

No TTW/082/17

22 February 2017

Subject Explanation of the 2016 operating result as compared that of 2015

To The President
The Stock Exchange of Thailand

The operating results of TTW Public Company Limited (“the Company”) and its subsidiaries for the year ended 31 December 2016 and 2015 are Baht 2,475.6 million and Baht 2,680.5 million, respectively. As compared to those of the previous year, the Company and its subsidiaries show the decreased in their operating results by Baht 204.9 million or 7.6% mainly due to the corporate income tax increase from the same period of last year. However, the Company would like to explain the significant changes as follows:

1. Revenue from selling tap water decreased by Baht 53.3 million or representing an decrease of 1% because

a) The water sales of the Company decreased by Baht 23.2 million or representing a decrease of 0.6% due to the fall in selling price from the prior year. At the same time, a increase in sale volume by 0.7 million cu.m. or representing an increase of 0.5% while tariff of tap water in Bang Pa-in Industry Estate has been increasingly adjusted since July 2016 onwards.

b) The water sales of Pathum Thani Water Company Limited (“PTW”) decreased by Baht 30.1 million or representing a decrease of 1.8%. This is due to a decrease in its sale volume by 1.6 million cu.m. or representing of 1.2% along with the decrease in selling price from the previous year.

2. Service income increased by Baht 2.6 million or representing an increase of 2.5% mainly due to the increase in service and tariff of waste water service in Bang Pa-in industry Estate has been increasingly adjusted since July 2016 onwards.

3. Other incomes decreased by Baht 24.7 million or representing a decrease of 17.1% mainly due to debenture repayment of Baht 1,800 million which became mature in February 2017, 2nd water treatment plant construction payment and lower interest rate.

4. The Cost of goods sold and service decreased by Baht 12.5 million or representing a decrease of 0.8% due to the decrease in electricity expenses by Baht 18.4 million and chemical expenses by Baht 12.8 million. At the same time, production related-expenses and depreciation expenses increased by Baht 6.0 million and by Baht 10.8 million, respectively because the company and its subsidiaries acquire more assets relevant to tap water production.

5. Selling and administrative expenses decreased by Baht 60.4 million or representing an decrease of 19.8% due to the decrease in corporate social responsibility by Baht 53.2 million.

6. Sharing of profit from investment in associated company decreased by Baht 89.6 million or 86.6% because subsidiary of CK Power Public Company Limited has the decrease in the net profit of Q4'2016.

7. Financial expenses decreased by Baht 116.3 million or representing a decrease of 21.2% because the company made repayment of its debenture of Baht 1,800 million which became mature in February 2017, loan repayment and the decrease in average interest rate of long-term loan compared to the same period of last year.

8. Corporate income tax increases by Baht 228.4 million or representing of 60.4% increase because the Company has fully utilized exemption tax income amount granted by the Board of Investment of Thailand office. As a result of that, the Company has started to record corporate income tax since third quarter of year 2015 onwards.

Please be informed accordingly.

Yours Faithfully,

(Mr. Somkiat Pattamamongkolchai)

Finance and Accounting Director