012, TTW could generate profit well, but there were limits on the growth of the company. The company had ability to pay dividends regularly and the payment of dividends should not to be paid less than a year ago. The company also did accumulation of assets to its shareholders. That was to invest in the part that generated good returns to shareholders.

In case shareholders approved, the Company would had a chance for looking for new business opportunities and the most business opportunities were businesses in the bulk of CK. Then CK and BECL had the potential to establish a new infrastructure company.

New business which focuses on infrastructure as part of the Nam Ngum 2 generated electricity. It lead to establish CKP, and then it was a great place to invest in projects that operated already in CKP. It was also in the group which could negotiate a reasonable profit.

The profits were expected to be recognized from the Nam Ngum 2 project and other power project which occurred under CKP. This way, the Company would have return on other business apart from water supply. This was the way the Company trying to recruit a business opportunity. When all parties agreed in principle, we appointed an independent financial advisor to conduct detailed study. The study found out that

CK and BECL intended to sell shares to TTW, as a shareholder of TTW as well as the potential of financial strength which could be extended. It was a related case. This would result in all parties benefit by both parties.

**Mr. Thongin Sang-ngam**, by proxy, had questions as follows;

1. The pros/cons for TTW, especially to the shareholders.
2. With the total amount of 2,730 mil.Bt loan, would the interest expense be affected.
3. To invest this amount. How long for break-even year; 5, 10 or 20 years?

4. TTW would increase investment or change to be renewable energy company, how the Company should be careful in this regard.

5. Was CKP a subsidiary of TTW ? or not.

The Managing Director informed the shareholders that in terms of best / worst case would happen to the Company. The independent financial advisors would be providing information to shareholders.

**Trinity Security Co., Ltd**, the independent financial advisor explained to the shareholders that, according to TTW's business plan, the company was planning to invest in energy business in order to distribute risk into a more stable business as infrastructure business had 25-year-concession agreement, while water sale and purchase agreement with PWA was last 30 years. As for this investment, it was considered no construction and commencement risks since NN2 had already started the operation and recorded revenue. Such investment was also considered as risk distribution into more stable business with low economic fluctuation. More importantly, TTW had already hold 30% stake in CKP and would enter into share purchasing process in order to hold its proportion at the remaining stake of 30%. This would have an advantage for TTW in having negotiation power, monitoring company operation, having the right in appointing its director for casting vote in important issues.

The disadvantage of this transaction was the burden from additional liability of 2,730 mil.Bt from loan or at 400 mil.Bt. per year to pay for both principal and interest. However, with revenue from water business and this investment, it was expected that TTW would have net profit before interest, tax, depreciation and amortization at approximately 3,000 mil.Bt.. After deducting existing liability of 1,600 mil.Bt. and new liability of 400 mil.Bt, TTW would expect the net profit of 1,600 mil.Bt. As compared to previous information, TTW was still able to make dividend payment at the same level of previous years. Another disadvantage was TTW's lost its opportunity to investing into other businesses. However, with its performance, such issue raised was only minor.

The independent financial advisor also informed to the meeting that payback period would be approximately 14 years from the 25-year-concession; together with the fact that the project had the ability to initial operating date for 2 years. This was the reason to support such investment.

**The Managing Director** informed that the company took high precaution in expansion its business into alternative energy, renewable energy and clean energy. The company

was fully aware of its expertise, risks associated with new businesses. He also stated that the company's board of directors, executives and staff put high attention and took best effort in order to ensure that no matter entering into new business or even the existing water production; risks associated with the expansion of production or areas must be at the acceptable level. In addition, TTW was one of the major shareholders in CKP.

**Mr. Chatchai Koonngarm**, as the shareholder, informed the meeting regarding the ability of dividend payment as mentioned by the Managing Director and the independent financial advisor that as TTW annually adjusted water tariff according to inflation rate and the dividend payment was not lower than the inflation rate. The shareholder was of the opinion that the inflation rate factor should be taken into consideration for the future payment of dividend. In addition, the meeting should not only report the performance, which was the past, but also what TTW would do in the future. Since TTW was going into energy business, the shareholder requested the company to take high attention in the operation process and thought that if we did not move, we would step backward.

Meanwhile, the company website requested the shareholders to propose the agenda for the annual general meeting, he therefore, proposed the addition issue on "and future plan" for the report of company operation during the past year. In this future plan, it would be the report of short-term, medium-term and long-term plan. This way the competitor would not be advantage from this report, since all of company activities are concession-related businesses.

**Mr. Staporn Paviran**, the shareholder, asked that why CK chose TTW to invest in CKP, but not BMTA or BECL. Was it for tax planning purpose in order to get tax benefit?

Once TTW held shares in CKP, CKP would enter the SET and what was CKP's dividend payment policy.

Under Agenda 9 of previous AGM, there was the approval of the amendment of company's objectives and increase total value amount of issuance and offering as well as the issuance of promissory note and/or debenture reissuance so that the company was able to invest in other businesses. He suggested the company to consider other financial instruments, not only from commercial banks, but also other instruments, such as debentures, promissory notes, which had lower financial cost. He also asked that what did the benefit from this investment will return to TTW?

**The Managing Director** explained to the meeting that TTW currently had 7 bil.Bt. debentures. The first 3.5 bil.Bt. debentures with maturity period of 3 years would be due at the end

of February 2012. The company was, therefore, preparing to issue new debentures to repay for the redemption. This was the reason of the 2.73 bil.Bt. loan. Having considered TTW's overall debts, we would see that the company had tried to maintain the amount of debentures and loans at the similar level. Currently, the company had 7 bil.Bt. debentures and 4 bil.Bt. bank loans. With the additional loan of 2.73 bil.Bt. the amount of bank loans would consequently be similar to that of debentures.

The Managing Director further explained that future operation plan would be roughly disclosed to the public in terms of the company direction. This was to ensure that such report would not be openly disclosed so that the company competitors would take advantage on such report.

As for the reason that CK sold shares to TTW instead of BECL and BMCL, the Managing Directors informed that he could not in the position to answer since it was up to the seller. However, he had the opinion that TTW had high credibility with low debt equity ratio at 1.5 to 1, even more loans of 2.73 bil.Bt. would be obtained. The company was fully aware that any investment undertaken, the return must be higher than the interest to be paid to the banks and investors received higher return. Regarding whether CKP would be listed in the SET, the Managing Director informed that it would depend on CKP performance in the future.

Mr. Tara Chonprani, as the shareholder, asked the meeting as follows;

1. How much per share did SEAN sell its stake to the Government of Lao PDR?
2. Would CKP buy shares from SEAN from 38% to 55% at the par price of 25 Baht?
3. How much electricity rate did NN2 sell to EGAT and what type of sale and purchasing agreement between NN2 and EGAT?
4. Was there any study on geographical risks, such as storm, water level? In terms of earthquake, how much Richter Scale did the dam can hold?
5. What was the duration period of 25-year-concession?

He further stated that according to the report of the independent financial advisor, revenue after EBIDA, the company would have net profit at 1.6 bil.Bt. How would revenue in the next 5 years be so that the shareholders would be able to see the future growth? According to information regarding EBIDA, it was 2.098 bil.Bt. in 2008, 2.456 bil.Bt. in 2009, 2.697 bil.Bt. in 2010 and 2.166 bil.Bt. in the first 9 months of 2011. This showed that the EBIDA of 1.6 bil.Bt. would be at the decreasing rate.

The Managing Director explained to the meeting that EBIDA was continuously increasing every year at the rate close to 80%. In 2011, it would be 80% and likely to increase. This investment would have the return to shareholders at the rate of 20%, higher than the rate of 15% set by the Board of Directors. The annual return on this 2.73 mil.Bt. investment was 20%

The rate of electricity NN2 sold to EGAT was shown on page 73 of the report of independent financial advisor. Regarding the sale volume, EGAT would inform of its minimum electricity requirement on the annual basis.

Regarding the question of risks, the Managing Director explained that, according to the engineer's report, NN2 was built to withstand 9 Richter Scale of earthquake. As for storm and rain volume, NN2 took only one rainy season to store water sufficient to generate electricity, while other dams normally took approximately 2 years. The 25-concession-contract would start from March 2013.

As for the questions of the price per share SEAN sold to the government of Lao PDR and whether CKP would buy SEAN shares from originally 38% to 55% at par of 25 Baht, the Managing Director replied that SEAN sold its shares to the government of Lao PDR at par value of 10 Baht per par and CKP bought SEAN shares at 25 Baht per share.

Miss Wipa Techaumporn, the shareholder, asked that what was the percentage the company made the profit when it invested in other businesses apart from tap water. How much dividend to be paid to the shareholders in each half year?

The Managing Director replied that EIRR from this investment was approximately 20%. According to the criteria set by the Board of Directors, if EIRR was higher than 15%, such project would be supported. As for dividend, the payment would make from the company net profit, not from the each project. As stated earlier, the dividend to be paid would be considered by using the amount in previous year as the reference for the next year payment.

Dr. Thanong Bidaya, the chairman, added that shareholders would study the report of the independent financial advisor as shown in page 86, summarizing the project information and expected return. As stated earlier by the Managing Director, if the shareholders wished to know about the return on investment of this project, they would looked at loan interest rate comparing with the return, how much percentage of interest expense for this project.

TTW invested in projects by using credit. The project to be invested must have higher return than interest expenses and sufficient to cover risks associated with the project.

**Mr. Pitipath Pathtanathanchoke**, as proxy from the Thai Investors Promotion Association, asked as follows;

1. If CKP increased its capital in the future, would TTW have to maintain this proportion and how was the opportunity?
2. In terms of risk, it was stated that to be listed in the SET, there should be the action to deal with the conflict of interest issue, what was the company action on this matter?
3. As stated by the independent financial advisor, the payback period would be 14 years, while the payback of loans would be 10 years. Where would be the source of finance to cover the payment of loan during 4- year-period?

**The Managing Director** informed that, as previously mentioned, TTW held 30% stake in CKP and whether CKP would be able to raise its capital, if it wished to. TTW would have the right whether to agree if CKP wished to raise its capital.

As for the question on the conflict of interest, the company is the listed company in the Stock Exchange of Thailand (SET) and all shareholders, such as CK and BECL, are all the listed companies. The boards whom TTW appointed as the Board of Directors CKP would be those who protected the interest of the company and to ensure that the company's benefits received as planned or even higher. As widely known, TTW held 30% stake in CKP. Any action might be approved by  $\frac{3}{4}$  of the shareholders. The company, therefore, had the veto right. Regarding the payback period, the Managing Director responded that there was internal discussion on the debt restructure of SEAN and NN2 due to high loan interest expense. If there was the debt restructure and the debt payment period was extended according to the cash flow, it would relieve such burden. However, without any action was made, the return would be 20% and the better the performance, the better the return. As stated in the independent financial advisor, even though NN2 started commissioning and electricity was sold, the loan interest rate was still MLR+0.5. Since electricity business quite secured, especially with EGAT was the buyer, paying interest rate with MLR+ was rather high and the company would take necessary action on this matter.

**Mr. Suriya Sanpasarn**, as proxy, asked whether the company considered political risks since NN2 was located in Laos PDR and the possibility that the company would be forced to sell its stake back to the Laotian government.

**Dr. Thanong Bidaya**, the chairman, replied that he had a chance to meet the deputy Prime Minister of Laos PDR. The Laotian government had clear strategy to push the country to become the 'battery of Asia'. That is to sell electricity to Asian countries. Meanwhile, there were 2

dams that generated electricity and sold to Thailand, and another dam was under the approval process to sell electricity to China and Vietnam. This strategy of Laos PDR, which is located in the land-locked country, had the purpose to generate national income for its 6-million-population. Therefore, it was unlikely that the government would destroyed the investment atmosphere, in addition, the domestic electricity demand was little and the government had a plan to build more dams in order to produce electricity and sell to its neighbouring countries.

This strategy had been in operation for almost 10 years and considered the successful, then, in 27 years the dams would be belonged to the government. By that time, revenue from selling electricity to neighbouring countries would be 100% belonged to the country. The chair added that, considering Thai-Lao relationship, investment in Lao was considered the safest, comparing with investment in Burma and Cambodia.

**The Managing Director** reminded the shareholders that this project was implemented under the agreement between the Governments of Thailand and Laos PDR to sale and purchase electricity. Therefore, it was the governments binding, not the agreement between private sectors.

**Mr. Sakchai Sakulsrimontri**, the shareholders, asked whether the construction companies, named P.T. Construction and Chalapak Development Team as mentioned in the report of independent financial advisor, had shareholders from CK.

**Dr. Thanong Biddhaya**, the chairman, replied that CK's directors were not the shareholders of both companies. P.T. Construction was the Laotian companies and Chalapak Development Team, the project joint developer, was US nationality.

The chairman proposed the Meeting to consider this matter.

**Resolution:** The meeting had approved to the investment in CK Power Limited by way of purchase of newly-issued capital increase shares in proportion to the shareholding percentage not exceeding 273,000,000 shares, at the total value not exceeding 2,730,000,000 Baht and upon combination with the investment in purchase of shares in CKP as previously acquired , thereby totaling 276,000,000 ordinary shares, or representing 30% of the registered capital of CKP at the total value of 2,760,000,000 Baht, with the votes more than third-fourth of the votes of shareholders attending the meeting and have the right to cast the votes. Details of the votes were as follows:



From total 391 shareholders with 1,713,281,540 votes or accounting of 100% of votes of shareholders attending the meeting and have the right to cast the votes, the votes were as follows:

- Approved            1,711,871,840 votes or accounting of            99.9177 % of total votes of shareholders attending the meeting.
- Disapproved            82,100 votes or accounting of            0.0047 % of total votes of shareholders attending the meeting.
- Abstained            1,327,700 votes or accounting of            0.0774 % of total votes of shareholders attending the meeting.

#### **Agenda 4      Other business**

The Chairman informed the meeting that, in this agenda, shareholders requested him to analyzed the world economic issues and impact on Thailand. He summarized that there was not certain that the US economy was recovered, due to high unemployment rate and the preparation for the election. However, US economy was very huge, therefore, the government would not let the economy become worsen. Solving unemployment problem would take another 3-5 years, but US dollar was still the world major currency. Regarding Europe, the problem was worsen, especially since the establishment of the Euro Zone with increasing member countries until 21 or 22 countries. The subprime crisis in USA caused impact worldwide and European banks heavily invested in the subprime business. Thailand was also affected by this crisis with lost 50% of export value since the crisis. Then, most countries used the strategy in heavily issuing bonds in order to inject money into the economy. The countries that issued most were those newly members of Euro with low competitive capacity. Then, there were the PIGS countries, stand for Portugal, Ireland, Greece, Italy and Spain. The worst affected were Greece and Italy. Both countries borrowed money for over 100% of GDP; Greece 120%, Since the debt over 100% of GDP, bonds issued by the Greek government were devalued. Banks that issued the Greek bonds were also downgraded, and became bad debt before the amount of debt reduced to 50% from the debt restricting. European banks that involved with Greece were mostly those in France, Germany. Governments, therefore, had to help their own banks and Greece at the same time. The issue was that although they are the member of Euro Zone, there was no single Finance Minister to control the whole Euro. Each country had its own finance minister. The Euro set the criteria that they could not raise their debt higher than 60% of national income. However, it was forgotten during the

subprime crisis and the countries were allowed to raise debt level higher than the ceiling. The average debt level in Euro was higher than 80% of GDP. Then, it was realized that debt burden should reduce to 60% as previously set and new rule, so-called the "6 Pack Rule" was formalized and forced member countries to tight their belt in order to get back to the better Euro criteria.

Most countries thought that Italia, the Euro third largest economy, would be survived since it had both industry and agriculture, and potential to compete. Greece was a worry; since it had nothing much apart from tourism industry and people were quite relax. So, the question was who would help Greece out of this crisis. Germany was one that had potential and it was widely debating whether to help Greece because there should have penalty to those who raised excessive debt. The question was whether Greece should be out of the Euro or let it voluntarily resigned. If Greece was out of the Euro Zone and returned to use its own currency, while devalued its currency like Thailand. The price of goods would become lower, then would help relieve the tension. However, it was easily said than done since it would cause the huge debt with many banks involved. Only way to do was to bail out Greece. It would cost around 130 billion US dollars. The problem was if it was bailed out, how Greece had to heavily tight its belt and the chance to stick to the conditions of Euro, IMF and European Central Bank had to be postponed. The example was the Philippines, the country was under IMF conditions for over 20 years, but still would not be able to pay all debts, contrary to that of Thailand where debts could be paid within 5-6 years. Greece would be the same condition as the Philippines.

This crisis would cause the world economic slowdown to at least 3 years, with about 1-2% growth. Most economic growth was in Asia, which also affected with the decreased export volume to USA and Europe. Therefore, Thailand had to trade more with Asian countries while growth should be around 4-5%. Once Chinese, Japanese and Korean's economy was improved, this would help improve our economy. He was confident that Asia had the future; China and India would grow at 6-7%. This was the trend that Asia was not much affected. However, the Thai export would be affected, especially those exported to USA and Europe. Our competitors would compete in some items. This was the force for Thailand to build up its new competitive strategy. However, he was still confident that Thailand was going well because there was the balance between agriculture and industry.

There were no further questions, the Chairman expressed thanks to shareholders joining the meeting today and all useful comments. Also, if there were no other matters for consideration, Thus, the chairman declared the meeting adjured at 3.20 p.m.

- Translation -

Nonetheless, after the commencement of the meeting at 1.00 p.m., there were additional 402 shareholders to join the meeting representing 3,293,621,340 shares.

..... -Signature -.....

(Dr.Thanong Bidaya)

Chairman of the Meeting