



- Translation -

Minutes of the Extraordinary Meeting of Shareholders No.1/2014  
of TTW Public Company Limited

Date, Time and Place

The Meeting was held on Monday, 22 December 2014 at 2.00 p.m. at Arnoma Grand, Arnoma Hotel 99 Ratchadamri Road, Pathumwan, Bangkok 10330

Directors attended the Meeting

- |                             |  |
|-----------------------------|--|
| 1. Dr. Thanong Bidaya       | Independent Director, 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. Mr. Techapit Sangsingkeo | Independent Director, Chairman of the Audit Committee, Chairman of the Risk Management Committee, Corporate Governance Committee |
| 5. Mr. Phairuch Mekarporn   | Independent Director, Chairman of the Nomination and Remuneration Committee, Audit Committee, Corporate Governance Committee,    |
| 6. Mr. Somnuk Chaidejsuriya | Independent Director, Chairman of the Corporate Governance Committee, Audit Committee, Nomination and Remuneration Committee     |
| 7. Mr. Suvich Pungchareon   | Director, Executive Committee  |
| 8. Dr. Sombat Kitjalaksana  | Director, Executive Committee  |
| 9. Mr. Ryotaro Sumi         | Director, Nomination and Remuneration Committee  |
| 10. Mr. Tomoaki Matsumoto   | Director, Executive Committee, Risk Management Committee   |
| 11. Mr. Chaiwat Utaiwan     | Director, Executive Committee, Risk Management Committee, Corporate Governance Committee, Managing Director                      |

Executives attended the Meeting

- |                                 |   |
|---------------------------------|---|
| 1. Mr.Somkiat Patamamongkolchai | Finance Director  |
| 2. Ms.Pathida Chaiyasen         | Human Resource Director   |
| 3. Ms.Sudarat Chiamchan         | Director, Office of the Managing Director and Company Secretary |
| 4. Mr.Nattapon Kinhawharn       | Director Attach to Office of the Managing Director              |
| 5. Mr.Hongthong Artit           | Customer Service Director                                       |



- Translation -

Independent Financial Advisor attended the Meeting

- |                                  |  |
|----------------------------------|--|
| 1. Mr. Somkiat Wongbuppha        | Triple A Plus Advisory Company Limited |
| 2. Mr. Chokechai Srisawekkanjana | Triple A Plus Advisory Company Limited |
| 3. Mr. Tharkool Hengsakul        | Triple A Plus Advisory Company Limited |

Legal Advisor attended the Meeting

Ms.Sawitree Treenawarut                      The Legists Limited

Shareholder as witness attended the Meeting

- |                            |                       |
|----------------------------|-----------------------|
| 1. Mr. Hungchai Akkawaskul | Shareholder's Witness |
| 2. Mr. Sathaporn Pungnirun | Shareholder's Witness |

Notification to shareholders before the meeting.

1. 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 shareholding. One share would be entitled to one vote.
2. Meeting would consider the agenda in the notification letter. The information was presented in each agenda. The Company would give an opportunity for shareholders to enquiring for any questions. Finally, it would pass a resolution for the agenda.
3. In case of shareholders who would like to comment or ask the question, shareholders might raise their hand and stated their name, as well as whether they were the shareholder or proxy.
4. The voting should be made by a show of hands.
5. In case of shareholder opposed or abstained, please fill out the detail of abstaining in the card and sign in the card as well. The company would officially receive a vote on a confirmation card with agree, disagree, and abstained from.
6. For the vote counting, the company would deduct the disagreed and abstained votes from total votes casted from shareholders attending the meeting. The remaining votes would be considered as agreed / approved votes in that agenda, when considering such votes
7. In considering the voting, the Company will take the shareholder's intention as specified in the proxy.
8. Agenda 1 would need the majority of vote by the shareholders attending the meeting and being entitled to vote would be taken into consideration.
9. Agenda 3 and agenda 4 would need the votes of more than three-Fourth of shareholders attending the meeting and casting the votes.



- Translation -

10. In case of tie vote, the Chairman of the Meeting would cast the final vote.

11. Vote result of each agenda would be reported to the meeting after the next agenda. The Legist Co., Ltd and two of shareholders would serve as witness on vote counting process.

As at October 31, 2014 which was the closing date for the right to attend the Extraordinary Meeting of Shareholders No. 1/2014, there were 11,581 shareholders, with a total of 3,990,000,000 issued shares. The Company had publicized the documents on the Extraordinary Meeting of Shareholders No. 1/2014 on its website since December 1, 2014 and delivered the Notice of the Meeting, together with its supporting documents, to the shareholders since December 8, 2014 in order to allow the shareholders to study the information not less than 14 days in advance prior to the Meeting.

Should any shareholder have any inquiries or require additional clarification in any issue, please state his/her name and surname in order to record in the Minutes of the Meeting. To ensure rapidity to conduct the Meeting, shareholders might ask questions upon completion of the consideration of each agenda item, and shareholders were requested to use the microphone as provided by the Company for the clarity of the questions. For the transparency in the vote counting, the Company invited two representatives of the shareholders, namely, Mr. Hungchai Akkawaskul and Mr. Sathaporn Pungnirun who volunteered to witness the examination of vote counting in association with Ms. Sawitree Treenawarut, legal advisor, The Legists Ltd.

In this regards, Mr.Techapit Sangsingkeo, Independent Director, Chairman of the Audit Committee, Chairman of the Risk Management Committee, Corporate Governance Committee, attended the Meeting as proxy for 175 shareholders, holding 1,408,242,207 shares.

#### **Preliminary Proceedings**

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

352 Shareholders present in person, representing 53,140,495 shares; and

375 Proxy-holders from the shareholders, representing 3,255,906,398 shares;

Totaling 727 shareholders, representing 3,309,046,893 shares, equaled to 82.94% 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 proceeded with the Meeting in accordance with the following agendas:



- Translation -

**Agenda 1**      **Consideration and Approval of the Minutes of the 2014 Annual Ordinary General Meeting of Shareholders.**

The Chairman requested the Meeting to consider and approve the Minutes of the 2014 Annual General Meeting of Shareholders which was held on Friday, 14 March 2014. Copies of the Minutes were distributed together with the Meeting Notice to all Shareholders prior to this Meeting.

The Chairman asked for comments and questions for the Minutes of the 2014 General Meeting of Shareholders.

There was no further question from the Meeting. The Chairman proposed the meeting to consider and approve the Minutes of the 2014 Annual Ordinary General Meeting of Shareholders.

**Resolution:**      The Meeting had thoroughly considered and by a major vote of the shareholders approved the Minutes of the 2014 General Meeting of Shareholders which was held on Friday, 14 March 2014 as proposed with the following votes:

<u>Votes</u>	<u>Number of votes</u>	<u>Percentage</u>
Approved	3,310,027,844	99.9958
Disapproved	0	0.0000
Abstained	139,000	0.0042

While the Meeting was considering this agenda item, additional 48 shareholders were present with 1,120,051 shares. Total 775 shareholders with 3,310,027,844 votes or accounting of 100% of all the votes of the shareholders who attend the meeting and cast their votes.

**Agenda 2**      **Acknowledgement of 2014 Interim Dividend Payment.**

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

The Managing Director informed that in accordance with the Articles 38 of the Articles of Association, the Board of Directors have right to approve the interim dividend payment when the company gained a reasonable profit and shall report to the next arrangement of Annual Ordinary General Meeting of Shareholders.

The Board of Directors meeting No.4/2014 held on 14 August 2014 had approved interim dividend at the rate of 0.30 Baht per share totaling 1,197 million Baht which was paid from the company's net profit during January to June 2014 as follows:

1. Of profits gained from corporate income tax-exempted business (BOI) at the rate of 0.299 Baht per share, totaling 1,193,010,000 Baht. Recipients of natural person shareholders are not subject to withholding tax, and shall not be entitled to a tax credited.



- Translation -

2. Of profits gained from 20% corporate income tax-paid business at the rate 0.001 Baht per share, totaling 3,990,000 Baht. Recipients of natural person shareholders are subject to 10% withholding tax that can be tax credited.

The company had paid the Interim dividend on 12 September 2014

The Chairman asked for comments and questions for the 2014 Interim Dividend Payment.

The shareholders' comment was summarized as follows:

Mr. Sathaporn Pungnirun : - Made complimentary remarks and suggested the company to  
Shareholder show the dividend of this year and last year for comparison.

Dr.Thanong Bidaya : - Clarified that the Company's business made to the profit and  
Chairman would pay the dividend to the shareholders every year, and gave more information as follows:

- In year 2010 the interim dividend was paid at the rate of 0.15 Baht per share, 6 month later was paid at the rate of 0.20 Baht per share, The year total paid was 0.35 Baht per share.

- In year 2011 the interim dividend was paid at the rate of 0.15 Baht per share, 6 month later was paid at the rate of 0.25 Baht per share, The year total paid was 0.40 Baht per share.  
Increased by 0.05 Baht

- In year 2012 the interim dividend was paid at the rate of 0.22 Baht per share, 6 month later was paid at the rate of 0.30 Baht per share, The year total paid was 0.52 Baht per share.  
Increased by 0.12 Baht

- In year 2013 the interim dividend was paid at the rate of 0.25 Baht per share, 6 month later was paid at the rate of 0.35 Baht per share, The year total paid was 0.60 Baht per share.  
Increased by 0.08 Baht

- In year 2014 the interim dividend would be paid at the rate of 0.30 Baht per share, 6 month later was expected to be no less than 2013 as the net profit was expected to be no less than the previous year.



- Translation -

- Mr. Sakchai Sakulsrimontri : -Inquired that after the dividend was paid to the shareholders, Shareholder how much the retained earnings? Since in year 2015 the company has the expenses to construct 2<sup>nd</sup> Water Treatment Plant.
- Mr.Somkiat : - Clarified that the retained earnings at the end of Quarter Patamamongkolchai 3/2014 according to Company's Financial Statement was Finance Director approximately 3,000 million Baht.
- Dr.Thanong Bidaya : -Added that the source of fund for investment in the 2<sup>nd</sup> Water Chairman Treatment Plant was from loan and bond with a minimum rate for maximum shareholders benefit.

There was no further question from the Meeting. The Chairman proposed the meeting to acknowledge 2014 Interim Dividend Payment.

**Resolution:** 2014 Interim Dividend Payment was acknowledged by the shareholders.

#### **Prior to the consideration of agenda 3 and agenda 4**

As agenda 3 and agenda 4 would be to consider approving the execution of a connected transaction between of CH. Karnchang Public Company Limited, as the Company's shareholder, and Pathumthani Water Company Limited, as the Company's subsidiary, therefore, such items must be passed 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.

There were 17 shareholders who were connected and interested persons, holding among them 769,100,700 shares, or representing 19.28 percent of all shares in the Company, who had no voting right in this agenda item, as per the details on page 32 and page 44 in the Information Memorandum on Connected Transactions as delivered to shareholders, together with the Notice of the Meeting. However, shareholders who were connected and interested persons would still be entitled to attend the Meeting of Shareholders as specified by the law, but should not have the voting right in these agenda items.

However, directors who were representatives from CH. Karnchang Public Company Limited might be considered connected persons in agenda 3 and agenda 4 but were not proxy holders to attend the Meeting so were not considered as interested persons who would be prohibited to attend the Meeting. Such directors could stay at the Meeting to clarify details of transaction



- Translation -

execution which would be of beneficial to shareholders to receive complete and correct information in accordance with the rules of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand, as well as the good corporate governance principles.

The Meeting was further informed that in the proceedings on consideration by the Board of Directors' Meeting for resolutions to be proposed to shareholders, directors who were representatives from CH. Karnchang Public Company Limited and connected persons did not attend the Meeting nor vote in such agenda item in accordance with the Notification of the Capital Market Supervisory Board and the Notification of the Board of Governors of the Stock Exchange of Thailand.

**Agenda 3 To Consider and Approve to Enter into Contract with Ch.Karnchang Plc.(CK) to Construct 2<sup>nd</sup> Water Treatment Plant at Samut Sakhon – Nakhon Pathom Service Area**

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

The Managing Director reported that the study shown future demand of tap water in next 20 years would continue to grow. The current production capacity would reach its maximum of 440,000 m<sup>3</sup>/day by the end of 2015. Since most of the future tap water demands was in South of TTW current water supply area, the company decided to build 2<sup>nd</sup> Water Treatment plant there at initial production capacity at 100,000 m<sup>3</sup>/day but with foundation structure for future production capability of up to 400,000 m<sup>3</sup>/day. This also included plant development in relations to obtained BOI privilege. TTW would enter into Engineering Procurement and Construction (EPC) contract with CH. Karnchang PLC (CK) for the total construction cost of 2,903,700,000 Baht not including VAT.

The Board of Directors, not including those with conflict of interested had carefully considered the matter to hire CK to carry out this project because CK had expertise in this construction area, with financial strength, good historical work records. TTW had hired Triple A Plus Advisory Co.,Ltd. to help evaluate the fairness cost of the project and also hired Epsilon Co.,Ltd. to estimate the cost of project to be at 2,916,000,000 Baht. Since the offered price from CK was less than the estimated price; therefore, it was reasonable to let CK to carry out the project.

The Chairman asked the Meeting for questions about the expansion of new plant at Samut Sakhon area by having CK as a construction company.

Shareholders gave opinions and questions as following:

Mr. Chatchai Khunngam : - Agreed with TTW to expand the existing capacity by constructing  
Shareholder a new plant in Samut Sakorn area to support demand growth.



- Translation -

However, he had several questions as follow:

1. If it was correct that the purpose of constructing new plant at Samut Sakorn area was for TTW to attain sustainable growth and to have a positive impact to the firm and shareholders?
2. The source of fund for the project and the debenture structure.

- Mr. Chaiwat Utaiwan  
Managing Director
- : Replied to shareholder as follow:
1. The construction the 2<sup>nd</sup> Water Treatment Plant would reduce electricity cost because the plant would be nearer to users thus enhance company performance in general.
  2. Because of recent financial rating of AA- by TRIS Rating Company, TTW would be able to finance the project at a lower rate and so would be able to maintain paying good dividend to shareholders as usual. The debenture structure of 3 billion Baht would be 1.5 billion Baht borrowing and to issue 1.5 billion Baht bond. The bond would consist of 3-years bond for an amount of 1 billion Baht and 5-years bond for an amount of 0.5 billion Baht.
- Mr. Chatchai Khunngam  
Shareholder
- : - Asked for debt to equity ratio after borrowing from the bank.
- Dr. Thanong Bidaya  
Chairman
- : -Explained that the company's policy of debt to equity ratio was not exceed 2 : 1. The company would divide borrowing period of 3 billion Baht, not to borrow the total amount at once. The 2:1 debt to equity ratio was a good rate that the company would have good liquidity, and able to keep better shareholders benefit than funding from company's own cash.
- Mr. Chaiwat Utaiwan  
Managing Director
- : -Indicated that actual debt to equity of the company ratio was 1.4 : 1.
- Miss Wipa Suwanich  
Shareholder
- : -Expressed opinions on 2 topics:
1. The company should have bidding process for transparency in selecting a construction company since this is a large project that has value of 3 billion Baht.





- Translation -

2. According to page 5 in the related topics report, it stated that the company “should” hire an independent consulting company to examine the processes and contents in the contract to ensure transparency processes, She suggested the Company must hire a consulting company.

- Mr. Chaiwat Utaiwan : -Clarified shareholder’s points as following:  
Managing Director
1. The company had planned to open bidding at the beginning of year 2014, but after the restudying shown that the project need to be adjusted to serve the future demand, the previous plan of 100,000 m<sup>3</sup>/day was adjusted to maximum capacity to 400,000 m<sup>3</sup>/day.
  2. Team Consulting and Management Company was hired to manage the project, to supervise construction works, and to examine the contract.
- Miss Jinpan Pornpiboon : -Inquired for additional criteria why TTW consider CK to construct  
Shareholder
- Mr. Narong Sangsuriya : -Explained that the construction of this water treatment plant was so  
Director
- Miss Jintapat Suksawat : -Had an additional question regarding the guarantee of work for the  
Shareholder



- Translation -

- Mr. Chaiwat Utaiwan  
Managing Director
- : -Replied that CK would guarantee the work for one year including maintenance and parts expenses. Furthermore, this included the expense of next phase of 100,000 m<sup>3</sup>/day. Because it was a BOO contract (Build-Own-Operate) so this investment would still be company asset.
- Mr. Suphot Ueachairedkul  
Shareholder
- : -Thank you for previous question from shareholder that helped him to acknowledge and gave him a clearer picture of the project. As a shareholder of CK, he stated that CK had a good record of previous performances unlike other group of companies that might have problems after using subsidiary company services. Mr.Suphot further asked a question regarding the duration for new capacity to reach its maximum and what was the project paid back period and the rate of return.
- Mr. Chaiwat Utaiwan  
Managing Director
- : -Explained from future demand estimation table that TTW existing capacity of 440,000 m<sup>3</sup>/day would be enough to supply until the end of 2015. It would need 24 months to construct the new plant so additional capacity of 100,000 m<sup>3</sup>/day would be ready by early 2017. The future construction of next 100,000 m<sup>3</sup>./day would be faster as major related foundation such as raw water intake and pipes would be laid for it by then. The projected return would be 10% and paid back period was about 9 years.
- Dr. Thanong Bidaya  
Chairman
- : -Appreciated for questions from shareholders and pointed out that the pipelines would support future demands for 20 years. For capacity expansion and pumps would be enhanced along tap water demands for an efficient of cash management.
- Mr. Sathaporn Pungniran  
Shareholder
- : -Agreed with Mr. Suphot and should note that Epsilon was not a financial consulting company, instead it was an engineer consulting company. He would like to support a decision to choose CK for this EPC project based on CK expertise in this area who would be able to provide all equipment in need. Also, as a CK shareholder he wonder if CK had offered too low price since it had to be responsible for maintenance that might occur.



- Translation -

- Dr. Thanong Bidaya  
Chairman
- : -Appreciated that CK sometimes had to bear risk of its subsidiary company, the reason that TTW believed in CK to build the new plant was because TTW used to deal with CK before. We could say that CK was part of TTW success. TTW had bargained with CK to reach this reasonable price. TTW had concerned about risks from regular bidding so it was essential to make shareholders understand.
- Mr. Ritchai Yibjareonporn  
Shareholder
- : -Asked questions related to new plant construction chart as follow:
1. If the company had a second plant at Klatoomban, Samut Sakorn, it would help reduce electricity cost due to shorter distances between plant and users and how much could be saved on production cost of the second plant. and If the company had plan to solve existing unclean water problem in Omnoi area.
  2. The return of this project.
- Mr. Chaiwat Utaiwan  
Managing Director
- : -Explained company's 3 production standards of "cleanliness, sufficiency, and consistency". Production costs attributed to chemical substances and electricity which determined by quality of raw water. The better quality of raw water, the less cost of chemical substances. Electricity cost depended on distance between plant and user area. The new plant would have installed Ultra Filtration Membrane technology to ensure the quality of tap water.
- Dr. Thanong Bidaya  
Chairman
- : -Clarified that turbid water was not from TTW since the company produce and sell tap water with standard quality to Provincial Water Authority (PWA) then end users received water from PWA pipeline. PWA pipes were in used for a long period of time and may be damaged, leak and contaminated with underground water. The company also helped PWA to fix the damaged pipelines under PWA water management. TTW had adopted new technology to produce good water quality and this would generate revenue to the company at least 10%. The company was confident that capacity expansion of 100,000 m<sup>3</sup>/day would be enough for the next 5 years.



- Translation -

- Mr. Chatchai Khunngam Shareholder : -Asked what was the rate of return on investment for this project as it was said by the former managing director, Mr. Sompodh Sripoom that the company would not consider the project with return less of than 15%.
- Dr. Thanong Bidaya Chairman : -Elaborated that the 15% rate of return said by the former managing director was for investment on outside projects, however for own investment, 10% rate of return was high and acceptable.
- Mr. Somkiat Phomrat Shareholder : -Asked whether the company had prepared for the water shortage problem that might occur in the future.
- Dr. Thanong Bidaya Chairman : -Explained that it was the government responsibility to plan and manage water resources in general. If the water shortage should occur, the company might face difficulty. However, the water TTW needed to produce 800,000-900,000 m<sup>3</sup>/day was very little compared to total water in Chao Praya River and Tha Chin River.
- Mr. Chaisit Rueanwarapit Shareholder : -Asked if there would be a problem if PWA adjusted raw water tariff from 8.50 Baht to 10 Baht?
- Dr. Thanong Bidaya Chairman : -Explained that TTW produced and sold water to PWA at an agreed price under the contract; therefore, this would not affect how TTW do business.
- Mr. Tara Chonlapanee Shareholder : -Suggested to clarify on voting criteria of agenda 3 and agenda 4. With reference of 9 months performance he also suggested that the year dividend should be 0.75 Baht per share. He further asked questions as follow:
1. Agenda 4 was about capacity expansion by constructing new plant in Pathumthani-Rangsit area while agenda 3 capacity expansion by constructing new plant in Samut Sakorn - Nakhon Pathom area, did it mean the company cannot expand capacity from existing plant in Banglane. And how large was the existing plant at Banglane.
  2. If Banglane area was about 50 Rai giving maximum capacity up to 440,000 m<sup>3</sup>/day while plant 2 area was 40 Rai with maximum



- Translation -

capacity up to 400,000 m<sup>3</sup>/day, the bottleneck of production processes was area or raw water.

3. The initial investment for each plant 2 was 2,903.70 million Baht for first 100,000 m<sup>3</sup>/day, what would be the cost for others 100,000 m<sup>3</sup>/day.

4. If the company had capability to manage this project or not.

Mr. Chaiwat Utaiwan  
Managing Director

: -Explained on investor raised points as follow:

1. The company could not expand additional capacity from Banglen plant.

2. Both existing plants adopted conventional technology (Sludge Blanket) while the new plant would adopt Ultra Filtration Membrane technology.

3. For capacity expansion phase 2, the company would need 729 million Baht.

4. The company believed to have ability to effectively manage this project.

Mr. Tara Chonlapanee  
Shareholder

: -Continued to ask that the company use same technology for 729 million Baht investment at phase, since the expansion capacity in Pathumthani –Rangsit costs only 367 million Baht. he would suggest that the cost of expanding capacity in this project should not be more than 600 million Baht.

Dr. Thanong Bidaya  
Chairman

: -Explained that the costs of expansion in both 2 projects could not be compared because the capacity expansion in existing plant was to fix bottleneck problems, while of the new plant was to construct a new plant. Therefore, it was difficult to compare both projects. Also, the expansion costs for phase 2 was only 729 million Baht because the company had prepared foundation for further expansion.

Mr. Tara Chonlapanee  
Shareholder

: -Continued to ask what was the differences of 100,000 m<sup>3</sup>/day capacity expansion of this project as compared to Pathumthani – Rangsit project.



- Translation -

- Mr. Chaiwat Utaiwan  
Managing Director
- : -Explained that the Pathumthani – Rangsit project would use conventional technology (Sludge Blanket) but this project would use Ultra Filtration Membrane which would be able to handle poor water quality in the future and save electricity cost so these two projects were not comparable.
- Mr. Narong Sangsiriya  
Director
- : -Further explained that capacity expansion in each area would have different details as pumps might be installed in a case while building a new plant would be needed in another case.
- Mr. Tara Chonlapanee  
Shareholder
- : -Asked more questions as follow:
1. What was the maximum capacity for new plant and how long this would cover the usage demand.
  2. Due to the fact that the company still await approval notice for the 120,000 m<sup>3</sup>/day, would that affect this project of 400,000 m<sup>3</sup>/day.
- Mr. Narong Sangsiriya  
Director
- : -Gave explanation on investor questions
1. The new plant was designed to produce 100,000 m<sup>3</sup>/day but with the foundation to serve future demand of up to 400,000 m<sup>3</sup>/day so each expansion step would need less investment.
  2. It was true that using raw water from river need to be authorized and using it for tap water production would have high priority for approval.
- Mr. Hongthong Arthit  
Customer Service Director
- : -Provided additional information that the company had already submitted request for approval to authority however the responsible government committee had not hold meeting to consider the matter for sometimes. If there were a meeting, it would be certain that the company would get approval.
- Mr. Pichai Fuengfutagul  
Shareholder
- : -Asked a question relating to reason for ages restriction of shareholder to join a company event.
- Mr. Chaiwat Utaiwan  
Managing Director
- : -Replied that the company concerned more about safety of shareholders especially if such activity involved long distance travel



- Translation -

to remote area. So in such case age limitation of participants would need to be applied.

Mr. Sakchai Sakulsrimonthon : -Asked if the company need to get an approval from shareholder to Shareholder issue bonds.

Dr. Thanong Bidaya : -Replied that the company has enough cash to manage Chairman

There was no further question from the shareholders. The Chairman announced that it was time to vote for the approval of hiring CK to construct 2<sup>nd</sup> water treatment plant Samut Sakorn-Nakhon Pathom service area.

**Resolution** The meeting resolved, by majority of votes of the shareholders 3 out of 4 from total number of shareholders who attended the meeting and cast votes, to approve the employment of CK to construct the 2<sup>nd</sup> water treatment plant in Samut Sakorn – Nakhon Pathom service area at the amount of 2903,700,000 Baht, with following votes :

<u>Votes</u>	<u>Number of votes</u>	<u>Percentage</u>
Approved	2,469,851,991	99.5209
Disapproved	280,000	0.0088
Abstained	115,587,500	4.4703

There were additional 52 shareholders who participated the meeting representing 35,400,947 votes from total 827 shareholders with 3,345,567,891 votes accounting for 100% of votes of shareholders attending the meeting and casting the votes.

**Agenda 4 To Consider and Approve to Enter into Contract with Ch.Karnchang Plc. (CK) to Construct Capacity Expansion Project at Pathum Thani – Rangsit Service Area**

The Chairman asked the Managing Director to report the meeting

The Managing Director reported that Patum Thani Water Company Limited (PTW), a subsidiary company at Patum Thani-Rangsit service area with maximum capacity of 388,000 m<sup>3</sup>/day, had conducted a study survey and found that water usage demand in the service area would exceed the present capacity in the near future. PTW had planned for a capacity expansion project of 100,000 m<sup>3</sup>/day with initial production capacity of 57,000 m<sup>3</sup>/day to cope with this demand. CH. Karnchang Plc. (CK) by invitation had offered Engineering Procurement and Construction (EPC) for this capacity expansion project at a cost of 367,100,000 Baht (exclude VAT).



- Translation -

Directors, except those who had conflict of interest with this matter, had considered the matter along with opinion from Triple A Plus Advisory Co., Ltd., an independent financial advisor and agreed that this matter was for the utmost benefit of the company since CK was a leading construction company of Thailand that had constructed a number of large-scale infrastructure projects, with strong financial status, therefore they would have expertise and adequate working capital to support the capacity expansion project construction. The 367,100,000 Baht value of this contract was reasonable since it was lower than the appraised cost by Epsilon Co., Ltd., a consulting engineer, at 378,300,000 Baht under the conditions of payment which was in accordance with an ordinary course of business.

The Chairman asked for comments and questions for entering into Contract with CK to Construct Capacity Expansion Project at Pathum Thani – Rangsit Service Area.

Shareholders' comments were summarized as follow.

- Mr. Sakchai Sakunsrimontri : -Asked for number of those who had conflict  
Shareholder of interest with this matter.
- Mr. Chaiwat Utaiwan : -Replied that the number of those who had conflict of Interest  
Managing Director was 17 holding 769,100,000 shares, equaled to 19.28% of the total shares of the Company.
- Mr. Sakchai Sakunsrimontri : Requested for an opinion from Triple A Plus Advisory Co., Ltd.  
Shareholder
- Mr. Somkiat Wongbubbpa : -Provided an opinion that, after conducting a study survey of  
Independent Financial Advisor the Project at Pathum Thani - Rangsit area, its objective was appropriate. According to record of tap water production for 9 months of 2014 showing the highest production of 391,172 m<sup>3</sup>/day. It was higher than the basis production at 388,000 m<sup>3</sup>/day. Therefore, the unconsidered capacity expansion would impact the water usage demand in the near future. The company also invested in the business that had experience and expertise to manage for years. Moreover, added that the payback period of the project would take approximately 6 years and rate of return (IRR) was about 10.18 percent covering contract period. Therefore, it was an opportunity to maintain to be a leading water management company in Thailand. If the company neglected to





- Translation -

this opportunity, Provincial Waterworks Authority (PWA) would offer the right it to other potential companies.

- Mr. Sakchai Sakunsrimontri : -Asked whether the approval of project at a cost of 367,100,000 Baht was only for increasing the water pressure in the pipe and If the water pressure was normally steady.  
Shareholder
- Mr.Nattapon Kinhawharn : -Replied that the approval of project at a cost of 367,100,000 Baht was for increasing the capacity expansion by enlarging the bottleneck of pipeline at each raw water intake system and water treatment system. Nowadays water pressure was sometime low because the water production exceeded the maximum capacity.  
Director
- Mr. Pramote Librattanasakun : -Inquired the company to explain an opinion from Triple A Plus Advisory Co., Ltd on page 5, no.1: Weighted Average Cost of Capital (WACC) was 5% change in estimate  
Shareholder
- Mr. Somkiat Pattamamongkolchai : -Replied that this estimate was to seek Net Cash Flow (NCF) by WACC with discount rate of 5.34-10.07 percent, average rate of 6.67 percent which was an average cost of finance and capital. To support the assumption. The feasibility, regarding net present value (NPV) for assuming a 5% discount rate, was conducted. It was shown in page 150.  
Finance Director
- Discount rate increased by 5 percent, NVP decreased to 96.27  
Discount rate decrees by 5 percent, NVP increased to 119.66  
Rate of return (IRR) was about 10.18 percent and no impact
- Mr. Pramote Librattanasakun : -Asked whether 1,500,000,000 Baht of Corporate Bond would be issued for 2 projects and what was an interest rate.  
Shareholder
- Dr. Thanong Bidaya : -Clarified that the company would issue the 3-years Corporate Bond with the approximately interest rate of 3.35% and 5-years Corporate Bond with the approximately interest rate of 3.55%. The interest rate was related to the duration of Corporate Bond and economic recession. Currently, policy interest rate was frozen at the lowest levels in order to stimulate demand of investment and production. Therefore, current money market situation and company rating ranked by TRIS Rating (AA-) would be beneficial  
Chairman



- Translation -

for the company to issue the corporate Bond with low interest rate of approximately 3.35-3.55 percent.

- Mr. Pramote Librattanasakun : -Asked why average cost of Weighted Average Cost of Capital Shareholder (WACC) was from 5-10 percent.
- Dr. Thanong Bidaya : -Replied that, according to an opinion of Triple A Plus Advisory Chairman Co., Ltd., it was the maximum amount of Legal Reserve requirement. In case of lower interest rate, the company would earn higher interest.
- Mr. Tara Chonpranee : -Asked when the project would be finished. Shareholder
- Dr. Thanong Bidaya : -Replied that the project would be finished at the end of year Chairman 2015, it took about 1 year construction.
- Mr. Tara Chonpranee : -Asked whether the current production capacity exceed Shareholder 388,000 m<sup>3</sup>/day of Pathum Thani Water Company Limited and 440,000 m<sup>3</sup>/day of TTW Public Company Limited was actual capacity production. If the company realized the demand for water increases.
- Mr. Nattapon Kinhawharn : -Replied that the designed capacity of PTW was 388,000 m<sup>3</sup>/day Director attach to Office of but its actual capacity was 391,000 m<sup>3</sup>/day. The designed the Managing Director capacity of TTW was 440,000 m<sup>3</sup>/day and its actual capacity was slightly higher than 440,000 m<sup>3</sup>/day.
- Mr. Chaiwat Utaiwan : -Added that currently, the company took action more than Managing Director the tap water producer and distributor by setting up a call plan team to visit the top customers in our service area. They found that the customers might turn to ground water usage due to insufficient water supply for their production. The company would try the best not to let it happen.

There was no further question from the shareholders. The Chairman announced that it was time to vote for the approval of hiring CK to construct Capacity Expansion Project at Pathum Thani – Rangsit Service Area.

**Resolution** The meeting resolved, by majority of votes of the shareholders 3 out of 4 from total number of shareholders who attended the meeting and cast votes, to approve the



- Translation -

employment of CK to construct Capacity Expansion Project at Pathum Thani – Rangsit Service Area at the amount of 367,100,000 Baht, with following votes :

<u>Votes</u>	<u>Number of votes</u>	<u>Percentage</u>
Approved	2,469,933,791	95.5240
Disapproved	228,000	0.0088
Abstained	115,505,700	4.4672

There were no additional shareholder participated the meeting so the total shareholders attended the meeting was 827 representing 3,345,567,891 votes accounting for 100% of votes of shareholders attending the meeting and casting the votes.

#### **Agenda 5**      Other Business

The Chairman provide opinion on topic “What is the trend of Thailand economy in 2015” requested by Mr. Chatchai Khunngam by stating that Thailand economy at that time was in recession stage. It would continuously remain unhealthy until next year. That was the effect of poor economy in European countries, although U.S. economy seemed to have a positive signal. But the fall in oil price globally made oil producer countries to face a crisis. The fall in fuel price would have a big impact on oil producers bearing a cost more than \$50 a barrel. Russia, one of top oil producer in the world, had a relative high cost of production relative to peers due to its logistic system. Apparently this threatened Russian economy, and its influence would be found in the decreased number of Russian tourists visiting Thailand from now on. For U.S.A., there was a plan to use self-reliance strategy. It reduces imported products from other countries to support domestic products.

Thailand of course would have negative impacts on international trade; however, the positive impacts would be the lower cost of production from a fallen oil price. For tourism industry, it was hard to estimate since world economy was unstable. Political and economic tensions among main players like European countries, China, and U.S.A. would remain from the conflict that has a negative impact on global economy development. Therefore, non-stability of the world economy would have influence on Thailand’s economy badly if it was not solved.

For ASEAN Economic Community (AEC), with 600 million populations still was considered a small player internationally. However, many ASEAN members rely on international trade with foreign countries. For example, Thailand and Malaysia imported and exported products more than 100 percent while Singapore had high imports and exports up to 200 percent. Accordingly, ASEAN



- Translation -

members still view each other as competitors. To illustrate, Thailand has to compete with Vietnam, Laos, Myanmar, and Cambodia to export agricultural products. Likewise industrial sector, Thailand also has Malaysia, Indonesia that export similar goods. Therefore, high technology for production processes was needed to adjust to severe competition and to strengthen Thailand's competitiveness. Because Thailand labor supply for industrial sector was not comparable with ASEAN members; therefore, high technology can substitute and enable Thailand to compete with others.

In the Chairman's view, Thailand had a fair performance in exporting agricultural and industrial products under the poor global economy. It would take sometimes for global economy to recover. Since there were many unclear factors involved such as politics, election, and investment policy that affected Thailand's economy under recession period. It was essential that the government needs to make things clear to gain customer trust.

The Chairman said thank you to shareholders who participated in the event and thank you for sharing opinions that are beneficial for the company. Since there was no further question from shareholders, the Chairman announced the end of the meeting at 4.20 p.m..

-Sign-

Dr. Thanong Bidaya

Chairman of the Board of Directors