

TTW/067/20

25 February 2020

Subject: Notification of Resolutions of the Board of Directors Meeting in Execution of Connected Transactions

Attention: President of the Stock Exchange of Thailand

Attachment: Information Memorandum on Connected Transaction

TTW Public Company Limited (“TTW”) would like to inform that, the Board of Directors Meeting No.1/2020 held on February 25, 2020, resolved to approve Pathum Thani Water Company Limited (PTW), the company’s subsidiary to execute an agreement for engagement of CH.Karnchang Public Company Limited (“CK”) for Improvement of Water Treatment and Transmission Distribution Systems of Pathum Thani Water Treatment Plant Project, which is a connected transaction with the value under this engagement contract of 339.97 million Baht, exclusive of value added tax, for a total period of 540 days.

Since, CK and TTW are connected persons of the Company; the aforementioned transaction is considered a connected transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transactions, in conjunction with the Notification of the Board Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Others Acts of Listed Companies Concerning the Connected Transactions B.E.2546 (2003) (collectively called as the “Notification on Connected Transactions”). The volume of transactions is 2.60 percent of the Company’s Net Tangible Asset (NTA), as the Transaction volume is more than 0.03 percent, but less than 3 percent of NTA, it is considered a medium-size connected transaction. The Company is thus required to seek approval of the Board of Directors in the execution of the transactions and disclosure of the Information Memorandum of the execution of the transaction to the Stock Exchange of Thailand (SET). The Board of Directors’ meeting has resolved to grant approval for the Pathum Thani Water Company Limited, the company’s subsidiaries, to execute such connected transactions.

In this regard, there were interested directors and/or connected persons of this transaction, namely:

1. Ch.Karnchang Public Company Limited (CK) is the Company's major shareholder, whereby CK holds 774,077,400 shares in the Company or representing 19.40 percent of the registered capital.
2. Mr.Plew Trivisvavet is a Director and Vice Chairman of the Board of Directors of TTW and is concurrently the Chairman of the Executive Board of CK
3. Mr.Phongsarit Tantisuvanitchkul is a Director and Chairman of the Executive Committee of TTW and concurrently the Senior Executive Vice President: Operation Group of CK
4. Mrs.Payao Marittanaporn is a Director, Chairman of the Risk Management Committee and Nomination and Remuneration Committee member of TTW and is the spouse of Mr.Prasert Marittanaporn, the Executive Director and Senior Executive of CK

The Board of Directors Meeting (except the interested directors who neither attended the Meeting nor voted on this item of the meeting) is considered and of the opinion that the execution of this connected transaction is justifiable and for the optimum benefits to the company and its subsidiaries as the project price is reasonable and lower than that appraiser by the independent consulting engineering.

Please be informed accordingly

Sincerely yours,

- Signed -

(Walainut Trivisvavet)

Managing Director

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Information Memorandum on Connected Transaction
regarding Engagement of CH. Karnchang Public Company Limited as EPC Contractor
for Project of Improvement of the Tap Water Production and Transmission-Distribution
Systems of the Pathum Thani Water Treatment Plant
by Pathum Thani Water Company Limited (as Subsidiary)
dated 25 February 2020

The Board of Directors' Meeting No. 1/2020 of TTW Public Company Limited (the "Company"), held on Tuesday, 25 February 2020, resolved to grant approval for Pathum Thani Water Company Limited ("Pathum Thani Water") as the Company's Subsidiary to enter into a contract engaging CH. Karnchang Public Company Limited ("CH. Karnchang") as EPC Contractor for Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant by way of design, supply, construction, installation, testing and commissioning in respect of both civil and pipeline works, including mechanical and electrical works, which is a connected transaction, with the work value under this engagement contract in the amount of Baht 339.97 Million (excluding VAT), for the operating period not exceeding 540 days.

Execution of the transaction with CH. Karnchang which is the Company's major shareholder falls within the scope of execution of a transaction with a connected person in the type of normal business transaction without general trading conditions in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Criteria for Execution of Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003), and their amendments (hereinafter collectively referred to as the "Notifications on Connected Transactions"), with the volume of the transaction represents 2.60 percent of the net tangible asset value (NTA) under the Consolidated Financial Statements as at 31 December 2019.

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In this regard, to ensure that such connected transaction is executed in compliance with the Notifications on Connected Transactions, the Company would like to give notice of the information memorandum on the connected transaction regarding engagement of CH. Karnchang as EPC Contractor for Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant by way of design, supply, construction, installation, testing and commissioning in respect of both civil and pipeline works, including mechanical and electrical works, per the details as follows:

(1) Transaction Date

After obtaining the approval from the Company's Board of Directors' Meeting No. 1/2020 on Tuesday, 25 February 2020.

(2) Related Parties

Employer: Pathum Thani Water Company Limited (as Subsidiary of TTW Public Company Limited)
Contractor: CH. Karnchang Public Company Limited

(3) General Characteristics of the Transaction

Pathum Thani Water, as the tap water producer and distributor for the Provincial Waterworks Authority in the service area of Pathum Thani-Rangsit, which is the Company's Subsidiary, would engage CH. Karnchang as EPC Contractor for Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant by way of design, supply, construction, installation, testing and commissioning in respect of both civil and pipeline works, including mechanical and electrical works, through entering into the Engineering Procurement and Construction Contract (EPC), with the value of consideration for this engagement in the amount of Baht 339.97 Million (excluding VAT). The volume of the transaction represents 2.60 percent of the NTA under the Financial Statements as at 31 December 2019.

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Pathum Thani Water's engagement of CH. Karnchang which is the Company's major shareholder to perform the aforesaid works is then deemed to be execution of a connected transaction in the type of the Company's normal business transaction without general trading conditions under the Notifications on Connected Transactions.

(4) Total Value and Basis for Determination of Total Transaction Value

(4.1) Total value of consideration : Baht 339.97 Million (excluding VAT)

(4.2) Payment : By cheque under the contractual conditions

(4.3) Basis for consideration of value

The Company considered the justification of the work value in the amount of Baht 339.97 Million (excluding VAT) based on the valuable report of the independent engineering consultant inspecting the justification of the work value.

The consultant carried out inspection and review of the proposal of such project value of Baht 352.36 Million (excluding VAT), when compared to the work value proposed by CH. Karnchang, it was found that the work value of this transaction is lower than the value appraised by the consultant by Baht 12.39 Million (excluding VAT). As for capital, the Company has considered using cash flow from operating activities of the Subsidiary. The operating period shall not exceed 540 days.

The Company has considered engaging CH. Karnchang as the EPC Contractor because CH. Karnchang has expertise in system work for the tap water production plant and large pipeline work, not to mention its construction of the Pathum Thani Water Treatment Plant from the beginning.

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(4.4) Calculation of volume of the connected transaction

As a result of execution of the contract engaging CH. Karnchang as EPC Contractor for Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant by way of design, supply, construction, installation, testing and commissioning in respect of both civil and pipeline works, including mechanical and electrical works, in the amount of Baht 339.97 Million (excluding VAT), with the volume of the transaction representing 2.60 percent of the NTA under the Company's Consolidated Financial Statements as at 31 December 2019, which does not exceed three percent of the NTA, it is therefore deemed to be a connected transaction. In this regard, pursuant to the regulations of the Stock Exchange of Thailand, any transaction with value which is lower than three percent shall be subject to approval of the Board of Directors and disclosure to the Stock Exchange of Thailand.

(5) Nature and Scope of Interest of the Connected Person

CH. Karnchang is the Company's major shareholder, and according to the information from the share register as at 31 December 2019, CH. Karnchang holds 774,077,400 shares in the Company or representing 19.40 percent of the registered capital. Then, the engagement by Pathum Thani Water (as the Company's Subsidiary) of CH. Karnchang which is the Company's major shareholder to perform the aforesaid works is deemed to be execution of a connected transaction in the type of the Company's normal business transaction without general trading conditions.

(6) Details of Connected Persons

According to the list of shareholders of the Company as at the closing date of the share register as at 31 December 2019 and the information of persons who are

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directors/executives of the Company, there are connected persons as listed below:

- (6.1) CH. Karnchang Public Company Limited is the Company's major shareholder, whereby CH. Karnchang holds 774,077,400 shares in the Company or representing 19.40 percent of the registered capital.
- (6.2) Mr. Plew Trivisvavet is a director and the Vice Chairman of the Board of Directors of the Company and is concurrently the Chairman of the Executive Board of CH. Karnchang.
- (6.3) Mr. Phongsarit Tantisuvanitchkul is a director and the Chairman of the Executive Board of the Company and is concurrently the Senior Executive Vice President: Operation Group of CH. Karnchang.
- (6.4) Mrs. Payao Marittanaporn is a director, Chairman of the Risk Management Committee, and the Nomination and Remuneration Committee member of the Company and is the spouse of Mr. Prasert Marittanaporn who is an executive director and senior executive of CH. Karnchang.

(7) Participation in the Meeting and Casting Votes of Directors who are interested persons and/or connected persons

The Board of Directors' Meeting No. 1/2020 on February 25, 2020, directors who are interested persons and/or connected persons, namely, (1) Mr. Plew Trivisvavet, (2) Mr. Phongsarit Tantisuvanitchkul, and (3) Mrs. Payao Marittanaporn, neither attended the Meeting nor have the right to vote in this item.

(8) Opinions of the Board of Directors

The Board of Directors is of the opinion that execution of the connected transaction on engagement of CH. Karnchang as EPC Contractor for Project of Improvement of the Tap Water Production and Transmission-Distribution Systems of the Pathum Thani Water Treatment Plant by way of design, supply, construction, installation, testing and commissioning in respect of both civil and pipeline works, including mechanical and electrical works, in the amount of Baht 339.97 Million

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(excluding VAT), is justifiable and of the optimal benefit to the Company, due to the following:

- (8.1) It is the improvement work of machinery & equipment for the tap water production and transmission-distribution systems which are perpetually working so it is more difficult and complicated than normal works, and it has its limitations on operation and precautions which require to be taken at the high degree since such work must be performed in the course of 24-hour operation of water pumps, which is different from new construction work.
 - (8.2) The work value is reasonable and lower than the value appraised by the independent engineering consultant.
 - (8.3) The Company has duly and completely complied with the rules and regulations in the case of occurrence of the connected transaction under the applicable laws and requirements.
- (9) Opinion of the Audit Committee and/or the Board of Directors which is different from the Opinion of the Board of Directors in Item (8)

- None -

The Board of Directors of TTW Public Company Limited hereby certifies that this information memorandum is correct and complete in all respects.

Please be informed accordingly.

Very truly yours,

(Walainut Trivisvavet)
Managing Director