

(Translation)

No. TTW/0311/09

3 July 2009

Subject: Opinion of the Audit Committee regarding Connected Transaction of Thai Tap Water Supply Public Company Limited

Attention: Shareholders of Thai Tap Water Supply Public Company Limited

Reference is made to the fact that the Board of Directors' Meeting of Thai Tap Water Supply Public Company Limited (the "Company" or "TTW") No. 5/2552 held on 29 May 2009 passed a resolution granting approval for the Company to propose the Extraordinary General Meeting of Shareholders No. 1/2552 for consideration of the purchase of the rights to operate the tap water production and distribution, and provide wastewater treatment services to operators in Bang Pa-in Industrial Estate for a period of 30 years (the "Operating Rights") from Bang Pa-in Land Development Co., Ltd. ("BLDC") at the price of Baht 1,400 million. Such transaction is considered the Company's connected transaction since BLDC and the Company have common major shareholder and director. In this regard, such transaction value represents 16.25% of the net tangible asset value of the Company and its subsidiaries per the consolidated financial statements ended 31 March 2009 in accordance with the Notification of the Stock Exchange of Thailand, Re: Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003), and as amended by the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551, and Section 89/12 of the Securities and Exchange Act B.E. 2551 (2008).

The Audit Committee has already considered such transaction based on the report on opinion of the independent financial advisor dated 3 July 2009 and agreed with such opinion of the independent financial advisor that the execution of this transaction is reasonable since it would be beneficial to the Company by expanding the business coverage areas so as to promote its image as the leading and largest privately owned tap water producer in Thailand. Moreover, it is regarded as the beginning and opportunity for the Company to expand the scope of its service to private sector customers directly. In addition, this transaction will allow the Company to immediately recognize income and generate more income, which would stabilize income in the long run, not to mention the fact that the existing resources and experiences of the Company will be utilized to ensure benefits and value added to the Company's business.

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In addition, the Audit Committee is of the opinion that the price at which the Company has purchased the Operating Rights in the amount of Baht 1,400 million is reasonable and fair since under the assumption specified in the independent financial advisor's report, the Company would gain a positive net present value of cash flow, ranging between Baht 25.75 million to Baht 139.60 million, which is considered a yield higher than investment value, and the average return on investment represents 12.80%. As for the conditions of payment for this transaction, it is considered that it is fair according to the general practice.

Therefore, upon consideration of the aforesaid reasoning, the Audit Committee is of the view that the execution of this transaction is reasonable both in respect of transaction and price. The Audit Committee hereby requests the shareholders to consider the independent financial advisor's report in details and suggests the Company's shareholders pass a resolution to approve the execution of this connected transaction of the Company. However, the decision to vote for approval of the execution of this transaction is absolutely subject to the discretion of the Company's shareholders.

Please be informed accordingly.

Very truly yours,

Thai Tap Water Supply Public Company Limited

(Mr. Techapit Sangsingkeo)

Chairman of the Audit Committee

(Mr. Phairuch Mekarporn)

Audit Committee Member

(Mr. Somnuk Chaidejsuriya)

Audit Committee Member