

The Opinion Report of the Independent Financial Advisor
Regarding the Connected Transaction of
Thai Tap Water Supply Public Company Limited

Proposed to

The Shareholders of Thai Tap Water Supply Public Company Limited

Prepared by

Country Group Securities Public Company Limited

July 3, 2009

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Executive Summary

The Board of Directors Meeting of Thai Tap Water Supply Plc. (“the Company” or “TTW”) No. 5/2552 held on May 29, 2009, with the directors with vested interests, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, and Mr. Sombat Kitjalaksana, not attending and voting at the meeting, passed a resolution approving for the Company to seek approval from the Extraordinary General Meeting of Shareholders No. 1/2552 for a purchase of rights to operate and manage treated water and waste water services at Bangpa-in Industrial Estate for the period of 30 years (“Operating Rights”) from Bangpa-In Land Development Co., Ltd. (“BLDC”) at the price of Bt. 1,400 million.

In accordance with the Notification of the Stock Exchange of Thailand (“SET”), Re: Disclosure of Information and Acts of Listed Companies Concerning Acquisition or Disposal of Assets, B.E. 2547, and the amendment thereto under the Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551, as well as Section 89/29 of the Securities and Exchange Act B.E. 2551, the transaction size of the Transaction is 7.34% of the total asset value of the Company and its subsidiaries according to the consolidated financial statements ended March 31, 2009 and is lower than 15%, hence not being treated as an acquisition of assets that must be disclosed to the SET.

However, the said Transaction is treated as the Connected Transaction as the Company and BLDC have the same directors and major shareholders and the total size of the Transaction is equivalent to 16.25% of the net tangible asset value of the Company and its subsidiaries according to the consolidated financial statements ended March 31, 2009, which is in line with the SET Notification, Re: Disclosure on Information and Acts of the Listed Company concerning the Connected Transaction, B.E. 2546, and the amendment thereto under the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551, as well as Section 89/12 of the Securities and Exchange Act B.E. 2551. Therefore, the Transaction requires approval from a shareholders meeting with at least three-fourths of the total votes of the shareholders or their proxies (if any) attending the meeting and having the right to vote, excluding shares of the shareholders with vested interests. Moreover, the Company will have to engage the Independent Financial Advisor to give the Opinion on the reasonableness of the Transaction for proposing to the Audit Committee and the Shareholders.

Accordingly, the Board of Directors of the Company has appointed Country Group Securities Plc. to be the Independent Financial Advisor (“CGS” or “the IFA”) to provide opinions with respect to reasonableness of the Transaction and fairness on pricing on the Transaction to the Audit Committee and the Shareholders of the Company.

CGS, as the Financial Advisor accredited by the Securities and Exchange Commission (“SEC”) and being independent to the Company, has considered and studied the information on the Transaction based on the

resolution of the Meeting of the Board of Directors of the Company No. 5/2552 held on May 29, 2009, the consolidated financial statements audited/reviewed by the Company's auditor, the financial statements audited by BLDC's auditor, company affidavit, list of shareholders, articles and memorandum of association, all relevant agreements, the independent advisor reports, other supporting information and documents, assumptions obtained from the Company and BLDC, and interviews with the Management and the relevant staff, including consideration on the overall industry situation and related economic factors. Hence the Opinion on the said Transaction is summarized as followed.

1. Reasonableness of the Transaction

The Independent Financial Advisor has the Opinion that the acquisition of Operating Rights at Bangpa-in Industrial Estate is aligned with the Company's tap water business objective as the Company can enlarge its tap water distribution coverage from Nakhon Pathom and Samut Sakhon provinces to Bangpa-in Industrial Estate in Phra Nakhon Si Ayutthaya province, thus helping to promote the Company's image as the biggest privately owned producer of tap water in Thailand. In addition, to purchase such right will enable the Company to run a comprehensive tap water business, ranging from production to distribution and service charge collection from customers in Bangpa-in Industrial Estate. Therefore, the Company's service coverage will be expanded and mitigate risk from reliance on a sole customer, PWA. The Company will also be authorized to render a waste water treatment service to the operators in Bangpa-in Industrial Estate, which corresponds with its policy to diversify into other related business. Accordingly, this Transaction will be a starting point and give it an opportunity to expand the scope of services to the private sector customers. This will at the same time help to boost its income from the business operations and relatively strengthen its income stability in the long run through the 30-year term of the Operating Rights. The Company can then exploit its experience and skill in the tap water production for a successful operation at Bangpa-in Industrial Estate.

However, as mentioned in Item 2.4 - Risk Factors to make the Transaction page 47, the Independent Financial Advisor is of the opinion that there are the risk factors which the Company and its shareholders should cautiously consider before entering into this transaction since if the clarifications on the risk factors provided by the Company and BLDC were different as disclosed, it might impact the Company's the operation and the operating performance at Bangpa-In Industrial Estate. As a result, it might cause the Company can't receive the expected return from investment.

2. Fairness of price and appropriateness of payment terms for the Operating Rights

The Independent Financial Advisor has the Opinion that the price of the Operating Rights of Bt. 1,400 million is reasonable because under the assumption used herein the Company will obtain the net present value of cash flow greater than zero, or in a range of Bt. 25.75 million – Bt. 139.60 million, which yield higher return than the

investment cost, whereas the average rate of return on investment is equal to 12.80%. However, the Independent Financial Advisor is of opinion that the investment value of Bt. 1,400 million is quite close to the fair value computed under the determined assumptions and thus, when the Company starts actual operation and the assumed factors have been deviated, especially the factor about the growth rate of demand for tap water volumes of the entrepreneurs in Bangpa-In Industrial Estate , it might effect the return from investment of this project.

Considering the Condition of the Transaction, the Independent Financial Advisor has the Opinion that the payment term is by no means a disadvantage to the Company, but is considered fair and in line with the business norms. Moreover, the other conditions specified in the Operating Rights are agreed between both parties and in line with the business norm, as per the above Opinion of the Independent Financial Advisor.

Taking into account all above facts, objectives of the Transaction, business justification, advantages and disadvantages, reasonableness of the transaction, fairness of price and payment term, and given that all factors of concern described in Item 2.4 – Risk factors to make the Transaction appear to be as clarified by TTW and BLDC and all conditions to be set out in the final Operating Rights Agreement are no less inferior to those specified in the draft agreement, The Independent Financial Advisor has the Opinion that the Connected Transaction to be made with BLDC is appropriate and therefore would like to recommend that the shareholders vote in favor of such Transaction.

As the IFA, CGS hereby certify that CGS have performed the study and analysis of the information mentioned above with prudence and under the professional standards and have given rationales fairly based on the information and analytical outcome, with consideration of benefits for the interest of minority shareholders. The Opinion is provided according to the information available from the documents and/or interviews with the management and concerned staff of the Company and BLDC, as well as the publicly disclosed information and all other relevant information. CGS have assumed that all such information is true and correct. Therefore, if the information is not correct and/or not true and/or will significantly change in the future, it might affect on the Opinion given herein. We accordingly cannot affirm the effects likely posed by such factors on the Company and its shareholders in the future. Moreover, the opinions herein are provided solely for proposing to the Company's Board of Directors and Shareholders regarding the above mentioned Transaction.

Nonetheless, the final decision whether to approve the Transaction rests primarily with the Shareholders. The shareholders should study the information and the rationales, advantages & disadvantages, risk factors and opinions on other additional issues provided in the documents attached to the Notice of Shareholders Meeting, to consider suitably approval on the Transaction.

No. WorNor. 87/2552

July 3, 2009

Subject The Opinions of the Independent Financial Advisor on the Connected Transaction of Thai Tap Water Supply Plc.

To The Audit Committee and the Shareholders
Thai Tap Water Supply Plc.

The Board of Directors Meeting of Thai Tap Water Supply Plc. (“the Company” or “TTW”) No. 5/2552 held on May 29, 2009, with the directors with vested interests, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, and Mr. Sombat Kitjalaksana, not attending and voting at the meeting, passed a resolution approving for the Company to seek approval from the Extraordinary General Meeting of Shareholders No. 1/2552 for a purchase of rights to operate and manage treated water and waste water services at Bangpa-in Industrial Estate for the period of 30 years (“Operating Rights”) from Bangpa-In Land Development Co., Ltd. (“BLDC”) at the price of Bt. 1,400 million.

In accordance with the Notification of the Stock Exchange of Thailand (“SET”), Re: Disclosure of Information and Acts of Listed Companies Concerning Acquisition or Disposal of Assets, B.E. 2547, and the amendment thereto under the Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551, as well as Section 89/29 of the Securities and Exchange Act B.E. 2551, the transaction size of this Transaction is 7.34% of the total asset value of the Company and its subsidiaries according to the consolidated financial statements ended March 31, 2009 and is lower than 15%, hence not being treated as an acquisition of assets that must be disclosed to the SET.

However, the said Transaction is treated as the Connected Transaction as the Company and BLDC have the same directors and major shareholders and the total size of the Transaction is equivalent to 16.25% of the net tangible asset value of the Company and its subsidiaries according to the consolidated financial statements ended March 31, 2009, which is in line with the SET Notification, Re: Disclosure on Information and Acts of Listed Companies concerning the Connected Transaction, B.E. 2546, and the amendment thereto under the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551, as well as Section 89/12 of the Securities and Exchange Act B.E. 2551. Therefore, the Transaction requires approval from the shareholders meeting with at least three-fourths of the total votes of the shareholders or their proxies (if any) attending the meeting and having the right to vote, excluding shares of the shareholders with vested interests. Moreover, the Company will have to engage the Independent Financial Advisor to grant opinions on the reasonableness of the Transaction for proposing to the Audit Committee and the Shareholders.

Accordingly, the Board of Directors of the Company has appointed Country Group Securities Plc. to be the Independent Financial Advisor ("CGS" or "the IFA") to provide the Opinion with respect to reasonableness of the Transaction and fairness of the Transaction price to the Audit Committee and the Shareholders of the Company.

CGS, as the Financial Advisor accredited by the Securities and Exchange Commission ("SEC") and being independent to the Company, has considered and studied the information on this Transaction based on the resolution of the Meeting of the Board of Directors of the Company No. 5/2552 held on May 29, 2009, the Company's audited/reviewed consolidated financial statements, BLDC's audited financial statements, company affidavit, list of shareholders, articles and memorandum of association, all relevant agreements, the independent advisor reports, other supporting information and documents, assumptions obtained from the Company and BLDC, and interviews with the management and concerned staff, including consideration on the overall industry situation and related economic factors. Here are the details of the Transaction and the Opinion on the said Transaction:

1. Characteristics and details of the Transaction

1.1 Date of the Transaction and relevant parties

Date of the Transaction

The Company will acquire the Operating Rights from BLDC after approval is obtained from the Extraordinary General Meeting of Shareholders No. 1/2552 to be held on July 31, 2009 and the agreement on the rights to operate and manage treated water and waste water services between the Company and BLDC is concluded. The Transaction is expected to take place by September 2009.

Relevant parties and the relationship

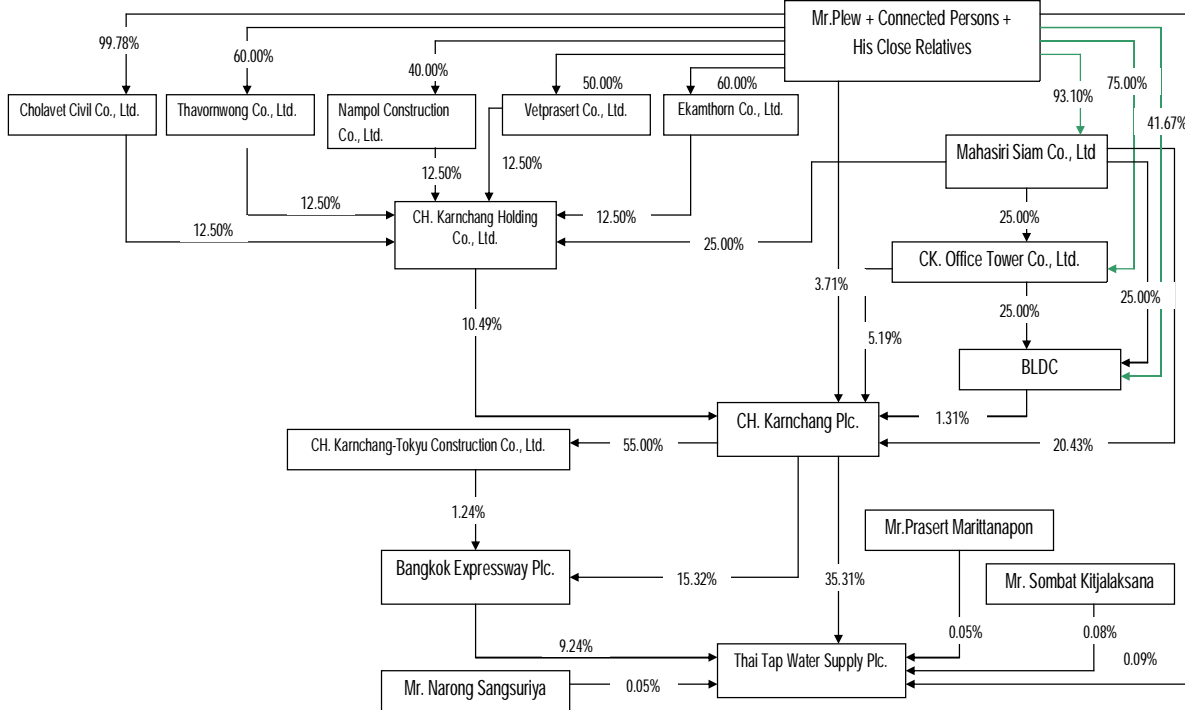
Assignor : Bangpa-In Land Development Co., Ltd. ("BLDC")
Assignee : Thai Tap Water Supply Plc. ("the Company" or "TTW")
The Relationship : Major shareholder and director of BLDC, i.e. Mr. Plew Trivisvavet, is also a director and major shareholder of the Company. The relationship of the connected persons is summarized as follows:

1. Mr. Plew Trivisvavet and his close relatives are directors of the Company and altogether hold directly and indirectly 594,848,628 shares in CH. Karnchang Plc. ("CK"), representing 41.14% of CK's paid-up registered capital (data as of May 6, 2009). They also directly and indirectly own 2,200,000 shares in BLDC or 91.67% of its paid-up registered capital (data as of April 29, 2008).
2. CH. Karnchang Plc. ("CK")
CK is TTW's major shareholder with direct and indirect holding of 1,777,527,400 shares or 44.55% of the Company's paid-up registered capital (divided into direct holding of 1,408,777,400 shares and indirect holding of 368,750,000 shares through Bangkok Expressway Plc. ("BECL"), representing 35.31% and 9.24% respectively of the Company's paid-up registered capital) (data as of June 16, 2009).
At the same time, CK directly and indirectly holds 127,525,890 shares in BECL or 16.56% of BECL's paid-up registered capital (divided into direct holding of 117,974,750 shares and indirect holding of 9,551,140 shares through CH.Karnchang-Tokyu Construction Co., Ltd., representing 15.32% and 1.24% of BECL's paid-up registered capital respectively) (data as of April 16, 2009).
3. BECL is a shareholder of the Company holding 368,750,000 shares or 9.24% of the Company's paid-up and registered capital (data as of June 16, 2009).
4. the List of the connected persons who are directors of the Company, CK, BECL and BLDC (data as of June 16, 2009) is tabulated below:

Name of connected persons	Position in the Company	Position in CK	Position in BECL	Position in BLDC
1. Mr. Plew Trivisvavet	Director	Chairman of the Board of Management and Chief Executive Officer	Chairman of Executive Committee	Director
2. Mr. Narong Sangsuriya	Director and Chairman of Executive Committee	Director and Senior Executive Vice President, Operation Group	-	-
3. Mr. Prasert Marittanaporn	Director, Member of Risk Management Committee, and Member of Nomination and Remuneration Committee	Director and Senior Executive Vice President, Administration Group	- *	-
4. Mr. Sombat Kitjalaksana	Director and Member of Executive Committee	Director and Executive Vice President, Business Development	-	-

Note: *Spouse of Mr. Prasert Marittanaporn is the Managing Director of BECL.

5. The Shareholding Structure of the connected persons is illustrated below:



6. The List of shareholders who may have vested interest in the purchase of the Operating Rights and have no right to vote at the Extraordinary General Meeting No. 1/2009 are as follows (data as of the closing date of the Company's registration book of June 16, 2009):

No.	Name	No. of shares	% of paid-up capital
1.	CH. Karnchang Plc.	1,408,777,400	35.308%
2.	Bangkok Expressway Plc.	368,750,000	9.242%
3.	Mr. Sombat Kitjalaksana	3,000,100	0.075%
4.	Mr. Plew Trivisvavet	2,997,000	0.075%
5.	Mr. Narong Sangsuriya	2,000,100	0.050%
6.	Mr. Prasert Marittanaporn	2,000,100	0.050%
7.	Mr. Prasert Trivisvavet*	700,000	0.018%
8.	Mr. Kamthorn Trivisvavet	20,000	0.001%
Total		1,788,244,700	44.818%

Note: *Close relative of Mr. Plew Trivisvavet and Mr. Kamthorn Trivisvavet.

1.2 Type and size of the Transaction

Over the past years, the Company has expanded its business through 2 methods : 1) Investment by the Company owned the assets such as participate bidding for the rights to sell tap water to PWA for 30 years according to the Sale Agreement with PWA. The Company would construct all production and distribution system, so the Company owns the assets, and not to be transferred to PWA, and 2) Investment by purchasing the common shares of the other companies in order to recognize operating revenue of such companies such as purchasing common shares of Pathum Thani Water Co.,Ltd. ("Pathum Thani Water"), which has the rights to sell tap water to PWA for 25 years according to the Sale Agreement with PWA. Pathum Thani Water itself constructed all production and distribution system, and transferred the distribution system to PWA when the agreement would expire. Hence, such expansion methods has the advantages and disadvantages as follows:

Method	Advantage	Disadvantage
1. Investment by the Company owned the assets	<ul style="list-style-type: none"> • Own the assets • The value of the Investment is the actual cost, which is no additional expense for goodwill 	<ul style="list-style-type: none"> • Take time for preparation on proposal and request for license which the Company could not operate its business immediately • Might expose risk from delaying construction or cost overrun than projected cost • Not render service directly to the final customer, but PWA is the only customer

Method	Advantage	Disadvantage
2. Investment by purchasing the common shares of the other companies ("Pathum Thani Water")	<ul style="list-style-type: none"> • Can operate its business immediately because completion of construction and license granted • Can expand saleable area 	<ul style="list-style-type: none"> • The Purchased cost would include expense for goodwill • Can recognized revenue when declaration on dividend • Must transfer the assets (the production and distribution system) to PWA • Might have the additional liabilities and contingent liabilities which could not be inspected or recognized as of the date of the purchase common shares • Not render service directly to the final customer, but PWA is the only customer

However, under this business expansion, the Company has the purpose to expand its business by purchasing the right in operation for producing tap water and rendering service of water treatment to the companies in Bangpa-in Industrial Estate from BLDC. The Company desire to expand its scope of service to be more comprehensive by producing and distributing tap water, and directly collecting payment form the private customers who are the end user. Such service expansion covers more than the present service, which distribute tap water to PWA for redistribute to the end users. Furthermore, such expansion of service coverage from current sale on tap water in Nakhon Pathom and Samut Sakhon provinces to Bangpa-in Industrial Estate in Phra Nakhon Si Ayutthaya province.lead to the opportunity to the Company to provide such same service to the other industrial estates or areas. Additionally, purchase on the right for operation has the same advantage as purchasing common shares of the other companies, which can start the operation immediately. The Company can recognize immediately revenue from operation in the Company's financial statement because the Company itself operates its business. Moreover, the Company has not to record the liability of BLDC in the consolidated financial statement. However, such proceed of the Transaction has the same disadvantage as purchasing common shares of the other companies, which the Company doesn't own the asset at the expiry of the agreement. At that time, the Company should return the right in operation to BLDC, which is the similar case that Pathum Thani Water would return the right in operation to PWA at the expiry of the agreement. Moreover, the Company have to pay the higher price than the book value of the assets for purchasing the right in operation, which is the similar case that the Company purchased common shares of Pathum Thani Water at the higher price than the book value.

Hence, the Board of Directors' Meeting No. 5/2009 on May 29, 2009 had the resolution to expand its business by purchasing of the rights to manage, operate, develop, monitor, maintain, improve, sell, service and collect revenues on (1) production of tap water for sale, (2) management of groundwater for sale, and (3) waste water treatment service ("Operating Rights") for the period of 30 years from the starting date of business operation at

Bangpa-in Industrial Estate from BLDC, with which the Company shares common major shareholders and directors. The Company will pay a fee of Bt. 1,400 million for the said Operating Rights. Calculation of the Transaction in accordance with the SET's Notification, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction B.E. 2546 (2003) and its amendment according to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551 shows the Transaction size of 16.25% of the net tangible asset value of the Company and its subsidiaries which amounted to Bt. 8,615.86 million as per the consolidated financial statements as of March 31, 2009. The transaction size of over Bt. 20 million and higher than 3% of the net tangible asset value of the Company and its subsidiaries is considered the Connected Transaction which requires approval of the Shareholders prior to the Transaction according to the said notifications and Section 89/12 of the Securities and Exchange Act. Therefore, before executing on the Transaction, the Company is required to disclose details of the Transaction to the SET, prepare the report, and convene the Shareholders' Meeting to approve the entering into this Connected Transaction with a vote of at least three-fourths of the total votes of Shareholders or their proxies (if any) attending the meeting and having voting right, excluding shares of the Shareholders with vested interests.

Additionally, the drafted agreement of operating rights dated July 2, 2009 specifies that during the period of the agreement, the Company would distribute tap water to the building or office of BLDC and the Building or Office of IEAT or the full-time officer in Banpa-in Industrial Estate in aggregate of not more than 25,000 cu.m. per annum. This deems to payment to BLDC according such agreement. Thus, distributing tap water for BLDC or IEAT's use with no cash payment has the value of Baht 562,500 per annum (at the rate of Baht 22.50 per cu.m. which is the actual rate at present)

However, the Transaction size, according to the SET's Notification, Re: Disclosure of Information and Acts of Listed Companies Concerning Acquisition or Disposal of Assets B.E. 2547 (2004) and its amendment according to the Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551, can be calculated only on the total consideration value basis as it concerns the purchase of Operating Rights. The Transaction size, computed to be 7.34% of total assets of the Company and its subsidiaries amounting to Bt. 19,063.28 million as per the consolidated financial statements ended March 31, 2009, is lower than 15% and, thus, is not considered an acquisition of assets to be disclosed to the SET and not required to seek approval from the shareholders meeting in accordance with the said notification of the SET and Section 89/29 of the Securities and Exchange Act.

1.3 Details of the Operating Rights

On December 22, 1989, BLDC executed the joint agreement for the project in Bangpa-in Industrial Estate with Industrial Estate Authority of Thailand ("IEAT") to establish Bangpa-in Industrial Estate to develop property for sale along with providing utilities such as selling tap water, rendering service of water treatment, community service,

and waste treatment, etc. to the companies in Bangpa-in Industrial Estate since 1991. However, later the Company and BLDC, which Mr. Plew Trivisvavet is the joint director and shareholder, viewed that purchasing the operating right from BLDC would give the opportunity to expand the scope of service and business expansion to the other area to the Company. Thus, the Company could recognize the operating revenue immediately. In the meantime BLDC, which owns the operating right, would receive compensation of Baht 1,400 million, which could use to repay loan and/or make an additional investment and/or reserve for operation. Therefore, the Board of Directors' Company No. 5/2009 on May 29, 2009 has the resolution that the Company make the investment by purchasing the operating right from BLDC, and BLDC agrees to offer the rights to manage, operate, develop, monitor, maintain, improve, sell, service and collect revenues on (1) production of tap water for sale, (2) management of groundwater for sale, and (3) waste water treatment service for a period of 30 years from the starting date of business operation at Bangpa-in Industrial Estate. At present, the Company and BLDC has not determine or decide on the operating plan after the expiry of the operating agreement whether to extend the period of the agreement or let the agreement expire because it's quite far length of time to the future.

(See summary of the drafted agreement on production, distribution and service rights ("Draft Operating Rights Agreement") dated July 2, 2009 in Appendix 1.)

In the purchase of the above Operating Rights, the Company has planned to use the rights to produce and sell tap water from surface water source with a maximum capacity of 48,000 cu.m./day and to provide waste water treatment services with a maximum capacity of 18,000 cu.m./day to customers in Bangpa-in Industrial Estate located at No. 139 Moo 2, Udom Sorayut Road, Khlong Chik Sub-district, Bangpa-in District, Phra Nakhon Si Ayutthaya Province. The Company will continue to hold the right to produce tap water from groundwater as reserve in case of natural water shortage.

The investment value, the book value and the remaining useful life of the assets which the Company shall manage and operate can be concluded as follows:

Types of Assets	Investment Value (Bt. million)	Book Value as of Dec. 31, 2008 (Bt. million)	Remaining Useful Life (Years) (Estimated by BLDC)
1. Assets used in the surface water-based tap water production:			30 years
- Raw water pumping station	113.98		
- Tap water production plant	261.42		
- Water distribution system	51.08		
Sub-total	426.48	315.73 ^{1/}	
2. Assets used in the groundwater-based tap water production:			13 years
- Groundwater	21.60		
- Water drum	40.00		

Types of Assets	Investment Value (Bt. million)	Book Value as of Dec. 31, 2008 (Bt. million)	Remaining Useful Life (Years) (Estimated by BLDC)
- Groundwater pump	2.70		
- Pipeline	15.00		
Sub-total	79.30	n.a. ^{2/}	
3. Assets used in the provision of waste water treatment service:			15 years
3.1) Existing water treatment system			
- Civil work	220.00		
- Waste water pipeline	5.00		
- Control room	2.50		
- Pump	4.50		
Sub-total	232.00	n.a. ^{2/}	30 years
3.2) New water treatment system			
- Bio-activated SDO waste water treatment system	28.89	- ^{3/}	
Sub-total	260.89		
Total	766.67		

Note: 1/ It was the value of the work under construction recorded in the financial statement of BLDC. Such assets have commenced for operation since January 2009.

2/ BLDC couldn't find the book value as of December 31, 2008 of such assets since BLDC recorded the investment value of such assets in the transaction "Properties for sale" and gradually amortized as cost of sales for the land in Bangpa-In Industrial Estate. As of December 31, 2008, the book value of Properties for sale was Bt. 11.07 million.

3/ BLDC hired the private company to construct and expand the capacity of water treatment system with the investment value of Bt. 28.89 million. As of December 31, 2008, BLDC didn't record such value as the work under construction in its financial statement.

(See summary of key assets under the Company's Rights of Operation and Management in Appendix 2.)

1.4 Conditions precedent to the Transaction

The purchase of the Operating Rights from BLDC in the amount of Bt. 1,400 million is considered the Connected Transaction in accordance with the SET's Notification, Re: Disclosure on Information and Other Acts of Listed Companies Concerning the Connected Transaction B.E. 2546 (2003), its amendment according to the Notification of the Capital Market Supervisory Board No. Thor.Jor. 21/2551 for the Transaction concerning assets or services, and Section 89/29 of the Securities and Exchange Act. B.E. 2551 (2008). The transaction size of the Transaction is 16.25% of net tangible asset value of the Company and its subsidiaries as per the consolidated financial statements ended March 31, 2009. As the value of the Transaction is over Bt. 20 million and higher than 3% of net tangible asset value, the Company is required to prepare a report and disclose such Transaction to the SET and to obtain approval of the shareholders meeting. The decision to enter into this Connected Transaction

must consist of at least three-fourths of the total votes of shareholders or their proxies (if any) attending the meeting and having voting right, excluding shares of the shareholders with vested interests.

Therefore, the Company will agree to purchase the Operating Rights from BLDC upon:

1. Approval by the Company's Shareholders meeting (excluding the shareholders with vested interests) for the said Transaction with the required number of votes mentioned above; and
2. Conclusion of the agreement between the Company and BLDC on the Operating Rights, which is expected by September 2009.

1.5. Profile of Bangpa-In Land Development Co., Ltd.

1.5.1 Background and key developments

Bangpa-In Land Development Co., Ltd. ("BLDC") was established on August 9, 1988 with the initial registered capital of Bt. 1 million to engage in property development business for sale and to provide public utilities and facilities services for entrepreneurs operating industrial plants in Bangpa-in Industrial Estate. BLDC has its head office located at No. 587 Sutthisan Winitchai Road, Din Daeng Sub-district, Din Daeng District, Bangkok and its branch office at No. 139 Moo 2, Udom Sorayut Road, Khlong Chik Sub-district, Bangpa-in District, Phra Nakhon Si Ayutthaya Province. On December 22, 1989, BLDC signed an agreement on joint operation of Bangpa-in Industrial Estate Project ("joint operation agreement") with the Industrial Estate Authority of Thailand ("IEAT") for the establishment of Bangpa-in Industrial Estate under the Industrial Estate Authority of Thailand Act B.E. 2522 (1979). On the same date, the Board of Investment ("BOI") also approved investment promotion for Bangpa-in Industrial Estate for the type of Industrial Zone.

At present, BLDC's paid-up registered capital accounts for Bt. 240 million, divided into 2.40 million ordinary shares at par value of Bt. 100 each.

1.5.2 Description of business

BLDC engages in property development business for sale and renders public utilities and facilities services for entrepreneurs operating industrial plants in Bangpa-in Industrial Estate. These include electricity, tap water, telephone, and waste water treatment systems, including apartment accommodations, stadium, bank, canteen, seminar/conference rooms, shared parking areas, etc.

Bangpa-in Industrial Estate is located on an area of 1,962 rai. BLDC has divided the land into five zones according to the utilization as follows:

1. General Industrial Zone is designated for industrial operations or other activities beneficial to or connected with industrial operations, with an area of 1,172 rai available for sale. As of June 2009, BLDC sold a total of 1,154.69 rai or 98.52% of this zone. Of these total sales, 1,053.56 rai was sold to customers already in operation, 31.99 rai to those under plant construction, and 69.14 rai to those not yet occupying the areas.

2. I-EA-T Free Zone is designated for industrial operations or other activities beneficial to or connected with industrial operations. This zone is granted import duty privileges under the law. The area available for sale totals 165.85 rai, of which 155.08 rai or 93.99% has been sold as of June 2009. Of these total sales, 137.58 rai was sold to customers already in operation, 4.07 rai to those under plant construction, and 13.44 rai to those not yet occupying the areas.

3. Residential/Commercial Area is designated for construction of accommodations such as apartment, etc. or activities connected with commercial operations such as bank and post office. Total area available for sale is 49.65 rai. As of June 2009, BLDC sold 31.17 rai or 62.78% of this zone.

4. Infrastructure and Public Utilities Area is designated for construction of public utilities and facilities such as road, small power plant, tap water production plant, waste water treatment plant, waste disposal plant, telephone, reservoirs, etc., covering a total area of 387.87 rai.

5. Green Area is designated for recreation and scenic landscape of the project such as park and lake, covering a total area of 187 rai.

As of June 2009, a total of 71 industrial entrepreneurs operate in Bangpa-in Industrial Estate, which can be classified by type as follows:

Type of industry	No. of companies
Group 2 Food and beverages	5
Group 3 Textile and fiber	1
Group 4 Leather, fur and apparel	1
Group 5 Wood and furniture	2
Group 6 Paper and printing	1
Group 7 Fertilizers, paints and chemicals	1
Group 8 Rubber, plastic and artificial leather	7
Group 9 Pharmacy and cosmetics	2
Group 10 Oil and energy	2
Group 12 Cement and construction materials & tools	3
Group 13 Steel and steel products	6
Group 14 Engines, machinery and parts	9
Group 15 Electrical appliances, electronics and scientific equipment	18
Group 16 Automobile and transportation	7
Group 20 Others	3
Group 21 Other activities connected with industrial operations	3
Total	71

Source: BLDC

Note: Including only customers that have already been in operations and those under plant construction, classified by type of industry defined by the Department of Industrial Work.

BLDC has developed the management system of Bangpa-in Industrial Estate to the extent that its efficiency is well accepted among investors. It has obtained from MASCI the ISO 9001:2000 certification for the management of areas available for sale and public utilities services and the ISO 14001:2004 certification for the environmental management practices in Bangpa-in Industrial Estate including land development, waste water treatment, and water distribution.

Currently, BLDC provides public utilities services to customers in Bangpa-in Industrial Estate. Details of the services are as follows:

1. Community services consist of:

- 1.1 Control and supervision of the use of common public utilities and facilities to ensure they are in a safe, ready-to-use, and environmentally friendly condition.
- 1.2 Supervision of cleaning and waste disposal in the project.
- 1.3 Supervision of roads including traffic markings, traffic signs, traffic lights, and lightings in the project.
- 1.4 Management of security and any emergencies that may cause fire or electrical shock, as well as supervision of dyke for flood prevention, canals and overall landscape.

Currently, BLDC's community service fees in Bangpa-in Industrial Estate classified by industrial zone are as follows:

- | | |
|--------------------------------|--------------------|
| 1) Commercial buildings | Bt. 100/month |
| 2) Residential/commercial area | Bt. 700/rai/month |
| 3) General industrial zone | Bt. 700/ rai/month |
| 4) I-EA-T Free Zone | Bt. 800/ rai/month |

2. Groundwater/tap water supply

In the past, BLDC sold tap water (groundwater type) to customers in Bangpa-in Industrial Estate using raw water from 18 artesian wells in Bangpa-in Industrial Estate with total production capacity of 18,050 cu.m./day. In 2006, BLDC planned to develop tap water production and distribution systems (surface water type) to replace the groundwater system in accordance with the government's policy to reduce use of groundwater to help alleviate the land subsidence problems. In this regard, BLDC hired Phromprathan Construction Ltd. Part. to build the tap water production and distribution system facilities (surface water type) with the maximum capacity of 2,200 cu.m./hour or 48,000 cu.m./day in the western zone of Bangpa-in Industrial Estate on the land of 23 rai and a raw water pumping station on the land of 1 rai outside the industrial estate. Upon completion of the construction, BLDC commenced the production and sale of tap water (surface water type) in January 2009 at the service charge of Bt. 22.50/cu.m. Meantime, BLDC has ceased the tap water (groundwater type) supply, with only one artesian well still operative for distribution of groundwater to one customer which is under modification of its production system to accommodate

tap water (surface water type) to be completed by June 2009. After that, distribution of tap water (groundwater type) will be stopped and it will be used as reserve only.

The tap water production (surface water type) starts from pumping raw water from natural sources (Khlung Wua), an anabranch of about 650 meters from the Chao Phraya River, to produce tap water at the industrial estate. After flash mixing of chemicals such as lime and alum, etc., raw water coagulates and then flocculates in a sediment pond. Chemicals are added to prevent large flocculants. After that, the water passes through the sedimentation process to separate water and flocculants. Clear water after this process is sent to filtration and purification systems to ensure tap water standard quality before storage and further distribution to customers in Bangpa-in Industrial Estate. The tap water production is controlled by the Supervisory Control and Data Acquisition (SCADA) system which displays details of the whole production process.

3. Waste water treatment services

BLDC previously provided waste water treatment services to customers in Bangpa-in Industrial Estate using the Submerged Contact Biodisc and Aerator with active micro-organism both suspended in water and on effective surface or S.C.B.A. system, a hybrid biological waste water treatment system that applies both activated sludge and bio-disc with reaction of micro-organism as purifier. The maximum treatment capacity was 12,000 cu.m./day. However, due to growing water consumption by customers, the amount of waste water in Bangpa-in Industrial Estate had increased to nearly equal to the maximum treatment capacity, thus necessitating improvement of waste water treatment system to enhance efficiency. BLDC therefore engaged Uni San Pol Co., Ltd. to handle the task, still employing the existing system with application of bio-activated SDO (Super Dissolve Oxygen) and air blower altogether to improve the air control in the pipe and aerated tank to help accelerate growth of bacteria and shorten sludge activation period. This will increase BLDC's waste water treatment capacity from 12,000 cu.m./day to 18,000 cu.m./day. The improvement is expected to complete by July 2009.

BLDC continuously conducts random testing on influent water, effluent water, water in canals, etc. to ensure that its waste water treatment is efficient and causes no environmental effect. BLDC also produces a report on environmental impact assessment on a biannual basis. There have never been any complaints on this issue as BLDC has complied with the rules and regulations. The BOD of its treated water attains the standard of the Ministry of Science, Technology and Environment. In addition, BLDC encourages reuse of treated water for other purposes such as lawn sprinkle and road cleaning, etc. The remaining treated water is then released to natural water sources. At present, BLDC charges waste water treatment services based on BOD of waste water as follows:

<u>BOD (milligram/liter)</u>	<u>Treatment fee (Bt./cu.m.)</u>
BOD < 200	7.00
200 < BOD < 300	8.00
300 < BOD < 500	9.00

Note: In case BOD of waste water exceeds the standard specified by IEAT, the treatment fee is charged at Bt. 20.00/cu.m.

4. Waste disposal services

BLDC renders waste disposal services to customers in Bangpa-in Industrial Estate using a pyrolytic incineration system, which excludes oxygen from the combustion, hence causing no pollutant emission. Ashes and other residues from the combustion are buried in the container. BLDC presently provides waste disposal services with a capacity of about 27 tons/day and the services are charged at Bt. 3/kg.

Nevertheless, after acquisition of the Operating Rights from BLDC, the Company will replace BLDC in the provision of tap water supply and waste water treatment services to customers in Bangpa-in Industrial Estate while the community and waste disposal services will remain under the management of BLDC.

1.5.3 Revenue Structure

BLDC's Revenues over the past three years classified by type are tabulated below:

Type of Revenue	2006		2007		2008	
	Bt. mil.	%	Bt. mil.	%	Bt. mil.	%
Revenue from sale	109.88	29.83	11.38	3.89	85.17	24.42
Revenue from public utilities services						
1. Income from community services	9.98	2.71	10.09	3.45	10.27	2.94
2. Income from tap water/electricity supply*	113.31	30.76	130.46	44.62	137.48	39.42
3. Income from waste water treatment services	29.46	8.00	31.57	10.80	32.14	9.22
4. Income from waste disposal	28.47	7.73	28.24	9.66	23.15	6.64
5. Income from electricity/water meter fee	0.20	0.05	0.22	0.08	0.16	0.05
Total revenues from public utilities services	181.41	49.24	200.59	68.61	203.20	58.27
Other income	77.11	20.93	80.40	27.50	60.38	17.31
Total revenues	368.41	100.00	292.37	100.00	348.74	100.00

Note * Include income from electricity supply which come from utilization by contractor of the companies in Bangpa-in Industrial Estate, which BLDC informed that income from electricity supply represented less than 1% of income from tap water/electricity supply.

1.5.4 The Board of Directors

The Board of Directors of BLDC as of January 8, 2009 is listed below:

Name	Position
1. Mr. Plew Trivisvavet	Director
2. Mr. Prasert Trivisvavet	Director
3. Mr. Yim Trivisvavet	Director
4. Mr. Thep Trivisvavet	Director
5. Mr. Kamthorn Trivisvavet	Director

Name	Position
6. Mr. Voravut Anurakwongsri	Director
7. Ms. Supamas Trivisvavet	Director

Source: Affidavit of BLDC

1.5.5 The Shareholders

The Shareholders of BLDC as of April 29, 2008 are listed below:

Name	No. of shares	% of paid-up capital
1. Mahasiri Siam Co., Ltd. ^{1/}	600,000	25.00
2. CK. Office Tower Co., Ltd. ^{2/}	600,000	25.00
3. Mr. Thaworn Trivisvavet	200,000	8.33
4. Mr. Prasert Trivisvavet	200,000	8.33
5. Mr. Plew Trivisvavet	200,000	8.33
6. Mr. Thep Trivisvavet	200,000	8.33
7. Mr. Kamthorn Trivisvavet	200,000	8.33
8. Ms. Jiraporn Yodsaeng	200,000	8.33
Total	2,400,000	100.00

Source: Copy of BLDC's list of shareholders

Note:

1/ Mahasiri Siam Co., Ltd. engages in investment, construction and consultation businesses

- The Board of Directors as of May 29, 2009:

Name	Position
1. Mr. Prasert Trivisvavet	Director
2. Mr. Thep Trivisvavet	Director
3. Mr. Yim Trivisvavet	Director
4. Mr. Plew Trivisvavet	Director
5. Mr. Kamthorn Trivisvavet	Director

Source: Affidavit of Mahasiri Siam Co., Ltd.

- The list of Shareholders as of September 15, 2008:

Name	No. of shares	% of paid-up capital
1. Mr. Tavorn Trivisvavet	2,411,473	26.79
2. Mr. Prasert Trivisvavet	2,281,895	25.35
3. Mr. Plew Trivisvavet	1,993,633	22.15
4. Mr. Thep Trivisvavet	937,837	10.42
5. Mr. Kamthorn Trivisvavet	753,948	8.38
6. Ms. Ruangkao Prompaet	621,213	6.90
7. Ms. Saikasem Trivisvavet	1	0.00
Total	9,000,000	100.00

Source: Copy of the list of shareholders of Mahasiri Siam Co., Ltd.

2/ CK. Office Tower Co., Ltd. engages in property (space) rental business and public utilities service

- The Board of Directors as of May 20, 2009:

Name	Position
1. Mr. Plew Trivisvavet	Director
2. Mr. Prasert Trivisvavet	Director
3. Mr. Thep Trivisvavet	Director
4. Mr. Yim Trivisvavet	Director
5. Mr. Kamthorn Trivisvavet	Director
6. Mr. Prasert Thongkittikul	Director

Source: Affidavit of CK. Office Tower Co., Ltd.

- The list of Shareholders as of April 30, 2008:

Name	No. of shares	% of paid-up capital
1. Mahasiri Siam Co., Ltd.	750,000	25.00
2. Mr. Plew Trivisvavet	375,000	12.50
3. Mr. Kamthorn Trivisvavet	375,000	12.50
4. Mr. Tavorn Trivisvavet	375,000	12.50
5. Mr. Thep Trivisvavet	375,000	12.50
6. Mr. Prasert Trivisvavet	375,000	12.50
7. Mr. Yim Trivisvavet	375,000	12.50
Total	3,000,000	100.00%

Source: Copy of the list of shareholders of CK. Office Tower Co., Ltd.

1.5.6 Summary on Financial Status and Performance

Unit: Thousand Baht

Description	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenue from sale	109,884	29.83%	11,382	3.89%	85,166	24.42%
Income from public utilities services	181,414	49.24%	200,588	68.61%	203,196	58.27%
Interest income	41,641	11.30%	34,247	11.71%	37,429	10.73%
Dividend income	6,627	1.80%	947	0.32%	2,840	0.81%
Profit from sale of investment	-	0.00%	22,658	7.75%	-	0.00%
Other income	28,844	7.83%	22,554	7.71%	20,110	5.77%
Total revenues	368,410	100.00%	292,375	100.00%	348,741	100.00%
Expenses						
Costs of sale and service	200,273	54.36%	193,957	66.34%	225,148	64.56%
Selling and administrative expenses	32,817	8.91%	24,322	8.32%	30,824	8.84%
Total expenses	233,089	63.27%	218,279	74.66%	255,972	73.40%

The Opinion Report of the Independent Financial Advisor

Unit: Thousand Baht

Description	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
Earnings before interest expenses and income tax	135,321	36.73%	74,096	25.34%	92,769	26.60%
Interest expenses	(20,911)	-5.68%	(20,060)	-6.86%	(27,729)	-7.95%
Income tax	(33,365)	-9.06%	(16,709)	-5.71%	(19,241)	-5.52%
Net profit	81,045	22.00%	37,326	12.77%	45,799	13.13%

Unit: Thousand Baht

Description	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
<u>Current Assets</u>						
Cash and deposit at financial institutions	8,321	0.92%	8,438	0.90%	8,108	0.61%
Investment in fixed deposit	5,581	0.62%	5,758	0.61%	5,889	0.44%
Trade account receivables	29,866	3.32%	41,060	4.38%	38,148	2.88%
Properties for sale	14,764	1.64%	11,073	1.18%	11,073	0.84%
Other current assets						
Accrued interest receivable	3,222	0.36%	7,923	0.85%	20,613	1.55%
Others	487	0.05%	518	0.06%	2,225	0.17%
Total current assets	62,241	6.92%	74,770	7.98%	86,056	6.49%
<u>Non-current Assets</u>						
Loans to directors	-	0.00%	50,750	5.41%	73,850	5.57%
Loans to related companies	488,856	54.31%	404,105	43.11%	594,249	44.82%
Investments in associated companies	-	0.00%	-	0.00%	-	0.00%
Investments in related companies	169,468	18.83%	160,001	17.07%	68,545	5.17%
Property, plant and equipment - net	163,455	18.16%	231,599	24.71%	476,002	35.90%
Other non-current assets	16,060	1.78%	16,060	1.71%	27,060	2.04%
Total non-current assets	837,840	93.08%	862,515	92.02%	1,239,706	93.51%
Total assets	900,080	100.00%	937,285	100.00%	1,325,762	100.00%
<u>Current Liabilities</u>		0.00%				
Trade account payables	97,955	10.88%	83,718	8.93%	92,975	7.01%
Other current assets		0.00%				
Accrued water supply payable	19,910	2.21%	23,383	2.49%	22,756	1.72%
Other creditors	-	0.00%	62,824	6.70%	238,681	18.00%
Accrued income tax payable	15,513	1.72%	11,103	1.18%	9,297	0.70%
Others	10,207	1.13%	7,386	0.79%	6,168	0.47%
Total current liabilities	143,585	15.95%	188,414	20.10%	369,877	27.90%

Unit: Thousand Baht

Description	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
Non-current Liabilities						
Loans from directors	80,600	8.95%	-	0.00%	-	0.00%
Account payables under hire-purchase agreement - net	312	0.03%	-	0.00%	-	0.00%
Long-term loans	257,037	28.56%	309,850	33.06%	559,051	42.17%
Other non-current liabilities	-	0.00%	-	0.00%	3,471	0.26%
Total non-current liabilities	337,948	37.55%	309,850	33.06%	562,522	42.43%
Total liabilities	481,533	53.50%	498,264	53.16%	932,399	70.33%
Shareholders' Equity						
Share capital						
Registered						
(2.4 million ordinary shares at par value of Bt. 100 each)	240,000	26.66%	240,000	25.61%	240,000	18.10%
Issued and paid-up						
(2.4 million ordinary shares at par value of Bt. 100 each)	240,000	26.66%	240,000	25.61%	240,000	18.10%
Retained earnings						
Appropriated - statutory reserve	9,000	1.00%	9,000	0.96%	9,000	0.68%
Unappropriated	41,007	4.56%	78,333	8.36%	124,132	9.36%
Unrealized gains on change of investment value	128,540	14.28%	111,688	11.92%	20,232	1.53%
Total shareholders' equity	418,547	46.50%	439,021	46.84%	393,364	29.67%
Total liabilities and shareholders' equity	900,080	100.00%	937,285	100.00%	1,325,762	100.00%

Source: BLDC's financial statements audited by Mr. Marut Makornsen, certified public accountant No. 6532.

Financial ratios	2006	2007	2008
Liquidity ratio (times)	0.43	0.40	0.23
Quick ratio (times)	0.27	0.26	0.13
Receivables turnover (times)	10.47	5.98	7.28
Collection period (days)	34	60	49
Account payable turnover ratio (times)	2.61	2.14	2.55
Payment period (days)	138	169	141
Gross profit margin (%)	31.25%	8.50%	21.92%
Net margin (%)	22.00%	12.77%	13.13%
Return on equity (%)	19.87%	8.71%	11.00%
Return on assets (%)	8.28%	4.06%	4.05%
Asset turnover ratio (times)	0.38	0.32	0.31
Debt to equity ratio (times)	1.15	1.13	2.37

Analysis of performance and financial position of BLDC

Performance

BLDC's total revenues during 2006-2008 amounted to Bt. 368.41 million, Bt. 292.38 million and Bt. 348.74 million respectively. Most of its operating income came from sale of land in Bangpa-in Industrial Estate and public utilities services totaling approximately Bt. 291.30 million, Bt. 211.97 million and Bt. 288.36 million and representing 79.07%, 72.50% and 82.69% of total revenues respectively. Although income from public utilities services grew continuously in line with the demand from Bt. 181.4 million in 2006 to Bt. 200.6 million in 2007 and Bt. 203.2 million in 2008, the operating income in 2007 and 2008 declined due to decrease in recognition of income from sale of land during the said period.

The major proportion of other income was interest income which accounted for Bt. 41.64 million, Bt. 34.25 million and Bt. 37.43 million or 11.30%, 11.71% and 10.73% of total revenues during 2006-2008 respectively. Interest income was generated mainly from loans to directors and related companies with interest charged at the rate of 6.75% - 8.25% p.a. in 2007 and 7.25% - 7.50% in 2008.

Costs of sale and service mainly are costs of land development, public utilities, depreciation of machinery and equipment, fee to be paid by BLDC to IEAT, which during 2006-2008 amounted to Bt. 200.27 million, Bt. 193.96 million and Bt. 225.15 million, representing 68.75%, 91.50% and 78.08% of major operating income respectively. The gross profit margin was recorded at 31.25%, 8.50% and 21.92% respectively. Costs of sale and service compared to major operating income in 2007 moved up considerably due to expenses on maintenance and improvement of residue storage, dredging of canals and water trough, and construction of parking areas in the I-EA-T Free Zone, totaling Bt. 43.24 million.

During 2006-2008, major selling and administrative expenses, i.e. personnel expenses, commissions, insurance premiums, and building rentals, amounted to Bt. 32.82 million, Bt. 24.32 million, and Bt. 30.82 million or 8.91%, 8.32% and 8.84% of total income respectively. Selling and administrative expenses were rather stable at around 8%-9% of total revenues due to the efficient control and management of BLDC.

From the above performance, BLDC recorded a net profit during 2006-2008 of Bt. 81.05 million, Bt. 37.33 million and Bt. 45.80 million, representing a net profit margin of 22.00%, 12.77% and 13.13% respectively, and earnings per share of Bt. 33.77, Bt. 15.56 and Bt. 19.08, respectively.

Financial position

During 2006-2008, total assets of BLDC amounted to Bt. 900.08 million, Bt. 937.29 million and Bt. 1,325.76 million, respectively, consisting largely of loans to directors and related companies which were 54.31%, 48.52% and 50.39% of total assets, respectively, and property, plant and equipment representing 18.16%, 24.71% and 35.90% of total assets, respectively. Consistent increase of property, plant and equipment from Bt. 163.46 million in 2006 to

Bt. 231.60 million in 2007 and Bt. 476.00 million in 2008 was because the construction of BLDC's tap water production and distribution systems in Bangpa-in Industrial Estate worth Bt. 426.5 million was started in 2007 and completed in early 2009. In addition, in Q4/2008, BLDC invested in capacity expansion of its waste water treatment system from 12,000 cu.m./day to 18,000 cu.m./day with total project value of Bt. 28.89 million. The completion of the project is expected in July 2009. Returns on equity during 2006-2008 were posted at 8.28%, 4.06% and 4.05%, respectively.

Total liabilities during 2006-2009 amounted to Bt. 481.53 million, Bt. 498.26 million and Bt. 932.40 million or 53.50%, 53.16% and 70.33% of total assets, respectively. Most of BLDC's liabilities were long-term loans from financial institutions representing 53.38%, 62.19% and 59.96% of total liabilities, respectively. In 2008, BLDC also owed other creditors a total amount of Bt. 238.68 million or 25.60% of total liabilities for accrued payment of tap water system construction and expansion of waste water treatment system. The rising liabilities in 2008 resulted in an increase of the debt to equity ratio from 1.15 times and 1.13 times in 2006 and 2007 to 2.37 times in 2008.

The shareholders' equity was Bt. 418.55 million, Bt. 439.02 million and Bt. 393.36 million representing 46.50%, 46.84% and 29.67% of total assets, respectively. The decrease in shareholders' equity in 2008 despite net profit earning was caused by a sharp drop in unrealized gains on change of investment value from Bt. 111.69 million in 2007 to just Bt. 20.23 million in 2008. This was owing to plunging share value of companies invested by BLDC in line with the bearish stock trading in late 2008 resulting from the global and national economic crisis and the internal political conflict. The rise and fall of return on equity, i.e. 19.87% in 2006, 8.71% in 2007, and 11.00% in 2008, was in line with the increase and decrease in net profit.

1.6 Profile of Thai Tap Water Supply Plc.

1.6.1 Background and key developments

Thai Tap Water Supply Plc. ("the Company" or "TTW") engages in the production and distribution of tap water for the Provincial Waterworks Authority ("PWA") service areas in the vicinity of Nakhon Chaisi District, Sam Phran District, Bhudhamonton District in Nakhon Pathom Province, and Mueang District and Krathum Baen District in Samut Sakhon Province, to replace the tap water production from the PWA's groundwater wells and to increase the tap water production volume to sufficiently accommodate the consumers' demand so as to help alleviate the land subsidence problems and saltwater penetration in accordance with the government's policy.

The Company was incorporated on September 11, 2000 under the name VKCS (Thailand) Co., Ltd. (later changed to Thai Tap Water Supply Co., Ltd.) to engage in the land management and development to serve the purpose of tap water production and distribution project. TTW was a 50:50 joint venture between CK and Thames Water Group with a paid-up registered capital of Bt. 100,000 (par value of Bt. 100 per share). On September 21,

2000, the Company entered into the Water Purchase and Sale Agreement with PWA for a period of 30 years from July 21, 2004 to July 20, 2034 on the Build-Own-Operate (“BOO”) basis. The Company maintains the ownership of the tap water production and distribution systems to consumers without transfer of the ownership of the said production and distribution systems to PWA. The Agreement also specifies the minimum off-take quantity (“MOQ”) to be purchased by PWA throughout the 30-year period, whereby the MOQ is set to increase during the period of the Agreement as follows:

Starting date	End of period	MOQ (cu.m./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

However, the amendment to the Agreement with PWA was made on December 29, 2008 with MOQ to be increased from 300,000 cu.m./day to 354,000 cu.m./day. The purchase will gradually increase from the first date of the additional purchase and sale, starting at 309,000 cu.m./day within 660 days from the agreement signing date or no later than October 19, 2010. The purchase will increase on a yearly basis by 9,000 cu.m./day until the MOQ reaches 354,000 cu.m./day throughout the period of the existing Agreement. Apart from the Water Purchase and Sale Agreement, the Company was granted a 25-year concession to operate tap water business from the Ministry of Natural Resources and Environment on March 11, 2005 which allows the Company to produce tap water for the areas in the aforementioned five districts in two provinces.

TTW produces and distributes tap water with maximum capacity as at March 31, 2009 of 320,000 cu.m./day and sells tap water at the rate of Bt. 23.55/cu.m. in 2009, an increase from Bt. 22.75/cu.m. in 2008. The Company previously entered into an agreement to engage WaterFlow Co., Ltd. (“WaterFlow”) to carry out such production, repair and maintenance, as well as production control and distribution. On April 27, 2006, the Company purchased all ordinary shares of WaterFlow from Advance Assets Associates Limited (“AAA”), thus leading WaterFlow to become a subsidiary of the Company. On April 1, 2006, an amendment to the agreement with WaterFlow was made, thus leading WaterFlow to become a tap water production and distribution arm of the Company for further supply to PWA. At present, WaterFlow has a paid-up registered capital of Bt. 10.0 million.

In 2007, TTW purchased ordinary shares of Pathum Thani Water Supply Co., Ltd. (“PTW”) in a total amount of Bt. 3,998.3 million representing 98% of PTW’s paid-up registered capital. PTW operates the business of tap water production and distribution to PWA in the same manner as the Company. On August 31, 1995, PTW entered into an agreement on the operation of tap water production and distribution to PWA for a period of 25 years from October 15, 1998 to October 14, 2023. The agreement is on the Build-Own-Operate-Transfer (“BOOT”) basis, i.e. PTW will construct production and distribution systems and then transfer the water distribution system to PWA on the first

commercial operation date, while the tap water production system will be under PWA's ownership after completion of the 25-year period. PWA purchases tap water from PTW for sale to consumers in Pathum Thani-Rangsit areas in Pathum Thani Province. Apart from the said agreement on the rights to produce and distribute tap water for PWA, PTW was granted a tap water concession from the Ministry of Interior on January 13, 2000, allowing PTW to produce tap water for sale in the service areas of Pathum Thani-Rangsit in Pathum Thani Province for a period of 25 years. PTW then expanded its production capacity from 280,000 cu.m./day to the maximum of 388,000 cu.m./day to meet the rising water demand in the area. In the light of the increasing demand for water consumption in the service areas, PTW entered into a water purchase and sale agreement with PWA on September 15, 2006 with an increase of purchase volume by another 70,000 cu.m./day. The purchase will start from 50,000 cu.m./day on the date on which PTW is able to produce and distribute tap water at 70,000 cu.m./day and will gradually increase annually by 10,000 cu.m./day until the purchase volume reaches 70,000 cu.m./day. The production and distribution by PTW covers the areas served by Rangsit Waterworks Office.

Previously, PTW entered into an agreement to engage Pathum Thani Operations Co., Ltd. to carry out such production operation, and Pathum Thani Operations Co., Ltd. then subcontracted such operation to BJT Water Co., Ltd. ("BJT"). On January 26, 2007, PTW terminated the operation and maintenance agreement with Pathum Thani Operations Co., Ltd. and then acquired all ordinary shares in BJT in the total amount of Bt. 305 million. At the same time, PTW entered into an operation and maintenance agreement with BJT, hiring the latter to undertake the production, maintenance, production control, and tap water distribution for PTW. BJT currently has a paid-up registered capital of Bt. 50.0 million.

TTW was transformed to a public company on July 6, 2006 under the name Thai Tap Water Supply Plc. and made an initial public offering. On May 22, 2008, it was listed on the SET with the trading symbol "TTW". As of March 31, 2009, the Company had a paid-up registered capital of Bt. 3,990 million, divided into 3,990 million ordinary shares at par value of Bt. 1 each.

1.6.2 Description of business

The Company operates a public service business in production and distribution of tap water to the Provincial Waterworks Authority (PWA) with a maximum capacity of 320,000 cu.m./day as of March 31, 2008 and with the selling price set for 2009 at Bt. 23.55/cu.m. On September 21, 2000, the Company entered into the Water Purchase and Sale Agreement with PWA for a period of 30 years with PWA to purchase tap water for distribution to the people in the districts of Sam Phran and Nakhon Chaisi in Nakhon Pathom Province and those in Samut Sakhon Province. The Company also obtained a concession for tap water business from the Ministry of Natural Resource and Environment on March 11, 2005 for a concession period of 25 years, allowing the Company to operate a public service business in production and distribution of tap water in the districts of Sam Phran, Nakhon Chaisi, and

Buddhamonthon in Nakhon Pathom Province, and the districts of Krathum Baen and Mueang Samut Sakhon in Samut Sakhon Province. In the tap water production, the Company pumps raw water from the Tha Chin River. The produced tap water is distributed by the Bulk Transmission Main (BTM) from the water production plant at Bang Len District, Nakhon Pathom Province, to the Company's two distribution stations, namely, Buddhamonthon Distribution Station and Mahachai Distribution Station, and water is then pumped through the Local Distribution Network (LDN) for distribution to the public in the service areas of the Sam Phran, Om Noi and Samut Sakhon Waterworks Offices.

PTW, a subsidiary of the Company, operates the business of tap water production and distribution to the PWA in the same manner as the Company. As of March 31, 2008, it had the maximum capacity of 388,000 cu.m./day. On August 31, 1995, PTW entered into the agreement on operation of tap water production and distribution to PWA for a contract term of 25 years. Furthermore, PTW was awarded a concession for tap water business from the Ministry of Interior on January 13, 2000 for a period of 25 years, allowing PTW to distribute tap water to the public in the service areas in Pathum Thani and Rangsit, Pathum Thani Province. The tap water production of PTW starts from pumping raw water from the Chao Phraya River into the production process in the water production plant at Sam Khok District, Pathum Thani Province. The produced tap water is distributed through BTM to PTW's three distribution stations, namely, Rangsit Distribution Station, Thammasat Distribution Station and Pathum Thani Distribution Station, and water is then pumped through the distribution pipes, which are PWA's property, for distribution to the public in the service areas of the Pathum Thani and Rangsit Waterworks Offices.

1.6.3 Revenue Structure of the Company and its subsidiaries

Revenue Structure of the Company and its subsidiaries over the past three years and as of the latest accounting period is summarized in the below table:

Type of revenue	2006		2007		2008		Q1/2009	
	Bt. mil.	%	Bt. mil.	%	Bt. mil.	%	Bt. mil.	%
Income from tap water business	1,697.80	98.58	2,567.03	97.86	3,569.26	98.09	943.03	98.59
Service income ^{1/}	-	-	23.04	0.88	36.01	0.99	9.79	1.02
Other income ^{2/}	24.39	1.42	33.16	1.26	33.53	0.92	3.69	0.39
Total revenues	1,722.19	100.00	2,623.23	100.00	3,638.79	100.00	956.51	100.00

Note: 1/ Income from tap water production of BJT, a subsidiary of PTW, for Amata City Industrial Estate

2/ Mostly interest income.

1.6.4 The Board of Directors

The Board of Directors as of June 2, 2009 is as follows:

Name	Position
1. Mr. Thanong Bidaya	Chairman of the Board of Directors and Independent Director
2. Mr. Sompodh Sripoom	Managing Director
3. Mr. Plew Trivisvavet	Director
4. Mr. Narong Sangsuriya	Director
5. Mr. Suvich Pungchareon	Director
6. Mr. Prasert Marittanapon	Director
7. Mr. Sombat Kitjalaksana	Director
8. Mr. Koichi Wakana	Director
9. Mr. Kazushige Katamura	Director
10. Mr. Techapit Sangsingkeo	Independent Director and Chairman of the Audit Committee
11. Mr. Phairuch Mekarporn	Independent Director and Member of the Audit Committee
12. Mr. Somnuk Chaidejsuriya	Independent Director and Member of the Audit Committee

Source: The Company's affidavit

1.6.5 The Shareholders

TTW's shareholders as of June 16, 2009 are listed below:

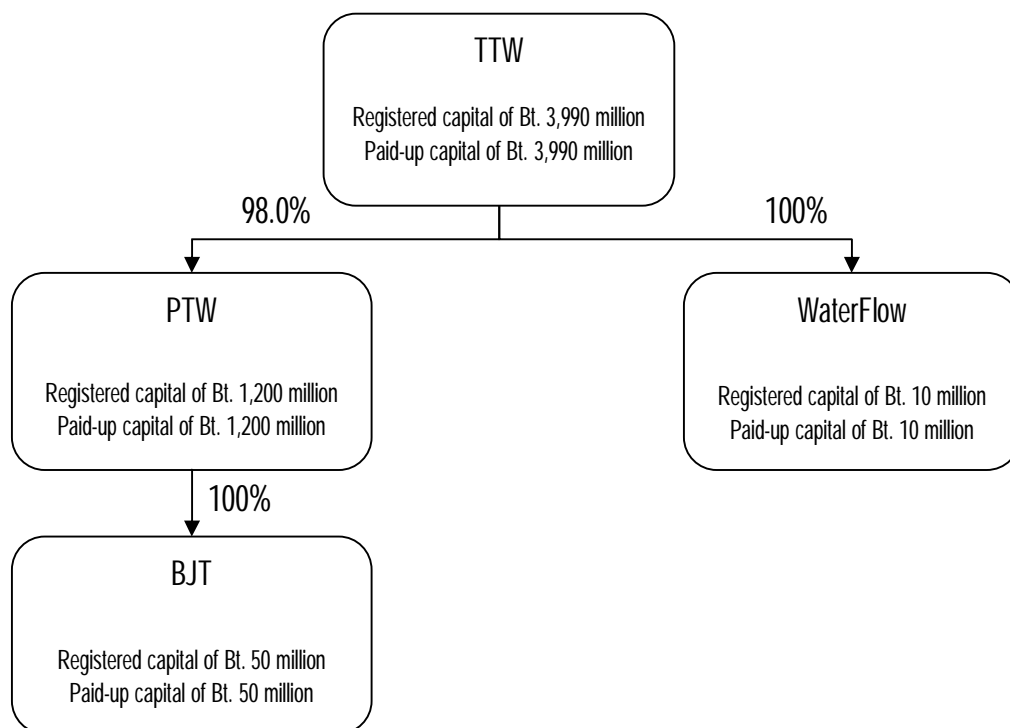
Name	No. of shares	% of paid-up capital
1. CH. Karnchang Plc.	1,408,777,400	35.31
2. Mitsui Water Holdings (Thailand) Ltd.	1,032,500,000	25.88
3. Bangkok Expressway Plc.	368,750,000	9.24
4. HSBC (Singapore) Nominees Pte. Ltd.	202,992,100	5.09
5. State Street Bank and Trust Company for London	147,630,000	3.70
6. Bangkok Bank Plc.	73,895,000	1.85
7. Thai NVDR Co., Ltd.	71,919,700	1.80
8. Chase Nominees Limited 1	61,141,000	1.53
9. State Street Bank and Trust Company for Australia	31,327,200	0.79
10. American International Assurance Company-APEX	25,000,000	0.63
Total	3,423,932,400	85.81

Source: TTW's shareholder registration

Note: See details about connected persons who are TTW's shareholder in Appendix 3.

1.6.6 The Shareholding Structure

As of March 31, 2009:



1.6.7 Summary on Financial Position and Performance

Balance sheet

Here is the balance sheet of the Company and its subsidiaries as of December 31 and March 31:

(Unit: Thousand Baht)

Description	2006		2007		2008		Q1/2009	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets								
Cash and cash equivalents	356,130	3.33%	776,850	4.16%	850,643	4.75%	2,084,542	10.93%
Current investments	695,000	6.51%	745,302	3.99%	299,941	1.68%	299,948	1.57%
Restricted bank deposits	-	0.00%	184,483	0.99%	257,676	1.44%	307,802	1.61%
Trade accounts receivable	217,596	2.04%	292,705	1.57%	346,798	1.94%	352,383	1.85%
Other receivable - Related party	-	0.00%	16	0.00%	89	0.00%	21	0.00%
Raw materials and supplies	6,685	0.06%	14,117	0.08%	18,326	0.10%	19,730	0.10%
Advance payment for construction - Related party	-	0.00%	42,593	0.23%	95,839	0.54%	95,839	0.50%
Advance payment for construction - Unrelated party	-	0.00%	-	0.00%	-	0.00%	63,000	0.33%
Other current assets								
Interest receivable	10,223	0.10%	8,172	0.04%	3,756	0.02%	2,167	0.01%
Prepaid expenses	18,004	0.17%	33,768	0.18%	20,019	0.11%	16,311	0.09%
Withholding tax deducted at source	-	0.00%	13,650	0.07%	33,952	0.19%	30,602	0.16%
Prepaid interest	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Others	3,023	0.03%	30,574	0.16%	13,958	0.08%	5,654	0.03%
Total current assets	1,306,661	12.23%	2,142,230	11.47%	1,940,997	10.85%	3,277,999	17.20%
Non-current assets								

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(Unit: Thousand Baht)

Description	2006		2007		2008		Q1/2009	
	Amount	%	Amount	%	Amount	%	Amount	%
Investments in subsidiaries	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Property, plant and equipment, net	9,355,964	87.59%	9,196,857	49.23%	8,925,500	49.88%	8,853,646	46.44%
Assets for production of treated water that must be transferred at end of concession, net	-	0.00%	4,258,205	22.79%	4,134,413	23.10%	4,074,242	21.37%
Rights to produce and sell treated water, net	-	0.00%	3,079,619	16.49%	2,884,138	16.12%	2,836,070	14.88%
Other non-current assets								
Withholding tax deducted at source	4,272	0.04%	3,634	0.02%	2,560	0.01%	10,408	0.05%
Deposits	-	0.00%	-	0.00%	-	0.00%	6,912	0.04%
Others	15,048	0.14%	604	0.00%	7,025	0.04%	4,000	0.02%
Total non-current assets	9,375,285	87.77%	16,538,919	88.53%	15,953,636	89.15%	15,785,278	82.80%
Total assets	10,681,946	100.00%	18,681,149	100.00%	17,894,633	100.00%	19,063,277	100.00%
Liabilities and shareholders' equity								
Current liabilities								
Bank overdrafts and short-term loans from financial institutions	-	0.00%	3,004,836	16.08%	354	0.00%	-	0.00%
Trade accounts payable								
Related party	260	0.00%	-	0.00%	-	0.00%	-	0.00%
Unrelated party	31,503	0.29%	58,897	0.32%	49,208	0.27%	25,345	0.13%
Amounts due to related party	-	0.00%	137,340	0.74%	102,581	0.57%	31	0.00%
Amounts due to unrelated party	-	0.00%	-	0.00%	6,696	0.04%	-	0.00%
Other payables	-	0.00%	-	0.00%	-	0.00%	5,749	0.03%
Retention payable								
Related party	-	0.00%	1,251	0.01%	-	0.00%	-	0.00%
Unrelated party	2,150	0.02%	3,177	0.02%	3,897	0.02%	2,355	0.01%
Current portion of long-term loans from financial institutions	700,000	6.55%	1,411,800	7.56%	1,103,955	6.17%	505,000	2.65%
Other current liabilities								
Accrued expenses	18,428	0.17%	47,440	0.25%	45,036	0.25%	69,438	0.36%
Unbilled output tax	9,940	0.09%	20,339	0.11%	21,840	0.12%	23,358	0.12%
Value added tax payable	8,145	0.08%	10,606	0.06%	13,140	0.07%	16,995	0.09%
Others	1,659	0.02%	9,377	0.05%	6,153	0.03%	1,626	0.01%
Total current liabilities	772,085	7.23%	4,705,063	25.19%	1,352,859	7.56%	649,897	3.41%
Non-current liabilities								
Retention - subsidiary	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Debentures, net	-	0.00%	-	0.00%	-	0.00%	6,986,946	36.65%
Long-term loans from financial institutions, net of current portion	6,020,000	56.36%	9,261,312	49.58%	8,205,391	45.85%	2,781,401	14.59%
Total non-current liabilities	6,020,000	56.36%	9,261,312	49.58%	8,205,391	45.85%	9,768,347	51.24%
Total liabilities	6,792,085	63.58%	13,966,376	74.76%	9,558,249	53.41%	10,418,244	54.65%
Shareholders' equity								
Share capital								
Registered								
3,990,000,000 ordinary shares of Baht 1 each	3,990,000		3,990,000		3,990,000		3,990,000	
Issued and fully paid up								
3,290,000,000 ordinary shares of Baht 1 each								
(2006: 3,250,000,000 ordinary shares of Baht 1 each)	3,250,000	30.43%						
(2007-Q1/2009 : 3,290,000,000 ordinary shares of Baht 1 each)			3,290,000	17.61%	3,990,000	22.30%	3,990,000	20.93%
Share premium	475,000	4.45%	483,000	2.59%	2,637,770	14.74%	2,637,770	13.84%
Retained earnings								
Appropriated - statutory reserve	51,602	0.48%	399,000	2.14%	399,000	2.23%	399,000	2.09%

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(Unit: Thousand Baht)

Description	2006		2007		2008		Q1/2009	
	Amount	%	Amount	%	Amount	%	Amount	%
Appropriated - other reserve	-	0.00%	-	0.00%	72,447	0.40%	72,447	0.38%
Unappropriated	713,621	6.68%	1,123,775	6.02%	1,811,237	10.12%	2,117,005	11.11%
Difference on reorganization of business of group companies	(600,363)	-5.62%	(600,363)	-3.21%	(600,363)	-3.35%	(600,363)	-3.15%
Equity attributable to the company's shareholders	3,889,861	36.42%	4,695,412	25.13%	8,310,090	46.44%	8,615,859	45.20%
Minority interest - equity attributable to minority shareholders of subsidiaries	-	0.00%	19,361	0.10%	26,294	0.15%	29,174	0.15%
Total shareholders' equity	3,889,861	36.42%	4,714,773	25.24%	8,336,384	46.59%	8,645,033	45.35%
Total liabilities and shareholders' equity	10,681,946	100.00%	18,681,149	100.00%	17,894,633	100.00%	19,063,277	100.00%

Income statements

The income statements of the Company and its subsidiaries for the periods ended December 31 and March 31 are as follows:

(Unit: Thousand Baht)

Description	2006		2007		2008		Quarter 1/2009	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues								
Sales of treated water	1,697,802	98.58%	2,567,034	97.86%	3,569,256	98.09%	943,029	98.59%
Service income	-	0.00%	23,038	0.88%	36,010	0.99%	9,794	1.02%
Interest income	24,385	1.42%	32,895	1.25%	30,593	0.84%	3,547	0.37%
Dividend income	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other income	-	0.00%	266	0.01%	2,933	0.08%	144	0.02%
Total revenues	1,722,186	100.00%	2,623,232	100.00%	3,638,792	100.00%	956,514	100.00%
Expenses								
Costs of sales of treated water and services	496,142	28.81%	780,802	29.76%	1,176,902	32.34%	301,912	31.56%
Selling & administrative expenses	105,062	6.10%	125,108	4.77%	168,236	4.62%	34,590	3.62%
Management benefit expenses	-	0.00%	-	0.00%	-	0.00%	7,169	0.75%
Amortization of investments in subsidiaries	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Amortization of rights to produce and sell treated water	-	0.00%	89,490	3.41%	195,480	5.37%	48,069	5.03%
Total expenses	601,204	34.91%	995,401	37.95%	1,540,619	42.34%	391,740	40.95%
Income before finance cost and corporate income tax	1,120,983	65.09%	1,627,832	62.05%	2,098,173	57.66%	564,774	59.05%
Finance cost	-	0.00%	(670,583)	-25.56%	(728,699)	-20.03%	(256,126)	-26.78%
Interest expenses	(437,016)	-25.38%	-	0.00%	-	0.00%	-	0.00%
Corporate income tax	(2,071)	-0.12%	(14,037)	-0.54%	(2,133)	-0.06%	-	0.00%
Income after corporate income tax	681,896	39.59%	943,212	35.96%	1,367,342	37.58%	308,648	32.27%
Net income before share purchase from existing holders	(7,490)	-0.43%	-	0.00%	-	0.00%	-	0.00%
Net income attributable to minority interests of the subsidiaries	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Net income before profit sharing	674,406	39.16%	943,212	35.96%	1,367,342	37.58%	308,648	32.27%
Minority interests of the subsidiaries	0	0.00%	23,160	0.88%	8,934	0.25%	2,880	0.30%
Net income for the period	674,406	39.16%	920,051	35.07%	1,358,408	37.33%	305,768	31.97%

Cash flow statements

The cash flow statements of the Company and its subsidiaries for the periods ended December 31 and March 31 are as follows:

(Unit: Thousand Baht)

Description	2006	2007	2008	Quarter 1/2009
	Amount	Amount	Amount	Amount
Net cash flows from operating activities	740,248	1,617,597	2,696,514	396,313
Net cash flows from investing activities	(1,099,712)	(4,383,919)	206,127	- 123,978
Net cash flows from financing activities	328,000	3,062,042	(2,828,848)	961,564
Net increase (decrease) in cash and cash equivalents	(31,464)	295,720	73,793	1,233,899
Cash and cash equivalents at beginning of period	387,595	481,130	776,850	850,643
Cash and cash equivalents at end of period	356,130	776,850	850,643	2,084,542

Source: The consolidated financial statements of TTW audited and reviewed by Mr. Supachai Phanyawattano, Certified Public Accountant (Thailand) No. 3930, Ernst & Young Office Limited

Note: The shareholders can search for more information from Form 56-1 and the audited or reviewed financial statements from the website of the SEC (www.sec.or.th) or the SET (www.set.or.th).

Financial ratios

Description	2006	2007	2008	3-month period/2009
Liquidity ratios				
Liquidity ratio (times)	1.69	0.46	1.43	5.04
Quick ratio (times)	1.64	0.39	1.11	4.21
Cash flow ratio (times)	1.39	0.59	0.89	0.40
Receivables turnover (times)	9.87	10.15	11.28	10.90 ^{1/}
Collection period (days)	36	35	32	33 ^{1/}
Inventory turnover ratio (times)	n.a.	n.a.	n.a.	n.a.
Average sale period (days)	n.a.	n.a.	n.a.	n.a.
Account payable turnover (times)	7.76	17.22	21.77	32.40 ^{1/}
Payment period (days)	46	21	17	11 ^{1/}
Cash cycle (days)	n.a.	n.a.	n.a.	n.a.
Profitability ratios				
Gross profit margin (%)	70.78%	69.85%	67.36%	68.31%
Operating profit margin (%)	66.03%	62.85%	58.20%	59.27%
Quality of earnings (%)	66.04%	99.37%	128.52%	17.54%
Net profit margin (%)	39.16%	35.07%	37.33%	31.97%
Return on equity (%)	18.64%	21.39%	20.82%	14.40% ^{1/}
Efficiency ratios				
Return on assets (%)	6.41%	6.27%	7.43%	6.62% ^{1/}
Return on fixed assets (%)	9.84%	10.60%	12.78%	11.87% ^{1/}
Assets turnover (times)	0.16	0.18	0.20	0.21 ^{1/}
Financial policy ratios				
Debt to equity ratio (times)	1.75	2.96	1.15	1.21
Interest coverage (times)	2.70	3.56	4.84	1.73 ^{1/}
Leverage ratio (cash basis) (times)	0.50	0.29	0.46	0.07
Dividend payout ratio (%)	38.11%	17.66%	44.06%	0.00%

Note: ^{1/} Annualized for comparative purpose.

Analysis of performance and financial position of the Company and its subsidiaries

Performance

Income from sale of tap water

Almost all revenues of TTW are revenues from sales of tap water to PWA. During 2006-2008, revenues from sales of tap water amounted to Bt. 1,697.8 million, Bt. 2,567.0 million and Bt. 3,569.3 million, respectively, representing the growth rate of 25.2%, 51.2% and 39.0% from the previous year respectively. The growth in 2007 and 2008 resulted from purchase of PTW's ordinary shares in the amount of 98% of the paid-up capital and recognition of PTW's income since July 2007. The other contributing factors were rising water demand as well as increase of MOQ and selling price of tap water.

In the 3-month period of 2009, total revenues were recorded at Bt. 956.51 million, up 11.43% from Bt. 858.42 million in 2008 due mainly to increase in income from sales of tap water by approximately 11.61% from the corresponding period of the previous year. This was attributable to the increase of tap water sales to PWA and upward adjustment of selling price to Bt. 23.55/cu.m. Revenues from sales of tap water in this period amounted to Bt. 943.03 million or 98.59% of total revenues.

Service income

Service income is generated from BJT, a subsidiary of PTW that produces tap water for Amata City Industrial Estate. The Company started recognizing the said income since 2007 which accounted for Bt. 23.04 million, Bt. 36.01 million and Bt. 9.79 million or represented 0.88%, 0.99% and 1.02% of total revenues during 2007-2008 and the 3-month period of 2009, respectively.

Cost of tap water sales and cost of service

Cost of tap water sales and cost of service mainly are depreciation of production assets, electricity, chemical cost, rent of land for laying raw water pipes, labor cost and supplies.

During 2006-2008, cost of tap water sales and cost of service amounted to Bt. 496.1 million, Bt. 780.8 million and Bt. 1,176.9 million respectively representing 29.2%, 30.1% and 32.6% of revenue from sale of tap water and service income, respectively. The increase in 2007 and 2008 was caused by recognition of cost of sale of PTW and BJT according to the investment period. The cost of sale moved up due to rising production volume that necessitated use of more chemicals and electricity. The Company and its subsidiaries also incurred cost of infrastructure maintenance of Bt. 63.7 million.

In the 3-month period of 2009, cost of tap water sales and cost of service rose by 15.19% from Bt. 262.09 million in the same period of 2008 to Bt. 301.91 million or 31.69% of revenues from sales of tap water and service income. This was due mainly to increase of tap water sales to PWA according to the rising MOQ from 250,000 cu.m./day in the 3-month period of 2008 to 300,000 cu.m./day in the 3-month period of 2009, hence higher

production costs such as electricity and chemicals. Other expense was maintenance of water production plant and distribution station of PTW that moved up by Bt. 5 million. The Company also refunded to PWA the tap water fee discount which accumulated from July 21, 2004 to January 21, 2009 in the amount of Bt. 25.7 million.

Selling and administrative expenses

Selling and administrative expenses during 2006-2008 rose by 101.3%, 19.1%, and 34.5% to Bt. 105.1 million, Bt. 125.1 million and Bt. 168.2 million, representing 6.1%, 4.8%, and 4.6% of total revenues, respectively.

The increase of selling and administrative expenses in 2007 resulted from inclusion of PTW's selling and administrative expenses from July to December 2007 and expenses relating to investment in PTW such as borrowing fee, engagement of legal advisor and independent appraiser, etc. In 2008, apart from the selling and administrative expenses of PTW for the whole year of 2008, there were costs of maintenance of the access road to production plant and expenses on shares listing on the SET.

In the 3-month period of 2009, selling and administrative expenses moved up by 42.82% from Bt. 24.22 million in the same period of the previous year to Bt. 34.59 million or 3.62% of total revenues. This was due to increase in the Company's selling and administrative expenses, i.e. personnel expense, legal advisory fee, advertising cost, as well as expenses and fees relating to debentures issue.

Finance cost and interest expenses

Finance cost and interest expenses surged from Bt. 437.0 million in 2006 to Bt. 670.6 million in 2007 representing 25.4% and 25.6% of total revenues, respectively. This was because finance cost of PTW from July to December was included in the Company's consolidated financial statements and the MLR in 2007 edged up from the previous year. In 2008, finance cost and interest expenses increased further to Bt. 728.7 million owing to inclusion of PTW's finance cost for the whole period in the consolidated financial statements. However, the Company's finance cost dropped by Bt. 51.7 million or 9.2% resulting from short-term loan repayment of Bt. 3,000 million and long-term loan repayment of Bt. 1,028.8 million. PTW also repaid long-term loan of Bt. 418 million.

Finance cost and interest expenses for the 3-month period of 2009 increased by 21.94% from Bt. 210.04 million in the same period of the previous year to Bt. 256.13 million, representing 26.78% of total revenues, due mainly to prepayment of long-term loan of Bt. 5,839.8 million with a prepayment fee of Bt. 116.8 million and financial representative cost of subsidiary of Bt. 3.0 million. The Company repaid short-term loan of Bt. 3,000 million in May 2008, hence no interest expense on such loan.

Net profit

The Company's profitability is satisfactory with gross profit margin of 70.8%, 69.9%, 67.4% and 68.31% in 2006-2008 and the 3-month period of 2009, respectively. The net profit amounted to Bt. 674.4 million, Bt. 920.1 million, Bt. 1,358.4 million, and Bt. 305.8 million respectively over the said periods, which led to a net profit margin of 39.2%, 35.1%, 37.3% and 32.0%, respectively. The consistent increase in net profit resulted from the above-mentioned factors.

Financial position

Assets

Total assets in 2006-2008 and as of March 31, 2009 amounted to Bt. 10,681.9 million, Bt. 18,681.2 million, Bt. 17,894.6 million and Bt. 19,063.3 million, respectively, of which around 83%-89% were non-current assets. Considerable growth of non-current assets from Bt. 9,375.3 million in 2006 to Bt. 16,538.9 million in 2007 was ascribed to the Company's purchase of PTW's ordinary shares in the amount of 98% of its paid-up capital. Major assets were assets for production of tap water that must be transferred at end of concession-net of Bt. 4,258.2 million and rights to produce and sell tap water-net of Bt. 3,079.6 million. In 2008, non-current assets decreased by Bt. 585.3 million as a result of depreciation of property, plant and equipment and amortization of rights to produce tap water which must be transferred at end of concession, and rights to operate tap water production and distribution business. As of March 31, 2009, major non-current assets are property, plant and equipment, net of Bt. 8,853.6 million, assets for production of tap water that must be transferred at end of concession, net of Bt. 4,074.2 million, and rights to produce and sell tap water, net of Bt. 2,836.1 million.

The asset turnover stayed rather low at 0.13 times, 0.16 times, 0.18 times and 0.19 times during 2006-2008 and as of March 31, 2009, respectively. This however is considered normal for infrastructure business which requires huge investment and generates income according to the agreement period.

Current assets in 2006-2008 and as of March 31, 2009 were posted at Bt. 1,306.6 million, Bt. 2,142.3 million, Bt. 1,940.9 million and Bt. 3,277.9 million, respectively. Major current assets were cash and cash equivalents, current investments, restricted bank deposits, trade accounts receivable and trade accounts receivable mainly from PWA.

Liabilities

In 2006-2008 and as of March 31, 2009, the Company had total liabilities of Bt. 6,792.1 million, Bt. 13,966.4 million, Bt. 9,558.2 million and Bt. 10,418.2 million, representing 63.58%, 74.76%, 53.41% and 54.65% of total assets, respectively. Most were long-term loans from financial institutions. Nevertheless, in the 3-month period of

2009, the Company issued debentures in the total amount of Bt. 7,000 million for loan repayment, leading debts to financial institutions to decline from Bt. 9,309.35 million in 2008 to Bt. 3,286.40 million as of March 31, 2009.

Shareholders' equity

The shareholders' equity in 2006-2008 and as of March 31, 2009 was recorded at Bt. 3,889.9 million, Bt. 4,714.8 million, Bt. 8,336.4 million and Bt. 8,645.0 million representing 36.42%, 25.24%, 46.59% and 45.35% respectively. Increase in the shareholders' equity was attributed to its yearly profitability. In 2008, the Company increased its capital through issuance of 700 million ordinary shares to the public at Bt. 4.20 per share, totaling Bt. 2,940 million, which led premium on net share value (after securities offering fee) to grow to Bt. 2,637.77 million. At year-end of 2006-2008 and as of March 31, 2009, the debt to equity ratio was 1.75 times, 2.96 times, 1.15 times, and 1.21 times respectively, which was considered moderate.

Liquidity

Cash flows from operating activities increased from Bt. 740.2 million in 2006 to Bt. 1,617.6 million in 2007 and Bt. 2,695.5 million in 2008 resulting from consistent profit. As for investing activities, the Company invested an amount of Bt. 3,859.4 million in PTW in 2007. Cash flows from financing activities came from Bt. 3,998.3 million of loan from financial institutions for investment in PTW's ordinary shares. In 2008, the Company recorded net cash flows used in financing activities of Bt. 2,828.9 million with proceeds obtained from share capital increase of Bt. 2,854.8 million. The Company also paid short- and long-term loans of Bt. 4,451.2 million and dividend of Bt. 598.5 million.

Liquidity ratio as of March 31, 2009 rose to 5.04 times from 1.69 times, 0.46 times and 1.43 times in 2006-2008 respectively, which is considered favorable. A sharp rise in liquidity ratio as of March 31, 2009 was due to increase of cash from debenture issue.

1.6.8 Industry situation and competition

Thailand has a total area of about 320.70 million rai and the average precipitation of 1,482.37 millimeters. Precipitation is a source of water, i.e. surface water from river and canal and groundwater. Water volume in the country totals approximately 745,085 million cubic meters. Volume of water from sources that are natural flows like river and canal approximates 200,830 million cubic meters. As such, Thailand needs water system management. Out of the total areas, 60.29 million rai or 18.80% has potential to be developed into irrigation area. In 2008, the development of about 28.35 rai was completed. Details are as follows:

Watershed	Average precipitation (mm.)	Water volume (million cu.m.)	Volume of water from natural flows sources (million cu.m.)	Potential areas (million rai)	Irrigation areas (million rai)	Proportion of irrigation area against potential areas (%)
1. Salawin, Kok, Ping, Wang, Yom, Nan	1,451.37	185,957.36	45,747.66	10.35	5.12	49.48
2. Khong, She, Moon	1,438.32	252,816.31	48,804.64	28.25	6.22	22.03
3. Chao Phraya, Sakaekrang, Pasak, Tha Chin, Mae Klong, Petchburi, west coast area	1,155.44	120,301.11	33,120.42	11.93	11.68	97.96
4. Pranchin Buri, Bang Pakong, Ton Le Sap, east coast area	1,761.80	68,177.18	26,703.53	5.02	2.67	53.17
5. East coast of the South, Ta Pe, Songkhla Lake, Pattani Lake, west coast of the South	1,604.93	117,833.70	46,453.85	4.75	2.65	55.76
Total	1,482.37	745,085.66	200,830.10	60.29	28.35	47.01

Source: Information of irrigation project 2008, Department of Water Resources, Ministry of Natural Resources and Environment

The above table indicates that the central region has developed most of its potential areas into irrigation areas despite lower precipitation compared to other regions. Water consumption in Thailand is mainly for industry, agriculture and household. Major water sources are precipitation, irrigation system and tap water, depending on the purpose of water usage.

Quality of water for consumption is improved through tap water production process which relies on the sources, i.e. irrigation system, rivers or underground water wells. In Thailand, tap water business for Bangkok, Samut Prakan, and Nonthaburi is operated by the Metropolitan Waterworks Authority ("MWA") and for the provincial areas by the Provincial Waterworks Authority ("PWA"). The past performance of PWA is shown in the table below:

	2004	2005	2006	2007
1. No. of consumers at year-end (person)	2,214,103	2,306,962	2,479,776	2,628,470
2. Normal increase rate (%)	8.88	9.20	8.39	6.85
3. Actual production volume (million cu.m.)	858.07	944.99	1,016.46	1,111.61
4. Distribution volume (million cu.m.)	827.11	909.43	981.18	1,077.13
5. Volume of sale (million cu.m.)	606.11	678.09	722.21	794.68
6. Loss rate in distribution system (%)	26.63	25.26	26.31	26.12
7. Average consumption (cu.m./person/day)	0.82	0.85	0.84	0.86

Source: PWA's annual report 2007

Privately owned companies can also produce tap water by applying for a concession from the Department of Water Resources, Ministry of Natural Resources and Environment. The water sources can be surface water

sources, private reservoirs, rivers, seas and underground water wells. As of May 27, 2009, the Department of Water Resources granted such concession to 66 private companies, classified by region and size of tap water system as follows:

Areas	Size of tap water system (no. of companies)				Total capacity (cu.m./day)	Concession period (no. of companies)				
	Small	Medium	Large	Total		5 years	10 years	15 years	25 years	Total
1) Operators granted concession with the concession still valid – 34 companies										
North	2	-	-	2	1,988	2	-	-	-	2
Central	4	4	5	13	1,017,714	5	-	-	8	13
East	6	-	-	6	6,350	2	-	3	1	6
North East	1	-	-	1	930	1	-	-	-	1
South	11	1	-	12	16,857	10	-	1	1	12
Total	24	5	5	34	1,043,839	20	-	4	10	34
2) Operators with expired concession and in the process of renewal request to the Cabinet – 32 companies										
North	9	1	-	10	10,779	-	6	3	1	10
Central	17	1	1	19	61,019	1	17	-	1	19
East	1	-	-	1	600	-	1	-	-	1
North East	-	-	-	-	-	-	-	-	-	-
South	2	-	-	2	1,537	-	2	-	-	2
Total	29	2	1	32	73,935	1	26	3	2	32

- Notes:
1. Small tap water system has production capacity of not over 3,000 cu.m./day.
 2. Medium tap water system has production capacity in a range of 3,001 – 15,000 cu.m./day.
 3. Large tap water system has production capacity of over 15,000 cu.m./day.

Hence, from the past, there are some industrial estates which have not themselves operate the tap water production and water treatment to the entrepreneurs, but have hired the other private company to operate such service such as Amata City Industrial Estate hires BJT which is the subsidiary of Pathum Thani Water, to produce tap water and render service of water treatment for companies in such industrial estate, and Bang-poo Industrial Estate hire Global Utilities Services Co., Ltd. and Global Environmental Technology Co., Ltd. to produce tap water and render service of water treatment respectively.

BLDC's tap water production project is located in Bangpa-in Industrial Estate in Ayutthaya Province which is under supervision of IEAT. IEAT also operates industrial estate business with other entrepreneurs in Ayutthaya Province such as Ban Wah (Hi-tech) Industrial Estate and Saharattana Nakhon Industrial Estate. Details are as follows:

	Area for sale/rent (rai)		Remaining industrial area (rai)		Tap water/ Groundwater system (cu.m./day)	Treatment system (cu.m./day)	Water fee (Bt./cu.m.)	Waste water treatment fee (Bt./cu.m.)
	General Zone	I-EA-T Free Zone	General Zone	I-EA-T Free Zone				
1. Bangpa-in ^{1/}	1,172	166	17.31	10.77	48,000	12,000*	22.50	7.00 – 9.00
2. Ban Wah ^{2/}	1,034	592	145.00	-	21,000	16,800	13.50	8.00
3. Saharattana Nakhon ^{3/}	867	-	405.00	-	11,960	16,800	22.00	8.00

Note: *Under improvement for capacity expansion to 18,000 cu.m./day

Sources : 1/ BLDC

2/ Website of Ban Wah Industrial Estate

3/ Website of Saharattana Nakhon Industrial Estate

From the above information, Bangpa-in Industrial Estate and Ban Wah Industrial Estate have been mostly occupied. Thus, water demand in these industrial estates depends mainly on capacity expansion of entrepreneurs.

1.7 Payment method

The Company will pay BLDC a total fee of Bt. 1,400 million (one thousand four hundred million baht only) by three installments as shown in the table below:

Installment	Amount (Bt. million)	Date of payment
1 st Installment	1,000	Date of agreement signing
2 nd Installment	200	365 days from the date of agreement signing
3 rd Installment	200	730 days from the date of agreement signing
Total	1,400	

As of March 31, 2009, the Company had cash and cash equivalents in the amount of Bt. 2,084.54 million which is adequate for purchase of the Operating Rights. However, in June 2009, after considering the attractive terms and conditions of two financial institutions' offers; unsecured loans in the total amount of Bt. 1,500 million with the term payment of approximately 10 years and charge the interest rate by referring the deposit rate plus margin and MLR minus margin, which are lower than the market interest rate, the Company may decide to borrow loan from such financial institutions to be used for payment of the Operating Rights to BLDC. Presently, the Company is in process of negotiation with both financial institutions. In doing so, there will be no material effects on the Company's liquidity and it will not be considered a breach of the existing loan agreements and/or financial covenants specified under its debenture issue to the public in the first quarter of 2009.

2. Reasonableness of the Transaction

2.1 Objective and necessity of the Transaction

The Independent Financial Advisor has the Opinion that the acquisition of Operating Rights in Bangpa-in Industrial Estate is aligned with the Company's tap water business objective as the Company can enlarge its tap water distribution coverage from Nakhon Pathom and Samut Sakhon provinces to Bangpa-in Industrial Estate in Phra Nakhon Si Ayutthaya province, thus helping to promote the Company's image as the largest privately owned producer of tap water in Thailand. In addition, to acquire such right will enable the Company to run a comprehensive tap water business, ranging from production to distribution and service charge collection from customers in Bangpa-in Industrial Estate. Therefore, the Company's service coverage will be expanded and mitigate risk from reliance on a sole customer, PWA. The Company will also be authorized to render a waste water treatment service to the operators in Bangpa-in Industrial Estate, which corresponds with its policy to diversify into other related business. Accordingly, this Transaction will be a starting point and give it an opportunity to expand the scope of services to the private sector customers. This will at the same time help to boost its income from the business operations and relatively strengthen its income stability in the long run through the 30-years term of the Operating Rights. The Company can then exploit its experience and skill in the tap water production for a successful operation at Bangpa-in Industrial Estate.

2.2 Advantages and disadvantages between making and not making the Transaction

Advantages and disadvantages of making the Transaction

Advantages of making the Transaction

1. An opportunity of business scope expansion

The Company and PTW have been producing and supplying tap water for PWA to distribute to users through PWA's own distribution system. In this light, both of them serve merely as sub-contracted producers for PWA. The acquisition of Operating Rights will therefore be a starting point for the Company to diversify into a fully-fledged tap water business, ranging from production to distribution and service charge collection from private sector users. This Transaction will also enable the Company to expand the service coverage from Nakhon Pathom and Samut Sakhon provinces, the areas originally served by the Company and PTW, to Bangpa-in Industrial Estate in Phra Nakhon Si Ayutthaya province. Additionally, the Company will have an opportunity to launch a new line of business, i.e. waste water treatment services for customers in such industrial estate. This will pave the way for TTW to introduce its tap water production management and waste water treatment services among other industrial estates and/or other target areas in the future.

2. A boost of income and a stronger income stability in the long term

The purchase of Operating Rights from BLDC will help to boost TTW's income from tap water supply and waste water treatment services in Bangpa-in Industrial Estate. Between 2006 and 2008, the total revenues from tap water distribution and waste water treatment services in Bangpa-in Industrial Estate accounted for around Bt. 142.77 million, Bt. 162.03 million and Bt. 169.62 million, respectively. The said additional income will strengthen the Company's cash flow and earnings per share in the future. However, the projected performance might change and be uncertain; therefore, these figures could not be guaranteed the projected performance would have quantity and/or grow at the same direction as the past performance.

Further, the business operations at Bangpa-in Industrial Estate will increase the Company's income stability in the long run, considering that it will be a sole authorized producer and distributor of tap water and provider of waste water treatment services for customers in Bangpa-in Industrial Estate throughout the agreement term of 30 years. Besides, according to the drafted Operating Rights Agreement, BLDC agrees to give a minimum off-take guarantee for TTW's tap water sales in the industrial estate for a period of three years (2010-2012) in an amount of 15,513 cu.m./day, 16,429 cu.m./day, and 18,401 cu.m./day respectively, representing a growth rate of about 5.9% in 2011 and 12.0% in 2012, and also a guarantee for the minimum waste water amount for a three-year period of 11,480 cu.m./day, 12,157 cu.m./day, and 13,617 cu.m./day respectively, representing roughly 74% of the minimum off-take guaranteed amount. It is further guaranteed that there will be a 120-MW power plant erected in the industrial estate by 2013, which will have a minimum tap water demand of 2,000 cu.m./day together with demand for waste water treatment service. These guarantees will help stabilize TTW's income generation over the said period to a certain extent. Moreover, there are still some unsold spaces within the industrial estate and some sold areas that are under plant construction or not yet operative and, thus, after those plants have come into commercial operation, the demand for tap water and waste water treatment services will further grow, thereby boosting the Company's revenues and operating performance.

3. Increase of market share and sustaining of market leadership

The acquisition of Operating Rights from BLDC, which has a production capacity of 48,000 cu.m./day, will increase TTW's market share, bringing the Company and PTW's combined maximum capacity up to 756,000 cu.m./day. and thus making TTW still the market leader. This will help not only to boost its competitive edges and reliability among investors, but also to create an opportunity and bargaining power in a bidding for treated water production and management services in other industrial estates and/or other areas in the future.

4. Mitigation of risk from reliance on a sole customer

The Company and PTW have been selling tap water solely to PWA and PWA further distributes the tap water to end-users. As a consequence, the Company and PTW bear risk from sole dependence on PWA as their only customer. Given that PWA, which is a state enterprise, changes its tap water business management policy

and/or terminates or discontinues the tap water purchase agreement, the Company and PTW's working performance will be negatively impacted. This Transaction will accordingly enable the Company to sell the tap water and provide the waste water treatment services directly to customers in Bangpa-in Industrial Estate, hence an expanded customer base. Even though the income from business operations at Bangpa-in Industrial Estate is less than that earned from the tap water sales to PWA, such expanded customer base will help to reduce the sole reliance on PWA to some extent. As of June 2009, there were 71 privately owned entities operating businesses in this estate. So, if in the future the number of entities augments and/or TTW diversifies its markets to other areas and/or other industrial estates, its customer base will be further enlarged and such risk will be lowered.

5. TTW's experience and expertise in treated water production

The Company and PTW have produced and supplied tap water to PWA since 2004 and 1998 respectively without any problem or disruption. The treated water production technology adopted in Bangpa-in Industrial Estate is quite the same as that currently employed by the Company and they also supply raw water from the same source, the Chao Phraya River. It is thus believed that based on its experience and skills in the treated water supply management and operation, the Company can as well perform successfully at Bangpa-in Industrial Estate.

6. Prompt income recognition from this business expansion, leading to time saving in license application and new facilities construction

In this Transaction, the Company is able to recognize income immediately after a transfer of Operating Rights from BLDC. On the contrary, under their usual practices, the Company and PTW are to follow the time-taking bidding and bargaining processes with PWA in order to obtain rights to produce tap water and construct facilities for treated water supply to PWA and to obtain all regulatory licenses. Moreover, the Company must waste time building the production system facilities, which normally takes around two years. Given it has to follow these processes, the income recognition from this business expansion will be delayed.

7. Benefit in value chain

TTW can cash in on an efficient use of existing resources for the optimal benefit of the whole group of companies. Specifically, it can save costs by making a big-lot procurement of chemicals, which are one of the major production costs, and/or it can share the supporting resources with its subsidiaries such as an assignment of BJT Water Co., Ltd. to handle the repair & maintenance works and/or TTW's own units such as Human Resource & Administration Division and Accounting & Finance Division to handle the same tasks at Bangpa-in Industrial Estate, thereby helping to boost the operational efficiency and maximum use of resources.

Disadvantages of making the Transaction

1. Risk from lower-than-projected revenues from tap water sales and waste water treatment services

TTW is obliged to pay a fee of Bt. 1,400 million to BLDC (within three years) for the purchase of rights to manage and operate the treated water supply and waste water treatment services for customers in Bangpa-in

Industrial Estate for a 30-years period. Such amount has been computed from the net present value of the projected revenues the Company expects to earn over the next 30 years. As such, the Company risks gaining the actual future income from tap water supply and waste water treatment services in an amount lower than the projection as a result of factors such as economic slowdown, political instability, natural disasters, etc. that might prompt customers in Bangpa-in Industrial Estate to either reduce or freeze their production capacity or might cause the Company to be unable to revise up the selling prices or the service charges as IEAT had not approved. This will likely hurt the Company's cash flow from the business operations at Bangpa-in Industrial Estate and its ability to service debts to financial institutions by the agreed amount or tenor and/or to obtain a reasonable return that can cover the cost of operating right acquisition, thus ultimately hitting the overall performance of TTW and its subsidiaries. To cushion against this risk, the Company makes it a condition in the Operating Rights Agreement that BLDC shall provide a minimum off-take guarantee for treated water sales and guarantee for the minimum waste water amount for a three-year period (2010-2012) together with a guarantee for establishment of an SPP project within Bangpa-in Industrial Estate by 2013.

2. Greater debt burden which may hurt TTW's liquidity

As of March 31, 2009, TTW and its subsidiaries recorded a debt to equity ratio of 1.21 times. In June 2009, the Company was offered a credit line of Bt. 1,500 million from two financial institutions on a collateral-free basis and under attractive terms and conditions. It is considering using such financing source for covering the cost of this Operating Rights acquisition. By doing so, its debt to equity ratio will edge up to 1.37 times (based on data from the Q1/2009 consolidated financial statements ended March 31, 2009) and it will be burdened with the principal and interest payments in respect of such borrowing. Additionally, considering to the financial ratio under the condition in the debenture agreement, the ratio of total liability to EBITDA have not to exceed 4 times and the ratio of EBITDA to interest expense have not to exceed 3 times. After borrowing loan of Bt. 1,400 million, the ratio of total liabilities to EBITDA as of March 31, 2009, would increase from 2.61 times to 3.09 times, and the change in the ratio of EBITDA to Interest Expense could not be concluded at this time as the interest rate for the borrowing loan of Bt. 1,400 million is still unconfirmed. The ratio of EBITDA to Interest Expense as of March 31, 2009 would be 5.35 times, which is complied with the conditions of the debenture agreement. According to the assumptions used for the financial projection, the net cash receivable expected from the business operations at Bangpa-in Industrial Estate will likely be inadequate for such debt service under a 10-year repayment term. Thus, the Company may need to pay such debt out of cash flow provided from its usual operating activities or other activities, which may relatively hurt its liquidity during the repayment period. Presently, the Company is negotiating with the financial institutions for a grace period in the first two to three years so as to avert any adverse impact on its liquidity and cash flow.

3. A loss of investment opportunity in the other projects

If after the purchase of Operating Rights the Company discovers other more lucrative projects than this one, it will then lose a better investment opportunity due to its capital or leverage constraints. This is because in Q1/2009 the Company issued and offered for sales the debentures which have established a number of financial covenants to be fulfilled by the Company as of every year-end, consisting of (1) D/E ratio at not over 2 times, (2) net debt to EBITDA ratio at not over 4 times, and (3) EBITDA to interest expenses at not less than 3 times. From these constraints, it will be impossible for the Company to fund any other project investments by additional borrowings. If this really happens, however, the Company plans to raise funds through the capital market.

4. Burden and risk associated with incremental investments

In the acquisition of Operating Rights, TTW plans to additionally invest Bt. 15.37 million in the system modification to ensure service and safety completeness, entailing, for example, the construction of additional buildings and facilities, repair of waste water treatment ponds, improvement of room partitions, additional erection of fire extinguishers, lightings and CCTVs, etc. It is moreover possible that the Company will have to additionally invest in an expansion of the waste water treatment capacity to gear up for the future growing demand for treated water of customers in Bangpa-in Industrial Estate. Based on the assumption that waste water volume accounts for 72.70% of tap water consumption (which is an average of one retroactive year up to May 2009), the existing maximum treatment capacity of 18,000 cu.m./day can then serve the tap water consumption of customers in Bangpa-in Industrial Estate for only 24,760 cu.m./day at maximum. Therefore, once such consumption volume has exceeded 24,760 cu.m./day, the Company will have to invest in an expansion of its treatment capacity. This is in line with a condition set out in the Operating Rights Agreement that BLDC agrees to have the Company undertake the waste water treatment expansion operation at the Company's cost throughout the agreement term without any extra compensation to BLDC, whereby any such additional assets shall forthwith belong to BLDC at no cost. Therefore, the Company may have to be financially prepared for any such incremental investment. In late 2008, BLDC executed an agreement to improve and increase the waste water treatment capacity from 12,000 cu.m./day to 18,000 cu.m./day with the investment budget of BLDC at an estimated cost of Bt. 28.89 million. According to TTW, it is financially prepared for an additional investment at such cost, given that it becomes necessary to boost the waste water treatment capacity in line with the growing future tap water demand, as this will in turn increase its income that can cover the said investment cost. Nonetheless, if the Company deems that the remaining agreement period by that time is not enough for it to make the investment worthwhile, the Company can, as allowed in the Operating Rights Agreement, negotiate with BLDC for an extended term and compensation during such period.

Moreover, the Company may have to additionally invest in the waste water treatment capacity expansion in the event that the incoming waste water is of extremely poor quality or of high filthiness value, which will require a longer treatment time and might be beyond the existing treatment capability, leading to a needed additional

investment in the capacity expansion despite an insignificant increase in the waste water amount. However, the Company deems that there is a slim chance of this event taking place, based on the historical records on the treatment services over the past five years which revealed that the service charges, in connection with the level of waste water quality, has been on a decline, thus exhibiting an improvement in the waste water quality. Besides, the Company was able to collect extra treatment charges on the low quality waste water. It is also prescribed in the Operating Rights Agreement that the Company shall, without contradiction to any other regulations or notifications of IEAT or other concerned authorities, have the right to refuse to provide the treatment services to customers in Bangpa-in Industrial Estate on a reasonable ground that the quality of incoming waste water is below the treatable level or that any such treatment, once carried out, will likely damage the treatment plant.

Advantages of not making the Transaction

1. No debt burden arising from additional borrowings to cover the cost of Operating Rights acquisition

TTW tentatively plans to raise loans totaling Bt. 1,400 million from financial institutions to pay for the Operating Rights. If it decides not to purchase the Operating Rights, it will not need to raise such borrowings and bear no interest expenses thereon.

2. Ability to invest in other projects

If the Company decides not to acquire the Operating Rights from BLDC, it will be able to invest such funds in other project that will probably be more lucrative. However, the investment in other project remains uncertain and the Company will need some time to identify an appropriate project and further conduct a feasibility study and negotiation.

Disadvantages of not making the Transaction

1. A loss of opportunity of business scope expansion

The Operating Rights acquisition will give an opportunity for TTW to run a comprehensive tap water production and distribution business and expand the service areas to Bangpa-in Industrial Estate in Phra Nakhon Si Ayutthaya province, as well as diversify into a new business line, waste water treatment services. Therefore, by not entering into this Transaction, the Company will lose an opportunity to tap a new service area and new business line that will be beneficial to the Company in overall.

2. A loss of opportunity to boost income

The tap water supply to PWA has been the only income source of the Company and PTW. An increase of such income is subject solely to a growing demand for tap water and/or an upward adjustment of the minimum off-take quantity guaranteed by PWA and/or an adjustment of the tap water fees under the specified criteria. Thus, by

not making this Transaction, the Company will lose an opportunity to boost its income from the operation and management of treated water and waste water for customers in Bangpa-in Industrial Estate for a period of 30 years.

3. Risk from sole dependence on PWA

If not making this Transaction, the Company and PTW will continue to rely solely on PWA as their only customer. Given that PWA will in the future change its tap water business management policy and/or terminate or discontinue the tap water purchase agreement made with the Company and PTW, this will adversely affect the Company's working performance in overall.

2.3 Comparison of making the Transaction with a connected person and with an independent third party

Advantages of making the Transaction with a connected person

1. The connected person is TTW's director and his related persons and close relatives are also the Company's directors and shareholders, all of whom have had a good relationship with the Company. This can therefore ensure that the Transaction can be promptly concluded with the terms and conditions in favor of the Company or, at least, no less inferior to that made with an independent third party.

2. The benefit from the Company being allowed to pay for the Operating Rights in three installments over a three-year period from the agreement signing date (see Item 1.7 for details of the payment method) is that the actual value of the payment will be lower than the agreed Transaction price of Bt. 1,400 million, based on the financial principle that the same amount to be paid in the future virtually is less in value than when paid at present. Accordingly, the present value of the Transaction price of Bt. 1,400 million, calculated with a basic discount rate of 11.20%, is equal to Bt. 1,341.60 million, which is lower than the said Transaction price by Bt. 58.40 million or 4.17%. Moreover, the Company can save interest expenses as a result of the gradual loan disbursement from financial institutions for the installment payment to BLDC under the above payment terms, whereas it will obtain the entire Operating Rights from the very first date on which the agreement is signed, thereby enabling it to instantly recognize the income and results of this business.

Disadvantages of making the Transaction with a connected person

1. The Transaction made with a connected person may lead to a suspicion that it is a means of transfer of benefits to the connected person or that the bargaining of the deal or the terms and conditions is not made in the best interest of the Company, unlike the Transaction made with a third party, hence a disadvantage to the minority shareholders. Nevertheless, TTW management well understands the regulations and is aware of the negative impact from the making of this Transaction with a connected person such that if the Transaction value is not reasonable or the Transaction brings no benefit to the Company, the small shareholders will then be affected accordingly.

Advantages of making the Transaction with an independent third party

1. Normally, making the Transaction with an independent third party would not be considered or have doubted on transparency or transfer benefit from the Company.

Disadvantages of making the Transaction with an independent third party

1. The Company may have to bear extra costs and take time to find and study other industrial estate projects as there might not be any other industrial estate owners interested in selling the rights to operate and manage the treated water and waste water systems to other party.

2.4 Risk factors to make the Transaction

2.4.1 Fee collection on the use of raw water

The Ministry of Natural Resources and Environment has drafted a water resources legislation and, after an array of public hearings, has completed a final draft of the Water Act, the Ministry of Natural Resources and Environment Version, which currently is still under consideration of the Council of State of Thailand. Hence, there is no specific state agency with the power to approve the use of raw water pumped from rivers. However, as BLDC will employ a tap water production system using a surface water resource to produce and supply tap water to customers in Bangpa-in Industrial Estate by procuring raw water from the Chao Phraya River, it accordingly sought permission in writing from the Department of Water Resources for the use of such water resource. In response to this, the Office of Water Resources Policy and Planning, under the Department of Water Resources, sent a letter No. ThorSor 0604.2/354 dated July 24, 2007 permitting BLDC to use the said raw water resource. Thus far, no fee for the use of such water resource has yet been collected. Therefore, if the above mentioned water law has come into force and a regulation on raw water fee collection is applicable, TTW, as the assignee of the Operating Rights, may be affected from the operations of this business. The Company believes that it may take a period of time before the decision on the said fee collection could be finalized as this will broadly affect the water users in general. The Company further believes that, such fee, if applicable, will be collected on a yearly lump sum basis rather than by basing on the pumped amount of raw water, due to the technical constraints on measurement of the raw water pumping quantity. However, it has not been clearly defined in the Operating Rights Agreement as to who shall be held liable and to what extent of the liability if such an incident occurs. As such, the extent of risk incidental to this event could not yet be identified as the amount or rate of the said fee collection is still unknown. Nonetheless, the Company is confident that once the raw water fee collection is applicable, it will be able to negotiate for service charge adjustment with IEAT and customers in Bangpa-in Industrial Estate, as was the case when BLDC

successfully urged for upward adjustment of water selling prices to customers in Bangpa-in Industrial Estate when it was charged a rising fee for the use of groundwater.

2.4.2 Contract renewal with the other agencies

To operate the tap water business at Bangpa-in Industrial Estate, TTW needs to apply for permission to use some spaces for water transmission pipelining between the water pumping station and the tap water production plant from four agencies: the Phra Nakhon Si Ayutthaya Land Office, the State Railway of Thailand, the Office of Royal Irrigation (North Rangsit), and the Department of Highways. Presently, permission has already been granted by the four agencies for a period of 3-5 years (except for the Department of Highways from which the permission is required only during the construction). The details are as follows:

Concerned agency	Description of works	Permission date	Duration	Fee
Phra Nakhon Si Ayutthaya Land Office	Laying of raw water pipelines under public ways	Nov 16, 2006	5 years	Bt. 10,000
State Railway of Thailand	Laying of raw water pipelines under the railways between Khlong Phutsa Station and Bangpa-in Station	Sep 20, 2007	3 years	Yr 1 = Bt. 65,703 Yr 2 = Bt. 80,904 Yr 3 = Bt. 96,104
Office of Royal Irrigation (North Rangsit)	Laying of raw water pipelines under Prem Prachakon Canal	Nov 27, 2006	3 years	Bt. 500
Department of Highways	Laying of raw water pipelines under Highway No. 3309, Bangpa-in - Bang Sai Road	Oct 13, 2005	Not specified (during construction only)	None

Given that the above permission is not renewed by the concerned agencies, the Company may have to bear additional costs in removing or shifting the pipelining to link the pipelines between the pumping station and the tap water plant. TTW management expects that this is very unlikely to happen as the pipelines have been laid underground and thus will not affect the ground level usage by the concerned agencies. The Company may also risk being charged a higher fee upon renewal of the permission (the total fee payable at present is not over Bt. 100,000). However, TTW management believes that the fee, if adjusted, will be based on the market rate, which is acceptable.

The Company must also seek permission from the Ministry of Defence for possession of liquefied chlorine, gas mask with compressed air cylinder, and gas mask with filter. The permission is valid for one year from the granting date, which is November 3, 2008, and requires a yearly renewal, but costing only around Bt. 100/year/permit.

2.4.3 Risk from increasing the service charge

In case that the Company would like to increase the charge on selling tap water and water treatment, the Company must send a writing notice to IEAT specifying the rational of increasing the service charge and the new service charge. IEAT has the right to object the new service charge if IEAT considers that it would not be suitably. Therefore, the Company expose the risk that IEAT would not approve the increased rate of selling tap water or water treatment, this would affect to the performance of the Company. However, BLDC clarified that over the past, BLDC would increase the service charge as per requested. IEAT fully grant an independency to BLDC for administering and managing utilities. Therefore, the Company believes if there is a reason to increase the service charge, IEAT would possibly approve.

2.4.4 Risk associated with the waste water treatment business

TTW has accumulated dependable experience and skill in the tap water service, but never engaged in the waste water treatment business. It will accordingly bear risk in this business, as IEAT has established criteria for quality control of the treated water for environmental conservation. The Company also is to abide by the Notification of the Ministry of Science, Technology and Environment, No. 3 (B.E. 2539), Re: Control Standards for Water Discharge from Industrial Plants and Industrial Estates and the Notification of the National Environment Board, No. 8 (B.E. 2539), issued by virtue of the Enhancement and Conservation of National Environment Quality Act B.E. 2535, pertaining to the water quality standards for surface water sources. Failure to comply with these regulations may result in the Company breaching the Operating Rights Agreement made with BLDC, which will further affect the joint operation agreement between BLDC and IEAT. If a remedy is not completed within a specified timeframe, BLDC shall be entitled to terminate the Operating Rights Agreement and to confiscate the remaining fee, as well as file a claim for actual damage from the Company. However, the Company believes that this is unlikely to happen because under the existing treatment system the BOD has been within the specified limit. Besides, BJT, a PTW subsidiary, is skillful in the waste water treatment service at Amata City Industrial Estate and can provide assistance for the Company. If necessary, the Company may alternatively seek for help from BLDC or hire BLDC employees responsible for waste water treatment so as to prevent any such problem.

2.4.5 Risk from termination of the Operating Rights Agreement as a result of the joint operation agreement between IEAT and BLDC being revoked or terminated

BLDC is the direct party to the agreement made with IEAT, obtaining the rights to manage and procure public utilities in Bangpa-in Industrial Estate, and also to provide tap water and waste water treatment services. In this respect, BLDC agrees to assign to the Company the rights to manage and operate the tap water supply and waste water treatment services. IEAT then sent a letter no. OrKor 5102.1.1/1910 dated May 28, 2009, notifying that

BLDC has the right to assign other skilled and experienced party to undertake the management of public utilities and other facilities in Bangpa-in Industrial Estate subject to a condition that the obligations of BLDC shall remain in effect under the joint operation agreement made with IEAT. As such, the Company's operations under the Operating Rights Agreement will rely on the enforceability of the joint operation agreement between BLDC and IEAT. If during the 30-years agreement term of the Operating Rights there occurs any event that causes the said joint operation agreement to be revoked or terminated, the Operating Rights Agreement will then be terminated accordingly. This is because it is stipulated in the joint operation agreement that IEAT is entitled to terminate the agreement and BLDC must agree to all immovable properties, equipment, public utilities and facilities becoming under the ownership of IEAT for continued operations at Bangpa-in Industrial Estate, whereby IEAT shall not be obliged to pay any compensation and expenses to BLDC, if any of the following events takes place:

- 1) BLDC is amalgamated or purchased or there is a change in the power to manage BLDC business, unless IEAT has approved the said amalgamation or change in management; or
- 2) IEAT deems that BLDC has become insolvent and unable to repay the debt or rehabilitate the business within a reasonable period of time; or
- 3) BLDC dissolves its business or perform any other act to have the business dissolved; or
- 4) BLDC faces a bankruptcy filing by its creditor or its assets are placed, by a court order, under either temporary or absolute receivership; or
- 5) BLDC amends or changes its objectives or amount of registered capital which thereby leads to IEAT and BLDC being unable to continue the joint operation; or
- 6) There is a reasonable ground for IEAT to believe that BLDC is unable to improve and develop the land or to procure the public utilities and other facilities for customers in Bangpa-in Industrial Estate completely within the specified period of time.

Where the above event occurs and does not arise from TTW's default, the Company will become unable to continue the business operations at Bangpa-in Industrial Estate since IEAT will take over the Operating Rights and the said operations in its stead. The Company will therefore suffer from a loss because it has already paid for the Operating Rights in advance to BLDC. Under the drafted Operating Rights Agreement, it has provided for the events of default that will result in the agreement being terminated by the Company as follows:

- 1) BLDC materially breaches the Operating Rights Agreement; or
- 2) BLDC materially breaches the joint operation agreement thereby causing the agreement to be terminated and/or violates any legal requirement relevant to the joint operation agreement, including, for example, failure to obtain a regulatory permission, etc.; or
- 3) Any state agency has disrupted or intervened in the business operations or the operations of the tap water production system, the groundwater pumping system and the tap water distribution or the provision of waste

water treatment services for customers, without any legitimately reasonable ground, unless otherwise allowed under any provision of the Operating Rights Agreement provided that it is not a default of either the Company or BLDC.

If any of the above incidents takes place and cannot be remedied within a specified period, TTW is entitled to terminate the agreement forthwith. If BLDC fails to comply with the provisions under the Operating Rights Agreement or liquidates the business or dissolves the business or faces a bankruptcy filing or is placed under receivership or lodges an application for business rehabilitation, the Company is also entitled to terminate the agreement forthwith. Upon the said agreement termination, BLDC must return the compensation under the Operating Rights Agreement pro rata with the remaining period of the agreement to the Company immediately and must indemnify for any shortfall of profits to the Company.

However, in the event that TTW fails to produce the tap water or treat the waste water up to the specified standards, which does not fall under the force majeure or exception clauses and which may entitle IEAT to terminate the joint operation agreement, it is stipulated in the Operating Rights Agreement that if such incident is not remedied within a specified period, BLDC can terminate the Operating Rights Agreement forthwith and may confiscate all the remaining fee for the rights and file a claim for the actual damage incurred from the Company.

TTW and BLDC believe that the events of default that will cause IEAT to terminate the joint operation agreement made with BLDC are less likely to happen as IEAT has set such condition from the beginning of business operations by BLDC to ensure the strong capability and financial soundness of BLDC management keyman in the operations at Bangpa-in Industrial Estate, hence helping to protect and build up confidence among potential customers. Thus, given any changes such as business amalgamation or takeover or changing management powers of BLDC take place and do not impact the management of Bangpa-in Industrial Estate, the Company and BLDC believe that IEAT will likely grant the approval and not exercise a veto right against any such incident, such as in the case where IEAT has permitted TTW to acquire the Operating Rights from BLDC to manage and operate the treated water and waste water business at Bangpa-in Industrial Estate. As well, there is a slim chance of BLDC becoming insolvent and unable to service the debt or successfully rehabilitate the business within a reasonable period or dissolving its business because BLDC has a policy to use part of funds receivable or loan repayment which will significantly reduce its debts (as of December 31, 2008 BLDC's total liabilities stood at Bt. 932.40 million). Moreover, BLDC does not plan to diversify into any new businesses in the near future other than the SPP project. The Company views further that there is very little chance of the Company failing to produce the tap water or treat the waste water up to the specified standards that will cause BLDC to terminate the agreement, considering that the Company is skillful in tap water production and BJT, a PTW subsidiary, has expertise in waste water treatment.

2.4.6 Risk associated with debt claims from BLDC in the event of agreement termination with BLDC being obliged to pay indemnity or the remaining fee for the Operating Rights to TTW

Pursuant to the Operating Rights Agreement, the Company is entitled to terminate the agreement and claim the remaining fee for the Operating Rights according to the remaining period of the agreement, including an indemnity (if any), from BLDC. However, considering the debt service ability under the above obligations of BLDC, the Company might risk being unable to enforce the debt payment from BLDC because even though BLDC is the one to invest in the construction of Bangpa-in Industrial Estate and all public utilities, IEAT has the right under the joint operation agreement to take full ownership of all those assets and take over the operations when BLDC can no longer continue the operations. As a consequence, the Company may not seize those assets for debt enforcement and/or auction sale. Furthermore, taking into account BLDC's financial position, it has a paid-up capital of Bt. 240 million and shareholders' equity of Bt. 393.36 million as of December 31, 2008. Therefore, if BLDC uses the proceeds obtainable from sale of the Operating Rights of Bt. 1,400 million for loan repayment and/or re-investment in other project and/or lending to other individual and/or juristic persons and/or payment of dividends or other form of returns to its shareholders (BLDC does not plan to diversify into any new businesses in the near future other than the SPP project), the Company might be unable to claim the said fee paid for the Operating Rights purchase from BLDC.

As described above, however, both TTW and BLDC believe that the termination of the Operating Rights Agreement is unlikely to happen. So, if there is a requirement for provision of collateral to cover this risk throughout the 30-year agreement term, it might lead the other party to bargain for a higher price and/or to demand the collateral from the Company as well.

2.4.7 The Opportunity of the future related party transactions and measures and approval process

TTW's acquisition of the Operating Rights at Bangpa-in Industrial Estate will probably lead to the following related party transactions with the connected persons in the future:

1) The related party transactions with BLDC in the sales of tap water or provision of guarantee for minimum off-take quantity and minimum waste water treatment quantity, and expenses on community services and garbage disposal services provided by BLDC at Bangpa-in Industrial Estate.

2) The related party transactions with Bangkok Expressway Plc. ("BECL") as BECL has bought a land area of 126.72 rai in Bangpa-in Industrial Estate for its concrete pile casting section, hence likely to use the tap water supply and waste water treatment services from TTW. In 2008 and Q1/2009, BECL purchased the tap water and used the waste water treatment services in a total amount of Bt. 2.56 million and Bt. 1.91 million respectively.

3) The related party transactions with CH. Karnchang Plc. ("CK") after CK Board of Directors on March 3, 2009 approved an investment in the construction of an SPP project at Bangpa-in Industrial Estate, thereby

potentially leading to CK's demand for tap water supply of about 2,000 cu.m./day and also for waste water treatment services, with the SPP project expected to become operational by 2013.

4) The related party transactions with Phromprathan Construction Ltd. Part. ("PPC"), of which Mr. Yim Trivisvavet, who is close relative of the connected person is partner and indirectly held through Ch. Karnchang Real Estate Co., Ltd. PPC is a contractor of a tap water project (surface water source) at Bangpa-in Industrial Estate with a system warranty provided for one year starting February 1, 2009.

The above related party transactions expected in the future are the usual course of business conducted by the Company with market-based service charges. In case the Company will set the service charges at unusual rates and/or needs to enter into any transaction with a possible conflict of interest in unusual course of business, it will strictly abide by the rules of the Stock Exchange of Thailand and/or the Securities and Exchange Commission.

3. Fairness on pricing and conditions of the Transaction

3.1 Appropriateness of transaction price

Normally, there are 6 widely acceptable methods to value the price, which are:

- 1) Book Value
- 2) Adjusted Book Value
- 3) Market Price
- 4) Price to Book Value Multiple
- 5) Price to Earning Multiple
- 6) Free Discounted Cashflow

Hence, the above methods are appropriate to value a common share or firm; however, to proceed the Transaction is to purchase the right to operate business in Bangpa-in Industrial Estate, not to purchase a common share. Therefore, the third - fifth method could not be applicable because those method is to value a common share of the similar company or vertical integration company by comparison or using financial ratios to calculate a common share or firm. In addition, the Company would not own the title of the purchased assets; therefore, the first and second method could not also be applicable as those methods would refer the book value or accounting value after the adjustment on the purchased owned asset. Therefore, the Independent Financial Advisor has the Opinion that the discounted cash flow approach is the only method to identify the fairness and appropriateness of the purchase price of the Operating Rights since the faire value can be computed from the projected revenues to be received from operating in the industrial estate. The Independent Financial Advisor shall use a discount rate for figuring out the net present value of cash flow expected from the Company's operations at Bangpa-in Industrial Estate for a period of 30 years from September 2009 to August 2039 as defined in the agreement. The Independent Financial Advisor have prepared the financial projection based on the business and financial assumptions mutually screened by the Company and the IFA. Here are sources of the data applicable:

- § BLDC's financial statements for 2006-2008 and internal data for January - May 2009
- § PTW's internal data for 2008 and Q1/2009
- § Business and financial information of BLDC, relevant industry information and information disclosed to the public
- § Technical Due Diligence Report prepared by EEC Engineering Network Co., Ltd. in June 2009
- § The drafted Operating Rights Agreement dated July 2, 2009
- § Information and analytical results obtained from interviews with the Management and working group of TTW and BLDC

In addition, the Independent Financial Advisor has established other relevant assumptions that are material to the cash flow, operations and future business of the project. If there is any factor impacting the operations

according to the said assumptions, the purchase price of the Operating Rights valued herein will probably be affected. The assumptions are as follows:

1. At present, there is no specific state agency in charge of fee collection on the use of raw water. The water resources legislation has been drafted and undergone an array of public hearings, but still not finalized. The Office of Water Resources Policy and Planning, under the Department of Water Resources, sent a letter No. ThorSor 0604.2/354 dated July 24, 2007 permitting BLDC to use raw water from a natural resource and thus far no fee for the use of such water resource has yet been collected. In this projection, such expense is not factored in due to the great uncertainty of this issue as it will broadly affect a large number of users of natural water resources and the criteria on the fee collection remain unclear. Nonetheless, once the raw water fee collection is applicable in the future, it will likely affect the projected performance from the Operating Rights, unless the Company can revise up its service charges with customers in Bangpa-in Industrial Estate to compensate for the said extra cost, as was the case when BLDC successfully urged for upward adjustment of water selling prices in line with the rising fee it had to pay for the use of groundwater.
2. The distribution of water from the pumping station to the tap water production plant is done through water transmission pipelining laid underground in the areas belonging to certain agencies: the Department of Highways, the State Railway of Thailand, the Office of Royal Irrigation, and the Phra Nakhon Si Ayutthaya Land Office. Presently, BLDC has already been granted permission to utilize those areas for its pipelining at free of charge, by the four agencies for a period of 3-5 years (except for the Department of Highways from which the permission is required only during the construction). TTW and BLDC similarly clarified that such factor will pose very little effect as the pipelines have been laid underground and thus will not affect the ground level usage by the concerned agencies. In this projection, it is assumed that the company can renew the permission throughout the agreement period and the fee rates are adjusted based on the Consumer Price Index (CPI). However, if after expiry of the permission the agencies decline to grant a renewal or considerably increase the fees, the projected performance on the Operating Rights will then be affected.
3. As of the Operating Rights handover date, which is herein set to be September 2009, BLDC's waste water treatment capacity will have been improved and increased to 18,000 cu.m./day.
4. The Independent Financial Advisor have not included the risk factors mentioned in Item 2.4 – Risk Factors to make the Transaction in calculation of purchasing the operating right because the risks are still uncertain to happen or if they actually happen, it still question on when they happen, and it also could not value the exact price. In addition, the Company and BLDC clarify that the risk has low probability to occur.

The financial projection here is intended for identifying the reasonable price of the Operating Rights at Bangpa-in Industrial Estate to be compared with the price approved by TTW Board of Directors at Bt. 1,400 million.

The projection covers 30 years from September 2009 to August 2039, with the income and performance to be recognized in the first during September-December 2009 and in the final year during January-August 2039. However, should there be any effect from the economic condition and other external factors exerted on the operations and any material change from the assumptions, including any factor affecting the variables used for identifying the reasonable price, the price valuated herein will likely change as well. Besides, the valuated price may not be used as a reference price for any purpose other than that defined above.

The key assumptions used for the price valuation on the Operating Rights are as follows:

1. Revenues from operations

These consist of income from sales of tap water and income from waste water treatment services, as detailed below:

1.1 Income from sales of tap water

The tap water in Bangpa-in Industrial Estate initially was supplied from groundwater wells and just in early 2009 has been developed to a surface water source. The tap water consumption volume at Bangpa-in Industrial Estate during 2005-May 2009 was as follows:

	2005	2006	2007	2008	2009 (5 months)
Water consumption (cu.m./day)	12,873	13,904	15,742	16,340	14,514
Growth rate	2.08%	8.01%	13.22%	3.79%	-11.18%

Source: BLDC

In the first five months of 2009, the average consumption dropped to 14,514 cu.m./day due to the economic crisis hitting customers in Bangpa-in Industrial Estate in Q1/2009, prompting them to reduce their capacity utilization rate with the average water consumption falling to merely 13,853 cu.m./day. In Q2/2009, however, amid an economic recovery the said water consumption picked up to 15,108 cu.m./day and 15,859 cu.m./day in April and May respectively. For a conservative projection, the water consumption for 2009 is assumed to be 14,500 cu.m./day, which was the average over the first five months of 2009, and to increase after that based on the following assumptions:

Type of customers	Assumptions
Customers already in operations, covering 1,222.31 rai*	Over 2010-2019, the water consumption is projected to grow by 3% per year, which is in line with the past average yearly growth rate recorded between 2005 and May 2009. After that, it is expected to grow by a 0% rate until the end of the projection period.
Customers under factory construction, covering 36.06 rai*	These customers are assumed to start operations in 2010. Some of them have already informed BLDC in writing of their request for the tap water supply, which we found to be substantially higher than the average consumption. Therefore, for a conservative projection, we have based the water demand projection on the actual consumption per rai per day in 2008, which was 13.50 cu.m./rai/day or equivalent to around 487 cu.m./day. Thus, the water consumption is expected to be 240 cu.m./day in 2010 and rise to 480 cu.m./day in 2011,

Type of customers	Assumptions
	representing roughly 50% and 100% of the said projection respectively. During 2012-2019, it is projected to grow by 3% per year according to the above assumptions and then by 0% throughout the rest of the projection period.
Customers already purchasing the areas but not yet occupying + spaces unsold, covering 129.14 rai* ,which comprise the sold area of 82.58 rai that the customer have not utilized and unsold area of 46.56 rai*	These customers are set to commence operations in 2012. Their water demand is projected based on the actual consumption per rai per day in 2008, which was 13.50 cu.m./rai/day or equivalent to around 1,743 cu.m./day. The water consumption is expected to be 520 cu.m./day in 2012 and jump to 1,740 cu.m./day in 2013, representing roughly 30% and 100% of the said projection respectively. During 2014-2019, it is projected to grow by 3% per year according to the above assumptions and then by 0% throughout the rest of the projection period.
SPP project	The project is expected to become operative in 2013 and its water demand will be constant at 2,000 cu.m./day throughout the projection period, which is the amount of water estimated for a power plant of 120 MV.

Remark: * Data from BLDC as of June 2009

According to the drafted Operating Rights Agreement, BLDC agrees to provide the minimum off-take quantity guarantee over 2010-2012 at 15,513 cu.m./day, 16,429 cu.m./day, and 18,401 cu.m./day respectively. Therefore, if during such period the actual water consumption is lower than the minimum guarantee, BLDC will compensate for the income shortfall to the Company.

The tap water fee is set to be Bt. 22.50/cu.m., which is the current applicable rate. The fee adjustment should in general be made yearly based on the growth rate of CPI so as to match the rise in expenses. According to the historical records of fee increases, the fee grew steadily over 2004-2006 by increasing from Baht 15 to Baht 22.50, with the latest fee adjustment made in July 2006. For a conservative projection, the fee rate will be raised by 7.50% every five years throughout the projection period, representing 50% of the total sum of the projected growth rate of expenses in a five-year period. The said growth rate of expenses applicable is 3%, based on the average growth in CPI over the past 30 years, which was 3.19% (source: Bank of Thailand).

Thus, the projection of tap water demand and tap water fee during 2009-2039 can be tabulated below:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-2039
Tap water demand (cu.m./day)	14,500	15,175*	15,863*	16,859*	20,569	21,126	21,700	22,291	22,900	23,527	24,172	24,172
Growth rate	-11.3%	4.7%	4.5%	6.3%	22.0%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	0.0%
Tap water fee (Bt./cu.m.)	22.50	22.50	22.50	22.50	22.50	24.19	24.19	24.19	24.19	24.19	26.00	26.00 – 32.30

Remark: * : * The above demand for tap water are projected by the assumption of the Independent Financial Advisor. In the financial projection assume that BLDC must compensate for the income shortfall caused by an unmet MOQ in the following year according to the drafted agreement of the operating right.

1.2 Income from waste water treatment services

The existing waste water treatment capacity is 12,000 cu.m./day. However, recognizing the growing tap water demand at Bangpa-in Industrial Estate, BLDC has decided to boost the said treatment capacity to 18,000 cu.m./day, which is expected to be complete by July 2009. Based on the general principle, IEAT has set the waste water quantity at 80% of the tap water consumption. In practice, however, the actual waste water volume is less than this because some customers have employed a water recycle in their manufacturing process. The waste water quantity discharged to the treatment process during 2005-May 2009 is shown below:

	2005	2006	2007	2008	2009 (5 months)
Waste water volume (cu.m./day)	9,271	10,085	11,545	11,816	10,754
Growth rate	2.11%	8.78%	14.48%	2.35%	-8.99%
Waste water as % of tap water consumed	72.02%	72.53%	73.34%	72.32%	74.09%

Source: BLDC

From the above table, the waste water amount makes up 72%-74% of the tap water consumed. In this study, therefore, the waste water quantity is projected to be 72.70% of the tap water consumption amount throughout the projection period, based on the average percentage of waste water to tap water consumed between 2005 and May 2009. Nonetheless, under the draft Operating Rights Agreement, BLDC agrees to provide a minimum waste water quantity guarantee at 11,480 cu.m./day, 12,157 cu.m./day, and 13,617 cu.m./day over 2010-2012 respectively, whereby BLDC shall indemnify the Company for any income shortfall caused by the actual incoming waste water being less than the guaranteed amount.

For the SPP project, the waste water volume is expected at only 30% of the tap water consumption throughout the projection period, which is the amount as projected in the Technical Due Diligence Report, June 2009 Issue, prepared by EEC Engineering Network Co., Ltd. Such small amount of waste water is due to the fact that the tap water is largely used for steam production, leading the amount of waste water to be smaller than the average level.

The treatment charge is presently Bt. 7-9/cu.m., computed from the BOD value of waste water discharged by customers, except for the waste water with BOD value exceeding the standard limit, which is charged at Bt. 20/cu.m. The average treatment charge during 2005-May 2009 is as follows:

	2005	2006	2007	2008	2009 (5 months)
Average treatment charge (Bt./cu.m.)	7.81	8.00	7.49	7.45	7.22
Growth rate	0.71%	2.52%	-6.42%	-0.51%	-3.08%

Source: BLDC

As seen from the table, the average treatment charge is Bt. 7.22 – 8.00, which has been on a decline since 2006, demonstrating a better quality of the waste water discharged from customers' plants to the treatment plant. For conservative projection, however, the treatment charge for September-December 2009 is set to be Bt. 7.20/cu.m., being the average rate charged during January-May 2009, and is expected to increase by 7.50% every five years, the same as the tap water charge, throughout the projected period.

The projected waste water quantity and treatment fee for 2009-2039 are illustrated in the below table:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-2039
Waste water volume (cu.m./day)	10,542	11,032*	11,532*	12,256*	14,100	14,505	14,922	15,352	15,794	16,250	16,719	16,719
Growth rate	-10.8%	4.7%	4.5%	6.3%	15.0%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	0.0%
Treatment fee (Bt./cu.m.)	7.20	7.20	7.20	7.20	7.20	7.74	7.74	7.74	7.74	7.74	8.32	8.32 – 10.34

Remark: * The above demand for tap water are projected by the assumption of the Independent Financial Advisor. In the financial projection assume that BLDC must compensate for the income shortfall caused by an unmet minimum quantity guarantee in the following year according to the drafted agreement of the operating right.

2. Cost of sales of tap water

BLDC formerly used groundwater-based tap water system in its production of water for distribution to industrial plants in Bangpa-in Industrial Estate. Tap water cost structure in 2007 and 2008 was mainly composed of groundwater fee at around Bt. 15 per cu.m., while costs of chemicals and electricity charge were combinedly about Bt. 1.06 and Bt. 1.25 per cu.m. respectively. However, at present, BLDC has switched to surface water-based tap water system pumping water from natural resources, hence no more cost of groundwater, but higher costs of chemicals and electricity. This is because electricity is principally required for the pumping of such surface water using the pumping station which is located outside Bangpa-in Industrial Estate, through transmission pipelining of about 1.8 km. distance. Moreover, the surface water is of lower quality than the groundwater and subject to seasonal variations. More chemicals are subsequently needed to improve the water quality to meet the required standards. Thus, past structure of cost of sales may not be used for the comparison or as the basis in this projection.

CGS, the IFA, has taken into account data from various sources comprising technical due diligence report prepared by EEC Engineering Network Co., Ltd. In June 2009 which covers projection of cost of water production, BLDC's internal data on tap water production during February-May 2009 which was the period when BLDC started its own surface water-based production of tap water (January 2009 was the system test-run by the contractor), and data of PTW which is the Company's subsidiary and uses raw water from the Chao Phraya River, hence the same type of water system as BLDC's, during quarter 4 of 2008 and quarter 1 of 2009 (PTW's data of quarters 1-3 of 2008 not brought into consideration due to its over-utilization of capacity during such period, hence use of chemicals in the proportion deviated from that under normal-capacity production). Cost structure is composed of variable cost and fixed cost as follows:

2.1 Variable cost

Variable cost comprises that of chemicals, electricity, spare parts and supplies, as well as other cost items, as below:

1) Chemicals used for water production include alum, lime and liquefied chlorine. Actual cost of chemicals, based on BLDC internal data during February-May 2009, was in the range of Bt. 0.22-Bt. 0.28 per cu.m., while actual cost of chemicals of PTW during quarter 4/2008-quarter 1/2009 was in the range of Bt. 0.51-Bt. 0.57 per cu.m. Meantime, the projected average cost of chemicals according to the technical due diligence report is Bt. 0.63 per cu.m., which is higher than the actual costs mentioned above. Both the Company and BLDC have given relevant explanation that such projected average cost is proper and feasible. The actual costs during such periods were lower than the projection because the raw water quality was then rather good, hence less use of chemicals, while during rainy season, the raw water quality will deteriorate, thus requiring more use of chemicals. The Independent Financial Advisor have thus set cost of chemicals in 2009 at Bt. 0.63 per cu.m., and to be adjusted to rise 3% per year throughout the projected period. Such increase rate is close to the average growth rate of consumer price index (CPI) for the previous 30 years, i.e. 3.19% (Source: Bank of Thailand (BOT))

2) Electricity charge is the charge for electricity used at the raw water pumping station and tap water production system. Actual electricity charge, based on BLDC internal data during February-May 2009, was in the range of Bt. 0.58-Bt. 0.70 per cu.m., while actual electricity charge of PTW during quarter 4/2008-quarter 1/2009 was in the range of Bt. 1.16-Bt. 1.23 per cu.m. Meantime, the projected average electricity charge according to the technical due diligence report is Bt. 1.05 per cu.m., which is higher than the actual charge borne by BLDC but lower than that by PTW. Both the Company and BLDC have given relevant explanation that such projected average cost is proper and feasible. PTW's higher electricity charge is due to its higher power capacity utilization for the transmission and distribution of tap water to the end-users in all the Pathumthani-Rangsit areas, compared with BLDC's lower power capacity utilization as

its tap water distribution network covers only the Bangpa-in Industrial Estate area. The Independent Financial Advisor have thus set electricity charge in 2009 at Bt. 1.05 per cu.m., and to be adjusted 3% up per year throughout the projected period, which is close to the average growth of CPI. Normally, electricity charge will vary to value of FT, which is determined by Provincial Electricity Authority. When considering FT during December of 2006-2008, it found that FT Value were Baht 0.7842 in 2006, Baht 0.6611 in 2007 and 0.7770 in 2008, which was the decreasing rate of 0.46% per annum. BLDC clarified that FT was decreasing because BLDC utilized electricity during the off-peak time; therefore, for the conservative reason, the Independent Financial Advisor assume electricity charge would increase according to CPI, which is the same assumption as the other expenses.

3) Spare parts and supplies as well as other production cost items, such as sediment removal expense covering truck/heavy equipment rental and petrol expenses, etc. As this expense item is not fixed expense, the use of the statistical data thereon arising in some certain months or periods may not be proper and may not reflect the actually arising expense. The Independent Financial Advisor has accordingly based our study on the actual data of average expenses in 2008, which also involved other expense items, thus from which the Independent Financial Advisor cannot sort out the specific data on the expense item in subject. Both BLDC and PTW recorded this expense item in combination with other expenses. BLDC combined it with cost of chemicals, totaling about Bt. 0.20 per cu.m., which is very low, as BLDC formerly pumped raw water from groundwater wells, which required low chemical treatment. PTW combined the expense item in subject with labor and repair and maintenance costs, which in 2008 totally amounted to Bt. 0.63 per cu.m., but only Bt. 0.44 per cu.m. in quarter 4/2008 and quarter 1/2009. Meantime, the projected average expense according to the technical due diligence report is Bt. 0.25 per cu.m. and repair and maintenance cost is separately itemized as fixed cost of Bt. 2.46 million per year. However, pursuant to the Operating Rights Agreement, compensation for variable profit from tap water sales is prescribed in the event that the start of operations under the SPP project is delayed from the schedule. This item of variable cost is set at Bt. 0.27 per cu.m. Thus, to ensure correspondent cost calculation principle, the Independent Financial Advisor has set this cost item to be Bt. 0.27 per cu.m. in 2009 and to increase 3% per year throughout the projected period which is in line with the average growth of CPI.

Based on the above assumption of variable cost of the tap water production system, the total variable cost will be Bt. 1.95 per cu.m. in 2009, which is set to rise 3% per year throughout the projected period. Besides, according to the Operating Rights Agreement, the Company shall supply tap water to the buildings or offices of BLDC and IEAT or staff stationed therein in the volume up to 25,000 cu.m. per year, which is considered part of the consideration payable to BLDC. Thus, variable cost is determined in line

with the above principle for the water sales volume of up to 25,000 cu.m. per year throughout the projected period, which is the water sales volume not recognized as income by the Company.

2.2 Fixed cost

Fixed cost items comprise personnel expenses, pipe and meter repair and maintenance cost, machinery overhaul cost, land space rental and permit application fee. The details are given as follows:

1) Personnel expenses comprise salary, bonus, staff welfare and other relevant expenses to the tap water production and distribution system. In 2008, BLDC recorded personnel expenses relevant to its tap water distribution system in the amount of Bt. 4.13 million, an increase of around 6.49% from 2007. Meantime, according to the technical due diligence report, number of personnel is projected at 13 involving personnel expenses of Bt. 4.77 million per year. Thus, average personnel expenses in 2009 are set at Bt. 4.77 million per year (using the run-rate of 4-month period of the Company's operations during September-December 2009) and to increase 5.50% per year throughout the projected period, which is the increase rate close to the average increase rate of the Company's employee remuneration during 2006-2008, i.e. 5.67% per year.

2) Pipe and meter repair and maintenance cost, which based on the technical due diligence report's projection of the pipe and meter installation cost of Bt. 61.385 million and under the assumption of the pipe and meter's useful life of 25 years, is estimated by the IFA to average Bt. 2.46 million per year. As such, pipe and meter repair and maintenance cost in 2009 is set at Bt. 2.46 million per year (using the run-rate of 4-month period of the Company's operations during September-December 2009) and to increase 3% per year throughout the projected period which is close to the average growth of CPI.

3) Machinery overhaul cost of the tap water production and distribution system is projected in the technical due diligence report at Bt. 1.74 million, with the overhaul set to be undertaken every five years of operations. However, as the tap water production system just started operations in 2009, the first machinery overhaul is scheduled to be in 2014. The overhaul cost is set to start from Bt. 1.74 million in 2009 and to increase 3% per year throughout the projected period which is close to the average growth of CPI.

4) Land space rental and permit application fee are the cost incurred due to the Company's requirement for the rent of land space for its pipelining between the raw water pumping station and the tap water production plant and for the application for permits to use groundwater as the backup raw water source in case of shortfall of natural surface water supply. It is set to be Bt. 0.36 million in 2009 (using the run-rate of 4-month period of the Company's operations during September-December 2009) and to increase 3% per year throughout the projected period which is close to the average growth of CPI.

3. Cost of waste water treatment service

BLDC formerly provided waste water treatment service to industrial plants in Bangpa-in Industrial Estate with the maximum treatment capacity of 12,000 cu.m. per day. However, at present, BLDC is in the process of improving its waste water treatment system to boost the treatment capacity to 18,000 cu.m. per day, which is scheduled to be completed by July 2009. Thus, its former service cost structure may not perfectly represent the real structure for the comparison and projection. The Independent Financial Advisor has thus mainly based our projection on the service cost structure in the technical due diligence report, comprising two elements i.e. variable cost and fixed cost as below:

3.1 Variable cost

Variable cost is composed of electricity charge, cost of chemicals, cost of spare parts and supplies, and other waste water treatment service costs, as summarized here:

1) Electricity charge of BLDC for its waste water treatment system in 2007, 2008 and the first five months of 2009 was in an average of Bt. 1.02 per cu.m., Bt. 1.09 per cu.m. and Bt. 0.96 per cu.m. respectively. However, with the treatment capacity rising to 18,000 cu.m. per day, consumption of electricity for the entire system is expected to go up. Thus, electricity charge is projected to be equal to that in the technical due diligence report of Bt. 1.71 per cu.m. and to increase 3% per year throughout the projected period which is close to the average growth of CPI, which is the same reason explained in the part of electricity charge of variable cost of the cost of sales of tap water.

2) Cost of chemicals for waste water treatment involves cost of liquefied chlorine. For the past few years, BLDC recorded no cost of chemicals for waste water treatment as the waste water inflow to its system was of good quality. However, according to the technical due diligence report, cost of chemicals is projected at Bt. 0.06 per cu.m. Thus, Bt. 0.06 per cu.m. is used in the projection for 2009 and set to rise 3% per year throughout the projected period which is close to the average growth of CPI.

3) Cost of spare parts and supplies and other waste water treatment service costs, such as truck/heavy equipment rental and petrol expenses, etc., were recorded by BLDC at around Bt. 0.10 per cu.m. in 2008. However, in the technical due diligence report, this cost item is projected to be Bt. 0.27 per cu.m. viewing that the waste water treatment system has been used for a long time to date, hence possible increase in this cost item. For conservative projection, the Independent Financial Advisor set cost of spare parts and supplies and other waste water treatment service costs to be Bt. 0.27 per cu.m. in 2009 and to increase 3% per year throughout the projected period which is close to the average growth of CPI.

From the above assumption of variable cost of the waste water treatment system, the total variable cost is projected to be Bt. 2.04 per cu.m. in 2009 and set to increase 3% per year throughout the projected period.

3.2 Fixed cost

Fixed cost items are composed of personnel expenses, pipe repair and maintenance cost, machinery overhaul cost, and environmental inspection and analysis cost, as follows:

1) Personnel expenses comprise salary, bonus, staff welfare and other relevant expenses to the waste water treatment system. In 2008, BLDC recorded personnel expenses relevant to its waste water treatment system in the amount of Bt. 1.49 million, an increase of around 2.74% from 2007. Meantime, according to the technical due diligence report, number of personnel is projected at 9 involving personnel expenses of Bt. 3.69 million per year. Thus, average personnel expenses in 2009 are set at Bt. 3.69 million per year (using the run-rate of 4-month period of the Company's operations during September-December 2009) and to increase 5.50% per year throughout the projected period, which is the increase rate close to the average increase rate of the Company's employee remuneration during 2006-2008.

2) Pipe repair and maintenance cost, which based on the technical due diligence report's projection of the new pipe installation cost of Bt. 23.76 million and under the assumption of the pipe's useful life of 25 years, is estimated by the IFA to average Bt. 0.95 million per year. As such, pipe repair and maintenance cost in 2009 is set at Bt. 0.95 million per year (using the run-rate of 4-month period of the Company's operations during September-December 2009) and to increase 3% per year throughout the projected period which is close to the average growth of CPI.

3) Machinery overhaul cost of the waste water treatment system is projected in the technical due diligence report at Bt. 2.59 million, with the overhaul set to be undertaken every five years of operations. However, as the new waste water treatment system is scheduled to start operations in August 2009, the first machinery overhaul is set to be in 2014. The overhaul cost is set to start from Bt. 2.59 million in 2009 and to increase 3% per year throughout the projected period which is close to the average growth of CPI.

4) Environmental inspection and analysis cost in 2008 was recorded by BLDC at Bt. 1.23 million, and is set to be Bt. 1.27 million in 2009 (using the run-rate of 4-month period of the Company's operations during September-December 2009), a rate adjusted up 3% from 2008, and to increase 3% per year throughout the projected period which is close to the average growth of CPI.

4. Selling and administrative expenses

Selling and administrative expenses are composed of office staff expenses and other expenses, which are estimated in the technical due diligence report at Bt. 3.6 million per year. CGS, the IFA, have worked out the breakdown of such estimated expenses as follows:

1) Office staff expenses comprise salary, bonus, staff welfare and other expenses relevant to the supporting staff. Number of personnel is projected at 15 (totaling 3 shifts) involving total expenses of Bt. 2.04 million in 2009 (using the run-rate of 4-month period of the Company's operations during September-

December 2009) and projected to increase 5.50% per year throughout the projected period, which is the increase rate close to the average increase rate of the Company's employee remuneration during 2006-2008.

2) Other expenses, comprising fee payment to IEAT, insurance cost and other administrative expenses, etc., are projected at Bt. 1.56 million in 2009 (using the run-rate of 4-month period of the Company's operations during September-December 2009), of which Bt. 0.85 million is fee payment to IEAT, pursuant to the Operating Rights Agreement, thereby BLDC and the Company shall jointly be responsible for the fee payment to IEAT in a 50:50 proportion. For 2009, BLDC has agreed to fee payment to IEAT at Bt. 1.7 million and insurance cost on the assets transferred from BLDC expected at Bt. 0.60 million, together with other administrative expenses set at Bt. 0.11 million, which are set to increase 3% per year throughout the projected period in line with the average growth of CPI.

5. Financial expenses

In June 2009, the Company has been offered loans amounting to Bt. 1,500 million from two financial institutions. Its management has expected to borrow the entire amount offered for use to pay for the operating rights. Thus, the Independent Financial Advisor has projected loans of Bt. 1,400 million will be borrowed by the Company, with loan drawdown to be made in line with the fee payment periods in the Operating Rights Agreement and principal repayment period of 10 years beginning from 2010 onward.

In view of the interest rate chargeable, we consider the rate offered is very attractive compared with the general market rates. However, in the financial projection with the objective of working out the real project return, the Independent Financial Advisor will not take into account the above offer by the financial institutions. Instead, we will use the minimum lending rate (MLR) as the interest rate chargeable on the Company throughout the loan period. The MLR of commercial banks in Thailand as of May 28, 2009 is averagely around 6.55% per annum. However, there may be fluctuations in the MLR during the 10-year loan repayment period. We have thus, for conservative purpose and to be in line with the loan period, set the MLR at 7.30% per annum, which is calculated based on the MLR for the previous 10 years of commercial banks in the country (source: Bank of Thailand).

Summary Table of Projected Cost and Expenses

Unit : Bt. Million	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-2039
1) cost of Sales - Tap Water												
- Variable Cost	3.49 ^U	11.18	12.03	13.20	16.53	17.49	18.50	19.63	20.71	21.91	23.19	23.95 - 40.66
- Fixed Cost	2.56 ^U	8.04	8.41	8.80	9.23	11.67	10.10	10.57	11.06	11.57	14.45	12.67 - 29.35

Unit : Bt. Million	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-2039
2) Cost of waste water treatment service												
- Variable Cost	2.62 ^{1/}	8.46	9.11	10.00	11.82	12.52	13.27	14.10	14.90	15.79	16.73	17.28-29.34
- Fixed Cost	2.04 ^{1/}	6.41	6.70	7.01	7.38	10.71	8.06	8.43	8.82	9.22	13.13	10.08 - 24.50
3) Selling and Administration Expenses	11.08 ^{1/}	34.78	36.35	38.66	46.33	47.66	49.04	50.58	51.92	53.43	55.00	55.39-62.73
4) Financial Expense	24.33 ^{1/}	87.60	94.90	85.98	75.23	64.48	53.74	42.99	32.24	21.49	10.75	-

Note: 1/ Actual expense for 4 months (Sep. - Dec. 2009)

6. Corporate income tax

The Company was listed on the Stock Exchange of Thailand in 2008 and has been eligible for corporate income tax reduction to 25% of net profit for a 3-year period during 2009-2011. However, in the projection, such tax privilege will not be included in the calculation, although the Company will get the operating rights to manage the facility and recognize the income from which in its operating results, and in order that the real project returns can be figure out. Thus, corporate income tax of 30% of net profit is set throughout the projected period.

7. Additional investments

According to the technical due diligence report, additional investments for the tap water production system and the waste water treatment system are set at Bt. 5.074 million and Bt. 10.303 million, respectively. This aims at improving its facilities for perfection in service and security, such as modification of room partitions, addition of closed-circuit TV system, improvement of water well walkway, improvement of waste water well and facility, and fixing of electricity system for more safety in operations, etc. The Company has agreed to such undertakings with investment cost set at Bt. 15.377 million in 2009, with calculation of depreciation of the additionally invested tap water production system and waste water treatment system by the same methodology for a 30-year period which is in line with the term of the operating rights granted, i.e. variation by production unit, in accordance with the depreciation policy for the Company's tap water production facility, as follows:

Depreciation for the period = Net cost of assets additionally invested as of beginning of period X Water production rate for the period

Water production rate for the period = Actual water production output for the period
(Actual water production output for the period + Projected water production output in future until the end of Operating Rights Agreement)

Net cost of assets additionally invested as of beginning of period

= Total assets additionally invested – Accumulated depreciation up to beginning of period

8. Operating rights purchase price

Purchase price of operating rights at Bangpa-in Industrial Estate is set at Bt. 1,400 million, divided into three installments of payment, i.e. Bt. 1,000 million, Bt. 200 million and Bt. 200 million during 2009-2011 respectively. This is in line with the term of payment prescribed in the Operating Rights Agreement. The payment is set to be amortized for a 30-years period on the basis of variation by production unit as in the case of depreciation of additional investments.

9. Working capital

Average collection period: 32 days

Average payment period: 17 days

The projected working capital is based on the Company's actual data in 2008.

10. The Discount rate

The discount rate used for calculation of present value of discounted cash flow is derived from the cost of capital (Ke), which is 11.20%.

The Independent Financial Advisor has adopted the Capital Asset Pricing Model (CAPM) in the calculation of Ke, using the following formula:

$$K_e = R_f + \beta * (R_m - R_f)$$

Whereas

Risk Free Rate (Rf) = 5.43% based on the 28-year government bond yield (data as of May 28, 2009 from www.thaibma.or.th).

Market Return (Rm) = 11.91% as derived from the average return on investments in the SET for the past 30 years, which is in line with the term of the Operating Rights Agreement, up to May 28, 2009.

Beta (β) = Beta based on the volatility of the daily return on the SET to the closing price of ordinary shares of reference companies as detailed below:

(1) Calculation of average unleveraged Beta of reference companies

CGS, the IFA, view that the Company and PTW have made a minimum off-take quantity guarantee of treated water sales and have had clear determination of selling prices of water from PWA throughout the contractual period. Thus, the Company's Beta may not reflect the risk relative to the purchase of Operating Rights. Meantime, EASTW which operates the same type of business as the Company's has recorded very low share trading liquidity on the SET for the previous one year, i.e. trading of around 0.02% of its total issued shares. It may not be a proper reference company for the calculation. For additional disclosure to

the Shareholders of the Company, if Leverage Beta of the Company and EASTW which are 0.36 times and 0.42 times, respectively are used in calculation with the debt to equity ratio of 1.21 times and 0.54 times respectively, the return on shareholder equity (Ke) would be 7.76% and 8.15%, respectively.

The Independent Financial Advisor has accordingly figure out Beta of reference companies out of all the listed companies in the energy & utilities sector on the SET, which the Independent Financial Advisor has the Opinion that it should well reflect the risk or sensitivity of the investment in the Operating Rights to a certain extent since the reference companies have to make a large investment to operate their business in energy and utilities sector at the different level of risk and each project needs a length of time to operate the business in order to generate the return on investment.

The average unleveraged Beta may be figured out from the average equity raw Beta of the reference companies, i.e. all listed companies in the energy & utilities sector on the SET, with the adjustment of leveraged Beta with debt to equity (D/E) ratio and corporate income tax, as in the following formula:

$$\text{Unleveraged Beta } (\beta_U) = \text{Leveraged Beta } (\beta_L) / (1 + ((1 - \text{tax rate}) * \text{D/E ratio}))$$

	Company	Tax	D/E Ratio	Lev. BETA	Unlev. BETA
1	BANPU	30%	0.86	1.505	0.939
2	BCP	30%	1.34	0.796	0.411
3	EASTW	30%	0.54	0.422	0.306
4	EGCO	30%	0.27	0.435	0.366
5	GLOW	30%	1.44	0.535	0.266
6	IRPC	30%	0.51	1.222	0.901
7	LANNA	30%	0.41	1.161	0.902
8	PTT	30%	1.30	1.415	0.741
9	PTTAR	30%	1.73	1.483	0.671
10	PTTEP	30%	1.17	1.483	0.815
11	RATCH	30%	0.70	0.450	0.302
12	TOP	30%	1.22	1.394	0.752
13	TTW	30%	1.21	0.357	0.193
14	AI	30%	0.70	0.470	0.315
15	AKR	30%	1.47	0.405	0.200
16	BAFS	30%	1.33	0.258	0.134
17	ESSO	30%	1.61	0.992	0.466
18	MDX	30%	2.32	1.152	0.439
19	RPC	30%	3.00	0.576	0.186
20	SCG	30%	1.46	0.145	0.072
21	SGP	30%	1.01	0.862	0.505
22	SOLAR	30%	0.14	1.152	1.049
23	SUSCO	30%	0.42	0.870	0.672
24	TCC	30%	0.10	0.567	0.530
	Average		1.09		0.506

Source : Bloomberg for the previous 1 year up to May 28, 2009 (1 day before the date of resolution for the purchase of Operating Rights)

(2) Calculation of average leveraged Beta of the Company

Average leveraged Beta can be figured out by treating the average unleveraged Beta calculated in (1) above at 0.506 with the following formula:

$$\text{Leveraged Beta } (\beta_L) = \text{Unleveraged Beta } (\beta_U) * (1 + ((1 - \text{tax rate}) * \text{D/E ratio}))$$

From the above calculation, leveraged Beta is worked out from the adjustment of the average unleveraged Beta with the Company's corporate income tax at 30% of pre-tax profit and average D/E ratio of reference companies at 1.09. The outcome leveraged Beta is 0.89. Such average leveraged Beta will be used by the IFA for calculation of cost of equity (Ke) here:

$$\begin{aligned} \text{Ke} &= 5.43\% + 0.89 * (11.91\% - 5.43\%) \\ &= 11.20\% \end{aligned}$$

From the above assumption and the discount rate, the rate of return on the project is 12.80% and the net present value of discounted free cash flow is positive Bt. 76.80 million. This indicates that the purchase of the Operating Rights will yield higher amount of return than the investment amount by approximately Bt. 76.80 million. The details are given in Appendix 4.

Moreover, the Independent Financial Advisor has conducted a sensitivity analysis of the projected cash inflow employing the discount rate in the range of 10.20%-12.20%. The outcome of net present value of discounted free cash flow will be as follows:

The Discount rate (%)	Net present value of discounted free cash flow (Bt. million)
10.20	139.60
11.20*	76.80
12.20	25.75

Note: * The Discount rate for the base case

With the discount rate range of 10.20% - 12.20%, net present value of discount free cash flow will come out higher than zero, i.e. ranging from Bt. 25.75 million to Bt. 139.60 million, representing higher return than investment cost. Thus, the Independent Financial Advisor has the Opinion that the purchase price of the Operating Rights at Bangpa-in Industrial Estate of Bt. 1,400 million is reasonable. However, the calculated value has not reflected the risk mentioned in Item 2.4 - the Risk Factors to make the Transaction.

Hence, to disclose more information to the Shareholders of the Company, the Independent Financial Advisor has constructed the sensitivity analysis of projected free cash flow by changing factors affected the performance at the increasing and decreasing rate of 1% of the assumption. It could be divided into 3 scenarios:

Case 1 The Change in growth rate of utilization of tap water by the entrepreneurs in Bangpa-in Industrial Estate, which would change in range of 2%-4%

Case 2 The Change in growth rate of selling price of tap water and waste water treatment, which would change in range of 6.5%-8.5%

Case 3 The Change in growth rate of cost of sales and expense of tap water production and waste water treatment service, which would change in range of 4.5%-6.5% for employee expense, and 2%-4% for the cost and other expenses.

From the sensitivity analysis of the above 3 scenarios at the discount rate of 11.20%, the net present value of free cash flow would be as follows:

Unit : Bt. Million	Case 1 Change in growth rate of utilization of tap water			Case 2 Change in growth rate of selling price and service price			Case 3 Change in growth rate of cost and other expenses		
	2%	3%*	4%	6.5%	7.5%*	8.5%	4.5% and 2%	5.5% and 3%*	6.5% and 4%
Net present value of free cashflow	16.15	76.80	142.39	56.48	76.80	97.49	112.45	76.80	35.43

Note : * Base Case

From the above sensitivity table, the growth rate of utilization of tap water by companies in Bangpa-in Industrial Estate would mostly effect to the performance and free cash flow. In conclusion, if there is a decrease or increase in 1% on the assumptiOn, the net present value would change from the base case of Bt. 76.80 million to the minimum value of Bt. 16.15 million and the maximum value of Bt. 142.39 million, respectively.

3.2 Appropriateness of conditions of payment for the Operating Rights and the other conditions in the drafted agreement of operating rights

The Independent Financial Advisor has the Opinion on conditions of payment for the Operating Rights and the other conditions in the drafted agreement of operating rights, which can be summarized as follows:

Details	The IFA's Opinion
1. Conditions of payment for the Operating Rights	The Company would recive benefit from compensation of Bt. 1,400 million to BLDC, which is divided into 3 installments: The First Installment of Bt. 1,000 million after the date of the execution on the agreement, the second and last installment would be Bt. 200 million and Bt. 200 million within 365 days and 730 days after the date of execution on the agreement. The Company would received the transferred right of producing and distributing tap water, and the right of rendering service on waste water treatment, which could start operating immediately. However, 3

Details	The IFA's Opinion
	<p>installment for the right might be considered as normal condition for trading, which is the same as the other agreement such as the construction agreement which the contractor would deliver the completed work but the hirer would deduct some portion of payment of approximately 10-25% of total value for guaranteed work, and later pay to the contractor when the agreement would be due. Therefore, it deems that the conditions of payment by the Company would provide an advantage to BLDC.</p>
<p>2. Purchase of the operating rights</p>	<p>This condition is made between the Company and BLDC, such purchase would not grant the title right to the Company, but it would return to BLDC after the expiry of the agreement. However, the right received by the Company deems that the Company would own the assets during the determined time because the Company can manage, administer, and repair the assets in order to generate the revenue to the Company. Thus, if the Company choose to purchase the assets, the value of the assets might be changed. Furthermore, such purchase of the assets would be rarely happen because of the limitation of the agreement and obligation between BLDC and IEAT.</p>
<p>3. Condition of utilization of the asset for 30 years</p>	<p>The duration of the agreement of 30 years would be appropriate because if it's shorten, the Company might lose the opportunity and could not fully utilize the asset.</p>
<p>4. Condition of the minimum guarantee on quantity</p>	<p>The Company would receive benefit from BLDC that guarantee the minimum quantity of demand for tap water and waste water treatment for 3 years, and guarantee the commencement of the SPP project within 2013. Hence, the Company would receive the compensation from BLDC if the actual operation would not be in line with the projected operation.</p>
<p>5. Condition that grant BLDC or IEAT to utilize tap water not more than 25,000 cu.m. per annum during the agreement</p>	<p>This condition is made between the Company and BLDC by specifying that utilization of tap water deems to the portion of compensation of Bt. 1,400 million. The Company would lose revenue by not charging in approximately Bt. 0.56 million per annum (at the current rate of Bt. 22.50 per cu.m.)</p>
<p>6. Condition that the Company would be responsible to pay expense that BLDC must pay to IEAT for supervisory fee at 50% of the actual amount paid by BLDC</p>	<p>This condition is made between the Company and BLDC, which the Company would receive benefit because the current supervisory fee to IEAT was resulted from BLDC's request for the right to administer and manage utilities system in Bangpa-in</p>

Details	The IFA's Opinion
	Industrial Estate. These 4 rights are to render service to community, sell tap water, waste water treatment, and waste disposal. However, the major revenue come from sale of tap water and rendering service of waste water treatment, which cover 83% of revenue from rendering utilities service in 2009. Therefore, payment for supervisory fee at 50% deem that the Company would receive benefit because it would vary with the revenue.
7. Condition of expense for utilizing the land	It is normal that the Company would be responsible for expense for utilizing the other's land because the Company receive benefit from utilizing the land. So the Company would be responsible to pay expense that come from such utilization. If the Company utilize the right on land of BLDC, the Company would be not responsible for this additional expense, but BLDC would be responsible to all expense.
8. Condition that the Company would be responsible for any expenses and investment that the Company received the assets from BLDC according to the operating right. At the expiry date of the agreement the Company would return all asset to BLDC.	Such condition is normal for the purchase on the right agreement because the right belong to BLDC. Therefore, the Company, as the transferee, would be responsible for any expense of maintenance and repairing on the asset. If the Company make an additional investment for replancement or increasing efficiency, those asset would be belong to the owner, and the Company have to return those asset to BLDC at the expiry date of the agreement.
9. The right to terminate the agreement	This condition is normally specified in order to protect the other party. in case that there is a breach on the agreement or any action that damage to the other party.

Therefore, the Independent Financial Advisor has the Opinion that the terms and conditions of payment are fair as in the normal course of business operations and do not put the Company at the inferior position to BLDC. Moreover, the Independent Financial Advisor has the Opinion that the other conditions in the drafted agreement of the operating rights is agreed by both parties and normal practice for the agreement.

4. Conclusion of the IFA's opinions

4.1 Reasonableness and benefit of the Transaction

The Independent Financial Advisor has the Opinion that the acquisition of Operating Rights at Bangpa-in Industrial Estate is aligned with the Company's tap water business objective as the Company can enlarge its tap water distribution coverage from Nakhon Pathom and Samut Sakhon provinces to Bangpa-in Industrial Estate in Phra Nakhon Si Ayutthaya province, thus helping to promote the Company's image as the largest privately owned producer of tap water in Thailand. In addition, to purchase such right will enable the Company to run a comprehensive tap water business, ranging from production to distribution and service charge collection from customers in Bangpa-in Industrial Estate. Therefore, the Company's service coverage will be expanded and risk from reliance on a sole customer, PWA, will be lowered to some degree. The Company will also be authorized to render a waste water treatment service to the operators in Bangpa-in Industrial Estate, which corresponds with its policy to diversify into other related business. Accordingly, this Transaction will be a starting point and give it an opportunity to expand the scope of services to the private sector customers. This will at the same time help to boost its income from the business operations and relatively strengthen its income stability in the long run through the 30-year term of the Operating Rights. The Company can then exploit its own experience and skill in the tap water production for a successful operation at Bangpa-in Industrial Estate.

However, as mentioned in Item 2.4 - Risk Factors to make the Transaction page 47, the Independent Financial Advisor is of the opinion that there are the risk factors which the Company and its shareholders should cautiously consider before entering into this transaction since if the clarifications on the risk factors provided by the Company and BLDC were different as disclosed, it might impact the Company's the operation and the operating performance at Bangpa-In Industrial Estate. As a result, it might cause the Company can't receive the expected return from investment.

4.2 Fairness of price and appropriateness of payment term and the other conditions of the drafted agreement of the operating rights

The Independent Financial Advisor has the Opinion that the price of the Operating Rights of Bt. 1,400 million is reasonable because under the assumption used herein the Company will obtain the net present value of cash flow greater than zero, or in a range of Bt. 25.75 million – Bt. 139.60 million, which is higher than the investment cost, whereas the average rate of return on investment is equal to 12.80%. However, the Independent Financial Advisor is of opinion that the investment value of Bt. 1,400 million is quite close to the fair value computed under the determined assumptions and thus, when the Company starts actual operation and the assumed factors have been deviated, especially the factor about the growth rate of demand for tap water volumes of the entrepreneurs in Bangpa-In Industrial Estate , it might effect the return from investment of this project.

The Independent Financial Advisor has the Opinion that the payment term is by no means a disadvantage to the Company, but is considered fair and in line with the business norms. Moreover, the Independent Financial Advisor has the Opinion that the other conditions in the drafted agreement of the operating rights is agreed by both parties and normal practice for the agreement.

4.3 IFA's opinions

Taking into account all above facts, objectives of the Transaction, business justification, advantages and disadvantages, reasonableness of the Transaction, fairness of price and payment term, and given that all factors of concern described in Item 2.4 – Risk factors to make the Transaction appear to be as clarified by TTW and BLDC and all conditions to be set out in the final Operating Rights Agreement are no less inferior to those specified in the draft agreement, the Independent Financial Advisor has the Opinion that the Connected Transaction to be made with BLDC is appropriate and therefore would like to recommend that the shareholders vote in favor of such Transaction.

As the IFA, the Independent Financial Advisor hereby certify that the Independent Financial Advisor has performed the study and analysis of the information mentioned above with prudence and under the professional standards and have given our rationales fairly based on the information and analytical outcome, with consideration of benefit for the interest of minority shareholders. The Opinion is provided according to the information available from the documents and/or interviews with the management and concerned staff of the Company and BLDC, as well as the publicly disclosed information and all other relevant information. The Independent Financial Advisor has assumed that all such information is true and correct. Therefore, if the information is not correct and/or not true and/or will significantly change in the future, it might impact our opinions given herein. The Independent Financial Advisor accordingly cannot affirm the impacts likely posed by such factor on the Company and its shareholders in the future. Moreover, the opinions herein are provided solely for proposing to the Company's Board of Directors and shareholders regarding the above mentioned Transaction.

Nonetheless, the final decision whether to approve the Transaction rests primarily with the shareholders. The shareholders should study the information and the rationales, advantages & disadvantages, risk factors and opinions on other additional issues provided in the documents attached to the Notice of Shareholders Meeting, so that they could properly make the final decision at their own discretion.

Truly yours,

Country Group Securities Plc.

- *Surabhon Kwunchaithunya* -
(Mr. Surabhon Kwunchaithunya)
Director & Vice CEO

- *Chupong Tanasettakorn* -
(Mr. Chupong Tanasettakorn)
Managing Director

The Independent Financial Advisor

Appendix 1

Summary on the drafted agreement on production, distribution and service rights ("Operating Rights Agreement") dated July 2, 2009

Assignor : Bangpa-In Land Development Co., Ltd. ("BLDC")
Assignee : Thai Tap Water Supply Plc. ("the Company" or "TTW")
Agreement period : 30 years from the signing date in Operating Rights Agreement

Agreement objectives:

BLDC agrees to assign all the rights it possesses solely to the Company to manage, operate, develop, monitor, maintain, improve, sell, service and collect revenues on (1) tap water production from raw water for distribution, (2) groundwater pumping for distribution, and (3) waste water treatment service (combinedly referred to as "Operating Rights") for a period of 30 years from the starting date of business operations at Bangpa-in Industrial Estate.

The Company shall pay consideration for the purchase of Operating Rights to BLDC in the amount of Bt. 1,400 million, with the first installment of Bt. 1,000 million payable by the Agreement signing date, and the remaining two installments each of Bt. 200 million payable within 365 days and 730 days as from the Agreement signing date respectively. Such consideration is a lumpsum payment including tax or other relevant expenses payable under the Agreement, except VAT, with the Company to deduct the withholding tax from such consideration (if any) and deliver it to the Revenue Department before payment for any remaining expenses together with sending the certificate of deduction of withholding tax to BLDC without any compensation for the withholding tax or any other taxes to BLDC.

Rights and duties of contract parties:

1) From the start of the Operating Rights, BLDC shall manage to enable TTW to use the land or acquire the right, as procured by BLDC in whatsoever form, for the use of the land relating to the water production plant, groundwater pumping system, water distribution system, waste water treatment plant, waste water pipelining, and waste water treatment system, throughout the Agreement period at BLDC's expense (except the expense actually incurred from the use of land of any third party during the Agreement period which shall be borne by the Company).

2) Throughout the Agreement period, BLDC shall not distribute or transfer and/or incur any obligation over the land, construction and machinery of BLDC which are relating to the Operating Rights, including water production plant and waste water treatment plant, with any third party, unless a consent is given by the Company.

The Company may assign and place the rights under the Agreement as collateral security with its financial supporters for project implementation so far as it does not contradict the conditions stipulated in the joint operation agreement with and rules, regulations or requirements of IEAT.

3) BLDC agrees to assign its right to the Company toward the contractor during the performance bond period under the following relevant agreements (“construction agreements”):

(1) Contractor agreement for the construction of the tap water production system and the tap water distribution system for the tap water production and distribution project at Bangpa-in Industrial Estate between BLDC and Phromprathan Construction Ltd. Part. dated August 1, 2006 (agreement no. BIIE-01/49).

(2) Waste water treatment system purchase and installation agreement for the waste water treatment project at Bangpa-in Industrial Estate between BLDC and Uni San Pol Co., Ltd. dated November 17, 2008 (agreement no. USPC 009/2551).

4) BLDC shall seek to extend any relevant official permits to enable the Company to exercise the Operating Rights throughout the Agreement period. BLDC shall give cooperation in contacting, applying for permission from or negotiating with IEAT and any other government or private agencies to acquire permission or consent from IEAT and any other government or private agencies relating to the Operating Rights under this Agreement. This shall include filing the request for the increase of tap water and waste water treatment service charges. In the event that the Company has the intention to seek permission, apply for permits or seek consent relating to the project and as required by law after the Agreement signing date, BLDC shall use its best efforts to ensure the Company's achievement thereof or assist in the negotiation for the authorities in charge to give permission or consent as requested by the Company so that the Company can operate and/or implement the project at its own expense. However, in the event where the Company informs BLDC of its intention to stop using groundwater, and if BLDC intends to extend the permit relating to the use of groundwater, BLDC shall do so at its own expense. In the event where BLDC will not extend such permit and will close down the groundwater well, BLDC shall bear the expense thereon. In this regard, all the expenses payable by BLDC to IEAT shall fully be borne by BLDC.

5) Provided that within the Agreement period,

(a) Any necessary consent

(1) Has been repealed, revoked, remedied or interpreted otherwise that may significantly impair the Company (unless the repeal or revocation arises from the Company's breach of this Agreement and performance not in compliance with this Agreement or other agreements relating to the project in material aspects), or

(2) (In case the consent has definite enforceability timeframe or is intended for any particular purpose) Has expired, without any extension thereof even though extension has been requested by the Company, or before the implementation as purposed will be completed.

(b) In the event where there is an announcement or requirement for filing of request for any consent, permission or exception in addition to that duly acquired (“new consent”) and in so doing the Company (as the case may be) may have to substantially bear additional expenses,

The Company and BLDC shall negotiate to agree on the solution of such problem to prevent any significant damage to the benefits of the Company and its customers at the Industrial Estate. Both contract parties shall attempt to solve the problem and reach mutual agreement thereon within 14 days after BLDC is informed thereof by the Company. If such problem fails to be solved to the satisfaction of both parties within 60 days from the date when BLDC is informed thereof by the Company (or within any extended period agreed upon by both parties), the Company may inform BLDC in writing of its termination of the Agreement. If such problem can be solved within 60 days, the Company may, on reasonable grounds, demand payment for expenses or damage incurred by way of increase of water charge or waste water treatment charge or otherwise as may be agreed upon by both parties.

6) Throughout the Agreement period, the Company shall have the exclusive right over the wastes from the tap water production system, groundwater pumping system and waste water treatment system under the Agreement. The Company shall manage the wastes from the tap water production system, groundwater pumping system and waste water treatment system under the Agreement, with BLDC's permission for the Company to dump and bury the residue or sediment thereof in the dumping well within the Industrial Estate. If the well is filled up and no vacant space is available, the Company shall be obliged to seek a new place for such sediment dumping at its own expense.

7) Throughout the Agreement period, BLDC shall bear the expenses arising from the release of treated water into public water resources to ensure adequate space and smooth operations under the Agreement.

8) Throughout the enforceability of the Agreement, BLDC shall make available proper operational space within the Industrial Estate for the Company's use as office at no additional charge or fee.

9) The Company shall carry out the water production to adequately supply water to customers in the Industrial Estate at the quality and capacity that can ensure its minimum water production quantity per day throughout 2010-2012 as follows:

Year 2010	15,513 cu.m./day
Year 2011	16,429 cu.m./day
Year 2012	18,401 cu.m./day

Moreover, the Company shall operate the waste water treatment plant to ensure the provision of waste water treatment service to customers in the Industrial Estate at the quality and capacity that can ensure its average waste water treatment quantity per day throughout 2010-2012 as follows:

Year 2010	11,480 cu.m./day
Year 2011	12,157 cu.m./day
Year 2012	13,617 cu.m./day

The Company shall, without contradiction to any other regulations or notifications of IEAT or other concerned authorities, have the right to refuse to provide the treatment service to customers in the Industrial Estate

on a reasonable ground that the quality of incoming waste water is below the treatable level or that any such treatment, once carried out, will likely damage the treatment plant.

10) As from the date of start of Operating Rights, the Company shall have the right to directly charge tap water, groundwater and waste water treatment service fees, and other relevant fees, on customers in the Industrial Estate. The Company may raise the rates of the water and waste water treatment charges under best-effort cooperation from BLDC.

The Company shall supply tap water to the buildings or offices of BLDC and those of IEAT or the staff stationed within the Industrial Estate in the quantity of up to 25,000 cu.m. per year. This shall be regarded as part of the consideration payable by the Company to BLDC under this Agreement.

11) The Company agrees to be responsible for the expenses payable by BLDC to IEAT as the monitoring and supervision cost at the rate of 50% of the actual amount payable by BLDC to IEAT.

12) Throughout the Agreement period, the Company shall be duty-bound to take care of and maintain the water production plant, water production system, groundwater pumping system, water distribution system, waste water treatment plant, waste water inflow system and waste water treatment system to be in good conditions and cause no harm to any person in accordance with the standards of the producers of the same characteristics. The Company shall, at its own expenses, repair and maintain the machinery and equipment based on the maintaining timetable throughout the Agreement period. Any machinery, equipment or parts the Company has brought in to replace or to add to the systems to enable the tap water production and the waste water treatment under this Agreement shall forthwith become under the ownership of BLDC at no charge, unless otherwise agreed upon, and throughout the Agreement period, the Company shall make no significant changes that will severely damage the water production plant, including the tap water production system, the groundwater pumping system and the water distribution system, and the waste water treatment plant, including the waste water inflow system and the waste water treatment system, unless with consent from BLDC, which shall not be suspended nor delayed on groundless reasons.

13) The Company shall have the power to select any personnel, at its own expenses, to operate and maintain the water production plant, including the tap water production system, the groundwater pumping system and the water distribution system, and the waste water treatment plant, including the waste water inflow system and the waste water treatment system.

14) Under the terms and conditions of this Agreement and throughout the Agreement period, unless in case of emergency, if BLDC or the government enter to conduct any activity in the premises of the location of the water production plant, the tap water production system, the groundwater pumping system and the water distribution system, the waste water treatment plant, and/or the location of the waste water inflow system and the waste water treatment system, or any activity that will impact the production and distribution of tap water and/or the

waste water inflow and waste water treatment, without any legitimately reasonable grounds, and that will intervene in the operations and/or the flows of water or the functioning of the systems or any particular part of the systems, the Company may demand indemnity from BLDC (in case of activity by BLDC) or urge BLDC to demand indemnity from the government for such damages.

15) Throughout the Agreement period, in case of necessity for the expansion of the waste water treatment system to serve the higher demand from the customers in the Industrial Estate, BLDC agrees to have the Company undertake the waste water treatment expansion investment and operations, at the Company's cost, until the end of the Agreement period. BLDC shall arrange for the Company an adequate and proper land in the Industrial Estate to accommodate the constructions for such expanded operations. The Company shall pay no additional consideration to BLDC for such right on the expanded operations. However, if the remaining Agreement period at that moment is insufficient to enable the Company to yield break-even returns on such expanded operation investment, the contract parties shall be willing to negotiate the extension of the period and determine the consideration for the extended period at appropriate rate and term.

16) Throughout the Agreement period, BLDC shall give cooperation to the Company in taking out insurance for the water production plant, the tap water production system, the raw water pumping system, the groundwater pumping system, the water distribution system, the waste water treatment plant, the waste water inflow system and the waste water treatment system, at the Company's own expenses and with the Company specified as the insurance beneficiary. If the insurance compensation claimed and received from the insurer in relation to the insurance taken out on the assets of BLDC (other than third-party and business interruption insurance), the Company agrees to use such claim amount for the repair of the damaged items as well as change of damaged parts, so that such assets will return to normal functionality throughout the Agreement period.

17) Throughout the Agreement period, BLDC shall attempt to assist the Company in the application for and receipt of public utility services at the service rates not exceeding those applicable to the general customers in the Industrial Estate.

Agreement between BLDC and the Company:

1) BLDC shall register release of mortgage of land together with construction and machinery, where the water pumping plant is located, within 15 days from the start of the Operating Rights.

2) BLDC shall confirm and agree that the tap water production system, the groundwater pumping system and the waste water treatment system can fully and completely function during the time of the handover of the Operating Rights to the Company under this Agreement. The Company shall examine such functioning and verify the functionality of the tap water production system, the groundwater pumping system and the waste water treatment system as allowed by the system conditions at the moment of Operating Rights handover. Upon the end of the Agreement period, for whatsoever reasons, the Company shall (a) hand over the tap water production system

and the waste water treatment system that can function as allowed by the system conditions at the moment, and (b) hand over the groundwater pumping system in the as-is conditions whether it can function completely or not, to BLDC.

3) BLDC agrees to strictly perform in compliance with the provisions in the joint operation agreement between BLDC and IEAT, as well as rules, regulations and requirements of IEAT.

4) BLDC shall not distribute, transfer or incur any obligation over the land, construction, machinery, equipment and any assets in the tap water production system, the groundwater pumping system and the waste water treatment system with any third party,

5) BLDC represents that, during the handover of the Operating Rights to the Company, the waste water plant has the treating capacity of 18,000 cu.m./day, and the Company has examined the functioning thereof to its satisfaction before acceptance of the facility handover. In the future, in case of necessity for the expansion of the treating capacity, BLDC shall strictly comply with the provisions in this Agreement.

6) BLDC warrants that the minimum water supply quantity per day and the minimum treated water quantity per day during 2010-2012 shall be as follows:

Year	Average water supply quantity per day	Average treated water quantity per day
2010	15,513 cu.m./day	11,480 cu.m./day
2011	16,429 cu.m./day	12,157 cu.m./day
2012	18,401 cu.m./day	13,617 cu.m./day

In the event that the Company sells water and/or treats waste water in any year in the quantity lower than the minimum quantity stated above, BLDC shall compensate for the income shortfall in relation to the quantity shortage to the Company by February of the following year.

7) BLDC shall undertake construction and start of operations of a power plant with generating capacity of at least 120 MW in the Industrial Estate, and have such power plant purchase water from the Company in the average minimum quantity of 2,000 cu.m./day and use the Company's waste water treatment service for the power generation business by 2013. If BLDC fails to undertake, within the specified period, the construction and start of operations of the power plant in the Industrial Estate, and the power plant's purchase of water and use of waste water treatment service from the Company, BLDC shall compensate for the variable profit receivable by the Company from the sales of water and treatment of waste water for the power plant by the calculation method prescribed. The compensation shall be made to the Company by February of the following year.

8) On the date of the start of operations, BLDC shall arrange to have itself, the Company and the contractor in the construction and repair of the tap water production system, the groundwater pumping system and the waste water treatment system, enter into the entitlement agreement whereby the Company shall be entitled to exercise the

rights of BLDC during the performance bond period on behalf of BLDC pursuant to the construction agreement stated above.

Termination of the Agreement

1) BLDC shall have the right to terminate the Agreement in any of the following events:

(a) The Company fails to produce tap water for distribution or provide waste water treatment service as prescribed in the Agreement, and provided that such failure is not a default of BLDC, or

(b) The Company fails to produce tap water or provide waste water treatment service up to the required water standards provided that such failure does not stem from force majeure or any exceptional circumstances, or

(c) The Company breaches material provisions under the Agreement.

BLDC may send a written notice to the Company, indicating the event of default and informing the Company to make remedy within three months or any longer period as BLDC may deem proper (but not over 12 months). During such period until the termination of the Agreement or the remedy to comply with the Agreement, BLDC shall seek ways to prevent any damage to the customers, and this action by BLDC shall not be deemed as its abandonment of the right to call for remedy of the event of default.

Provided that the event of default is not rectified before the end of the specified period, BLDC may forthwith terminate the Agreement and shall have the right to confiscate all the remaining right fee and claim for any damages from the Company as actually incurred.

2) The Company shall have the right to terminate the Agreement in any of the following events:

(a) BLDC breaches material provisions under the Agreement, or

(b) BLDC materially breaches the joint operation agreement thereby causing the agreement to be terminated and/or violates any legal requirement relevant to the joint operation agreement, including, for example, failure to obtain a regulatory permission, etc., or

(c) Any state agency has disrupted or intervened in the business operations or the operations of the tap water production system, the groundwater pumping system and the tap water distribution or the provision of waste water treatment service to customers, without any legitimately reasonable grounds, unless otherwise allowed under any provision of this Agreement provided that it is not a default of either the Company or BLDC.

The Company may send a written notice to BLDC, indicating the event of default and informing BLDC to make remedy within three months or any longer period as the Company may deem proper (but not over 12 months).

In case that the event of default is not rectified within the specified period, the Company may forthwith terminate the Agreement.

If the event of default stems from BLDC's failure to comply with the agreement between BLDC and the Company as stated above, the Company shall have the right to forthwith terminate the Agreement.

In addition, if BLDC liquidates the business or dissolves the business or faces a bankruptcy filing or is placed under receivership or lodges an application for business rehabilitation, the Company shall also be entitled to forthwith terminate the Agreement.

With the termination of the Agreement due to any of the events stated above, BLDC shall forthwith return to the Company the consideration amount under the Agreement proportionately to the remaining Agreement period. BLDC shall also forthwith compensate the Company for the damage in the amount equal to the income shortfall, with calculation made using the discount rate prescribed.

3) The termination of the Agreement by force majeure or due to exceptional circumstances shall be in any of the following events:

(a) Such force majeure or exceptional circumstances disable the compliance with the Agreement, or

(b) Such force majeure or exceptional circumstances have taken place before the start of the business operations and caused either of the contract parties fail to comply with the Agreement for over 90 straight days, and the end of the force majeure or exceptional circumstances is not predictable, or

(c) Such force majeure or exceptional circumstances have taken place after the start of the business operations and caused either of the contract parties fail to comply with the Agreement for over two straight years, and the end of the force majeure or exceptional circumstances is not predictable.

Either of the contract parties may notify to terminate the Agreement by sending a written notice to the other party. In such case, BLDC shall forthwith return to the Company the consideration amount under the Agreement proportionately to the remaining Agreement period, and both parties agree that no compensation or any other expenses shall be demanded by either of the parties from each other.

Settlement of dispute

1) The contract parties shall primarily put efforts to end any dispute, conflict or claim arising from this Agreement for 30 days before a legal filing. In the event that no settlement of the dispute, conflict or claim can be agreed upon, the parties shall lodge the case to the Thai court.

2) This Agreement shall be construed and enforced pursuant to the law of the Kingdom of Thailand.

Summary on the key assets under the Company's rights of operation and management

1) Assets used in the surface water-based tap water production:

Type of asset	Site	Application purpose
<p>Raw water pumping station:</p> <ul style="list-style-type: none"> - 4 sets of raw water pumps (3 operative, 1 back-up) with pumping capacity of 735 cu.m./hour/set or around 2,200 cu.m./hour - 2 sets of trash rack with flowing rate of 2,200 cu.m./hour - Controlling tower -SCADA system - 2 HDPE pipelines - Back-up power generator with 250 KW capacity 	No. 2 Moo 1 Bang Kra San Sub-district, Bangpa-in District, Phra Nakhon Si Ayutthaya	To pump raw water from natural water resource (Klong Wua), which is diverged from the Chao Phraya River, for transmission to the tap water production plant.
<p>Tap water production plant:</p> <ul style="list-style-type: none"> - Tap water production system with maximum production capacity of 48,000 cu.m./day - Chemicals building - 2 units of water drums with containing capacity of 3,880 cu.m./unit - Residue stock unit, with 3 dumping wells of 4,300 cu.m./well capacity and 1 stock well of 12,600 cu.m. capacity - Controlling tower -SCADA system - Inspection and measurement equipment - Back-up power generator with 600 KW capacity 	No. 139 Moo 2 Klong Jik Sub-district, Bangpa-in District, Phra Nakhon Si Ayutthaya	For tap water production and transmission to the distribution plant.
<p>Water distribution system:</p> <ul style="list-style-type: none"> - 5 sets of water pumps, of which 3 are of fixed speed type (2 operative, 1 back-up) and 2 are of adjustable speed type (2 operative) - HDPE pipeline of 5.7 km. distance and ACP pipeline of 28.2 km. distance to access premises of entrepreneurs 	No. 139 Moo 2 Klong Jik Sub-district, Bangpa-in District, Phra Nakhon Si Ayutthaya	For tap water distribution to entrepreneurs in Bangpa-in Industrial Estate.

2) Assets used in the groundwater-based tap water production:

Type of asset	Site	Application purpose
<ul style="list-style-type: none"> - 18 groundwater wells with pumping capacity of 18,050 cu.m./day - Water meter - Motor - 3 units of water drums with containing capacity of 1,000 cu.m./unit - Power transformer 	No. 139 Moo 2 Khlong Jik Sub-district, Bangpa-in District, Phra Nakhon Si Ayutthaya	To pump groundwater for transmission to water distribution station for further transmission to entrepreneurs in Bangpa-in Industrial Estate. However, the Company has planned to keep the groundwater wells as back-up resources for use during the drought season when raw water supply from natural resources is insufficient to serve the production.

3) Assets used in the provision of waste water treatment service:

Type of asset	Site	Application purpose
<ul style="list-style-type: none"> - Bio-activated SDO waste water treatment system with maximum treating capacity of 18,000 cu.m./day - Waste water inflow pipelines - Treated water pipelines to natural water resources 	No. 139 Moo 2 Khlong Jik Sub-district, Bangpa-in District, Phra Nakhon Si Ayutthaya	For provision of waste water treatment service.

The Shareholder Structure of Thai Tap Water Supply Plc. as of June 16, 2009 and details of related parties

Name	No. of shares	% of paid-up capital
1. CH. Karnchang Plc. ^{1/}	1,408,777,400	35.31
2. Mitsui Water Holdings (Thailand) Ltd. ^{2/}	1,032,500,000	25.88
3. Bangkok Expressway Plc. ^{3/}	368,750,000	9.24
4. HSBC (Singapore) Nominees Pte. Ltd.	202,992,100	5.09
5. State Street Bank and Trust Company for London	147,630,000	3.70
6. Bangkok Bank Plc.	73,895,000	1.85
7. Thai NVDR Co., Ltd.	71,919,700	1.80
8. Chase Nominees Limited 1	61,141,000	1.53
9. State Street Bank and Trust Company for Australia	31,327,200	0.79
10. American International Assurance Company-APEX	25,000,000	0.63
Total	3,423,932,400	85.81

Source: TTW's shareholder registration

Note:

1/ CH. Karnchang Plc. engages in construction business

- The Board of Directors as of June 16, 2009 are as follows :

Name	Position
1. Mr. Asawin Khongsiri	Chairman of the Board of Directors
2. Mr. Plew Trivisvavet	Director
3. Mr. Vitoon Techatasanasoontorn	Director
4. Mr. Don Poramutvinai	Director
5. Mr. Tawalsak Sukawan	Director
6. Mr. Pavich Tongroj	Director
7. Mr. Narong Sangsuriya	Director
8. Mr. Rat santaaunnop	Director
9. Mr. Prasert Marittanaporn	Director
10. Mr. Sombat Kitjalaksana	Director
11. Mr. Anugoon Tantimas	Director
12. Mr. Kamthorn Trivisvavet	Director

Source : Affidavit of CH. Karnchang Plc.

- The shareholders of CH. Karnchang Plc. as of May 6, 2009 are listed below:

Name	No. of shares	% of paid-up capital
1. Mahasiri Siam Co., Ltd.	295,481,360	20.43
2. CH Karnchang Holding Co., Ltd. ^{4/}	151,707,400	10.49
3. CK. Office Tower Co., Ltd.	75,000,000	5.19
4. TMB Bank Plc.	72,044,700	4.98
5. Ms. Pranee Tongkittikul	55,362,420	3.83
6. Thai N.V.D.R. Co., Ltd.	52,940,000	3.66
7. Mr. Charnnarong Wongsinin	27,000,000	1.87
8. State Street Bank and Trust Company for London	26,600,000	1.84
9. Mr. Thaworn Trivisvavet	21,277,200	1.47
10. Mr. Plew Trivisvavet	20,847,620	1.44
11. Bangpa-In Land Co., Ltd.	18,935,000	1.31
12. Mr. Prasert Trivisvavet	11,600,048	0.80
13. Citibank Nominees Singapore Pte. Ltd. UBS AG London	10,039,200	0.69
Total	821,793,448	58.00

ที่มา : www.set.or.th

2/ Mitsui Water Holdings (Thailand) Co. Ltd. engages in investment in waste water treatment system business and tap water production and distribution business

- The Board of Directors as of June 25, 2009 are as follows :

Name	Position
1. Mr. Kasusikea Catamura	Director
2. Mr. Hidekuni Nakayama	Director
3. Mr. Koeichi Vachana	Director

Source: www.bol.co.th

- The shareholders of Mitsui Water Holdings (Thailand) Co. Ltd. as of July 31, 2008 are listed below:

Name	No. of shares	% of paid-up capital
1. Mitsui & Co Limited	8,999,993	99.99
2. Ms. Jutarat anacthanakul	2	0.00
3. Mr. Komsan santeeraporn	1	0.00
4. Ms. Chadaporn Ruengtuvakul	1	0.00
5. Mr. Nattaphol Phadungkittimal	1	0.00
6. Ms. Tumawadee Auttawawuttichai	1	0.00
7. Mr. Yothin Intaraprasong	1	0.00
Total	9,000,000	100.00

Source: www.bol.co.th

3/ Bangkok Expressway Plc. engages in operating in construction and management in the second stage expressway system

- The Board of Directors as of December 31, 2008 are as follows :

Name	Position
1. Dr. Virabongsa Ramangkura	Chairman of the Board of Directors
2. Prof. Suphachai Phisitvanich	Director and Chairman of the audit committee member
3. General Sampao Choosri	Director and Audit Committee Member
4. Prof. Dr. Kanok Wongtrangan	Director and Audit Committee Member
5. Mr. Plew Trivisvavet	Director and Chairman of the Executive Board
6. Mr. Spong Chayutsahakij	Director and Vice Chairman of the Executive Board
7. M.L. Prasobchai Kasemsant	Director and Executive Director
8. Mr. Panit Dunnvatanachit	Director and Executive Director
9. Ms. Arisara Dharamadhaj	Director and Executive Director
10. Ms. Vallapa Posyanond	Director and Executive Director
11. Mr. Sintop Sirisingha	Director
12. Ms. Payao Marittanaporn	Director and Executive Director & Managing Director

Source : www.becl.co.th

- The shareholders as of April 16, 2009 are listed below:

Name	No. of shares	% of paid-up capital
1. CH Karnchang Holding Co., Ltd.	117,974,750	15.32
2. Bangkok Bank Plc.	55,295,390	7.18
3. Krungthai Bank Plc.	38,500,550	5.00
4. HSBC (Singapore) Nominees	33,743,227	4.38
5. Thai N.V.D.R. Co., Ltd.	25,116,853	3.26
6. Bangkok Life Assurance Plc.	22,000,000	2.86
7. TMB Bank Plc.	20,400,763	2.65
8. Mellon Nominees (UK) Ltd.	21,503,600	2.79
9. Norbax Inc., 13	16,181,600	2.10
10. UOB Bank Plc.	13,421,470	1.74
11. Ladawan Capital Co., Ltd.	13,592,500	1.77
12. CH. Karnchang Tokyu Construction Co., Ltd. ^{5/}	9,551,140	1.24
13. Social Security Office (2 Case)	9,548,700	1.24
14. Bualuang Long-Term Equity Fund	9,339,800	1.21
15. Mr. Narit Jiapa	8,773,800	1.14
16. American International Assurance Co., Ltd. -APEX	8,665,800	1.13
Total	423,609,943	55.01

Source : www.set.or.th

4/ . CH Karnchang Holding Co., Ltd. engages in investment in equity and construction business

- The Board of Directors as of April 27, 2009 are as follows :

Name	Position
1. Mr. Plew Trivisvavet	Director
2. Mr. Prasert Trivisvavet	Director
3. Mr. Thep Trivisvavet	Director
4. Mr. Yim Trivisvavet	Director
5. Mr. Kamthorn Trivisvavet	Director

Source : Affidavit of CH. Karnchang Holding Co., Ltd.

- The shareholders as of April 29, 2008 are listed below:

Name	No. of shares	% of paid-up capital
1. Mahasiri Siam Co., Ltd.	2,100,000	25.00
2. Chollavet Civil Co., Ltd. ^{6/}	1,050,000	12.50
3. Mr. Nattapong Khummee	1,050,000	12.50
4. Tawornwong Co., Ltd. ^{7/}	1,050,000	12.50
5. Namphol Construction Co., Ltd. ^{8/}	1,050,000	12.50
6. Vetprasert Co., Ltd. ^{9/}	1,050,000	12.50
7. Ekkamthorn Co., Ltd. ^{10/}	1,050,000	12.50
Total	8,400,000	100.00

Source : www.bol.co.th

5/ CH Karnchang Tokyu Construction Co., Ltd. engages in construction and service business

- The Board of Directors as of June 12, 2009 are as follows :

Name	Position
1. Mr. Plew Trivisvavet	Director
2. Mr. Kamthorn Trivisvavet	Director
3. Mr. Thep Trivisvavet	Director
4. Mr. Yim Trivisvavet	Director
5. Mr. Narong Sangsuriya	Director
6. Mr. Prasert Marittanaporn	Director
7. Mr. Masami Ichicawa	Director
8. Mr. Hideo Miyakawa	Director
9. Mr. Naoto Ocada	Director
10. Mr. Kunito Sakai	Director
11. Mr. Seiyiro Motomura	Director

Source : Affidavit of CH. Karnchang Tokyu Construction Co., Ltd.

- The shareholders as of April 30, 2009 are listed below:

Name	No. of shares	% of paid-up capital
1. CH. Karnchang Plc.	549,994	55.00
2. Tokyu Construction Co., Ltd.	450,000	45.00
3. Mr. Plew Trivisvavet	2	0.000002
4. Mr. Kamthorn Trivisvavet	1	0.000001
5. Mr. Thaworn Trivisvavet	1	0.000001
6. Mr. Thep Trivisvavet	1	0.000001
7. Mr. Prasert Trivisvavet	1	0.000001
Total	1,000,000	100.0000

Source : List of *shareholders'* name of CH. Karnchang Tokyu Co., Ltd.

6/ Chollavet Civil Co., Ltd. engage in investment business

- The Board of Directors as of April 27, 2009 are as follows :

Name	Position
1. Mr. Plew Trivisvavet	Director
2. Ms. Saikasem Trivisvavet	Director
3. Mr. Charnnarong Wongsinin	Director
4. Mr. Prasert Marittanaporn	Director
5. Ms. Supamas Trivisvavet	Director
6. Mr. Tanawat Trivisvavet	Director

Source : Affidavit of Chollavet Civil Co., Ltd.

- The shareholders as of April 29, 2008 are listed below:

Name	No. of shares	% of paid-up capital
1. Mr. Plew Trivisvavet	140,000	70.00
2. Ms. Saikasem Trivisvavet	59,550	29.78
3. Mr. Charnnarong Wongsinin	150	0.08
4. Ms. Tipvaree Autagrid	149	0.07
5. Mr. Prasert Marittanaporn	149	0.07
6. Ms. Pranee Tongkittikul	1	0.00
7. Ms. Piyaporn Setaolan	1	0.00
Total	200,000	100.00

Source : www.bol.co.th

7/ Tawornwong Co., Ltd. engage in investment and construction business

- The Board of Directors as of April 27, 2009 are as follows :

Name	Position
1. Mr. Anugoon Tantimas	Director
2. Ms. Sopida Trivisvavet	Director
3. Mr. Kridsada Trivisvavet	Director

Source : Affidavit of Tawornwong Co., Ltd.

- The shareholders as of April 30, 2005 are listed below:

Name	No. of shares	% of paid-up capital
1. Mr. Tavorn Trivisvavet	120,000	60.00
2. Mr. Kridsada Trivisvavet	39,998	20.00
3. Ms. Sopida Trivisvavet	39,998	20.00
4. Mr. Krid Trivisvavet	1	0.00
5. Ms. Nantapas Trivisvavet	1	0.00
6. Ms. Maneerat Trivisvavet	1	0.00
7. Ms. Ratchanok Trivisvavet	1	0.00
Total	200,000	100.00

Source ; www.bol.co.th

8/ Namphol Construction Co., Ltd. engages in construction business

- The Board of Directors as of April 27, 2009 are as follows :

Name	Position
1. Mr. Thep Trivisvavet	Director
2. Mr. Sommart Trivisvavet	Director
3. Mr. Sombat Trivisvavet	Director

Source : Affidavit of Namphol Construction Co., Ltd.

- The shareholders as of April 29, 2008 are listed below:

Name	No. of shares	% of paid-up capital
1. Mr. Thep Trivisvavet	80,000	40.00
2. Ms. Srivilai Trivisvavet	20,000	10.00
3. Ms. Siraporn Trivisvavet	20,000	10.00
4. Mr. Sombat Trivisvavet	20,000	10.00
5. Mr. Sommart Trivisvavet	20,000	10.00
6. Mr. Sorakhom Trivisvavet	20,000	10.00
7. Ms. Surattha Trivisvavet	20,000	10.00
Total	200,000	100.00

Source ; www.bol.co.th

9/ Vetprasert Co., Ltd. engages in investment and construction business

- The Board of Directors as of April 27, 2009 are as follows :

Name	Position
1. Mr. Prasert Trivisvavet	Director
2. Ms. Pranee Tongkittikul	Director
3. Mr. Somnuk Trivisvavet	Director
4. Ms. Sajjai Trivisvavet	Director
5. Mr. Sittidet Trivisvavet	Director
6. Ms. Korakod Trivisvavet	Director

Source : Affidavit of Vetprasert Co., Ltd.

- The shareholders as of April 29, 2008 are listed below:

Name	No. of shares	% of paid-up capital
1. Mr. Prasert Trivisvavet	100,000	50.00
2. Ms. Pranee Tongkittikul	20,000	10.00
3. Mr. Somnuk Trivisvavet	20,000	10.00
4. Ms. Sajjai Trivisvavet	20,000	10.00
5. Mr. Sittidet Trivisvavet	20,000	10.00
6. Ms. Korakod Trivisvavet	19,999	10.00
7. Ms. Sunan Trivisvavet	1	0.00
Total	200,000	100.00

Source: www.bol.co.th

10/ Ekkamthorn Co., Ltd. engages in investment and construction business

- The Board of Directors as of April 27, 2009 are as follows :

Name	Position
1. Mr. Kamthorn Trivisvavet	Director
2. Ms. Onanong Trivisvavet	Director
3. Mr. Kamthorn Trivisvavet	Director

Source : Affidavit of Ekkamthorn Co., Ltd.

- The shareholders as of April 29, 2008 are listed below:

Name	No. of shares	% of paid-up capital
1. Mr. Kamthorn Trivisvavet	120,000	60.00
2. Mr. Kamphol Trivisvavet	39,998	20.00
3. Ms. Onanong Trivisvavet	39,998	20.00
4. Ms. Tipvaree Autagrid	1	0.00
5. Mr. Prasert Marittanaporn	1	0.00
6. Ms. Marayart Korpung	1	0.00
7. Mr. Yim Trivisvavet	1	0.00
Total	200,000	100.00

Source ; www.bol.co.th

The projected net cash flow using the base discount rate

Unit: million Baht	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23
EBIT	27.14	84.75	91.93	99.77	130.93	127.43	134.77	137.52	139.39	141.69	157.70	161.58	158.52	155.87	153.11
Less Tax	(8.14)	(25.43)	(27.58)	(29.93)	(39.28)	(38.23)	(40.43)	(41.26)	(41.82)	(42.51)	(47.31)	(48.48)	(47.56)	(46.76)	(45.93)
EBIT after Tax	19.00	59.33	64.35	69.84	91.65	89.20	94.34	96.27	97.57	99.18	110.39	113.11	110.96	109.11	107.18
Add Depreciation Expenses	0.11	0.34	0.36	0.38	0.46	0.47	0.49	0.50	0.51	0.53	0.54	0.54	0.54	0.54	0.54
Amortization Expenses	9.88	31.02	32.43	34.56	42.05	43.19	44.36	45.69	46.81	48.09	49.41	49.55	49.41	49.41	49.41
Change in Working Capital	396.16	(208.20)	(200.87)	(1.02)	(3.70)	(0.12)	(0.67)	(0.50)	(0.40)	(0.46)	(1.94)	(0.23)	0.17	0.11	0.12
Adjust Change in Working Capital in the last year															
Less CAPEX	(15.38)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition of the Operating Right	(1,400.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Cashflow to Firm	(990.24)	(117.51)	(103.73)	103.76	130.46	132.75	138.51	141.96	144.50	147.34	158.41	162.97	161.09	159.18	157.25
Less Interest expense after tax	(17.03)	(61.32)	(66.43)	(60.18)	(52.66)	(45.14)	(37.62)	(30.09)	(22.57)	(15.05)	(7.52)	(0.00)	(0.00)	(0.00)	(0.00)
Loan Borrowing(Repayment)	1,000.00	100.00	77.78	(147.22)	(147.22)	(147.22)	(147.22)	(147.22)	(147.22)	(147.22)	(147.22)	0.00	0.00	0.00	0.00
Free Cashflow to Equity	(7.27)	(78.83)	(92.39)	(103.65)	(69.42)	(59.61)	(46.32)	(35.35)	(25.29)	(14.93)	3.66	162.97	161.09	159.18	157.25
Discount Period	0.33	1.33	2.33	3.33	4.33	5.33	6.33	7.33	8.33	9.33	10.33	11.33	12.33	13.33	14.33
Discount Factor	0.97	0.87	0.78	0.70	0.63	0.57	0.51	0.46	0.41	0.37	0.33	0.30	0.27	0.24	0.22
NPV	(7.02)	(68.43)	(72.11)	(72.76)	(43.82)	(33.84)	(23.65)	(16.23)	(10.44)	(5.54)	1.22	48.93	43.50	38.65	34.34

Unit: million Baht	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34	Dec-35	Dec-36	Dec-37	Dec-38	Dec-39
EBIT	165.07	168.27	165.16	161.93	159.11	169.82	173.99	170.19	166.82	162.10	173.02	177.60	173.57	168.06	162.98	105.09
Less Tax	(49.52)	(50.48)	(49.55)	(48.58)	(47.73)	(50.95)	(52.20)	(51.06)	(50.05)	(48.63)	(51.91)	(53.28)	(52.07)	(50.42)	(48.89)	(31.53)
EBIT after Tax	115.55	117.79	115.61	113.35	111.37	118.88	121.79	119.13	116.77	113.47	121.11	124.32	121.50	117.64	114.09	73.56
Add Depreciation Expenses	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.36
Amortization Expenses	49.55	49.41	49.41	49.41	49.55	49.41	49.41	49.41	49.55	49.41	49.41	49.41	49.55	49.41	49.41	32.94
Change in Working Capital	(1.50)	(0.13)	0.13	0.14	0.07	(1.43)	(0.22)	0.16	0.09	0.24	(1.55)	(0.24)	0.12	0.28	0.21	8.54
Adjust Change in Working Capital in the last year																17.65
Less CAPEX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition of the Operating Right	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Cashflow to Firm	164.15	167.62	165.70	163.44	161.54	167.41	171.54	169.25	166.96	163.67	169.52	174.04	171.71	167.88	164.26	132.03
Less Interest expense after tax	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Loan Borrowing(Repayment)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Cashflow to Equity	164.15	167.62	165.70	163.44	161.54	167.41	171.54	169.25	166.96	163.67	169.52	174.04	171.71	167.88	164.26	132.03
Discount Period	15.33	16.33	17.33	18.33	19.33	20.33	21.33	22.33	23.33	24.33	25.33	26.33	27.33	28.33	29.33	30.33
Discount Factor	0.20	0.18	0.16	0.14	0.13	0.12	0.10	0.09	0.08	0.08	0.07	0.06	0.05	0.05	0.04	0.04
NPV	32.23	29.60	26.31	23.34	20.75	19.33	17.81	15.81	14.02	12.36	11.51	10.63	9.43	8.29	7.30	5.27

Total NPV	76.80
Discount Rate	11.20%
IRR	12.80%