

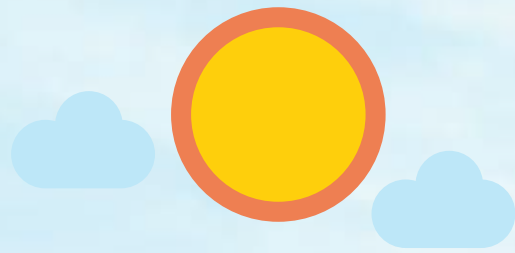


TTW Public Company Limited



Delivering **Quality Water**
and Quality of Life
for a Sustainable Future

Annual Report
2020



WATER

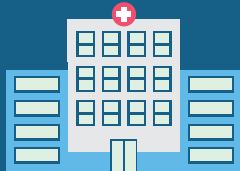
Our business operations are
water management
under high quality international standard;
cleanliness, sufficiency
and continuity;
and waste water treatment.





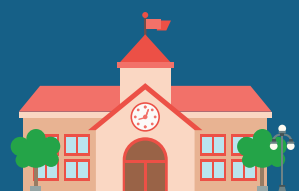
ENERGY

We are aware of alternative environmental friendly technology; be solar energy, wind energy and biomass energy, as sustainably renewable energy and environmental conservation.



ENVIRONMENT

Our business operation is environmental friendly, being fully aware of environmental problems with effective planning and control of the use of natural resources.



Vision

To be Thailand's leading company in Water, Energy and Eco-Friendly Businesses.

Mission

To grow on a firm, continuous and sustainable basis in order to accomplish our vision through the balance of interests among customers, employees, business partners, shareholders, communities and environments.

Corporate Values

Running business to fulfill our vision and mission on the basis of sharing highest satisfaction and benefits among stakeholders by means of:

- Continuous Improvement
- Proactive & Initiative
- Teamwork

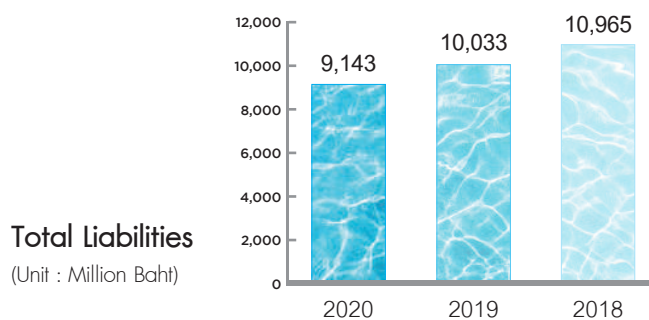
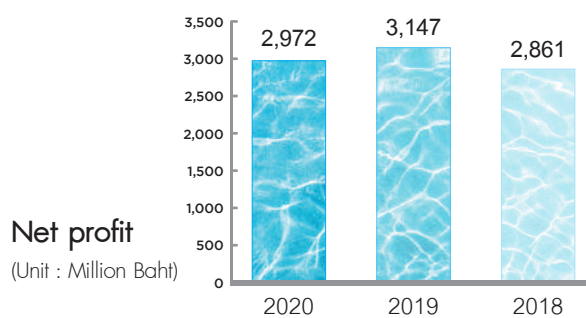
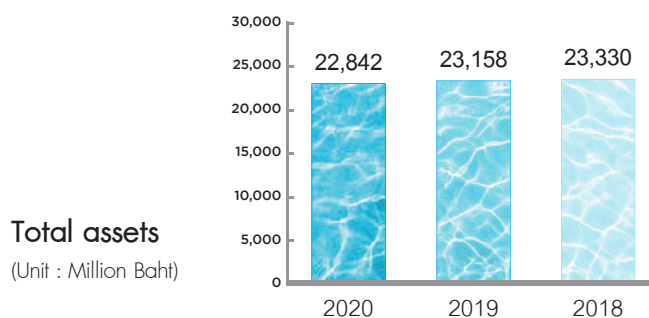
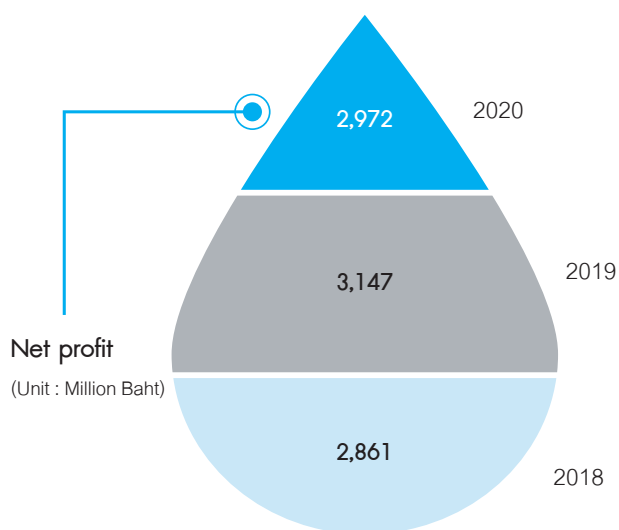
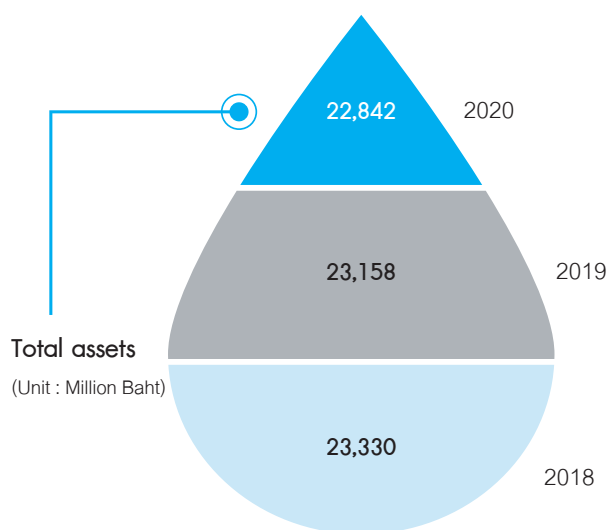


| | | |
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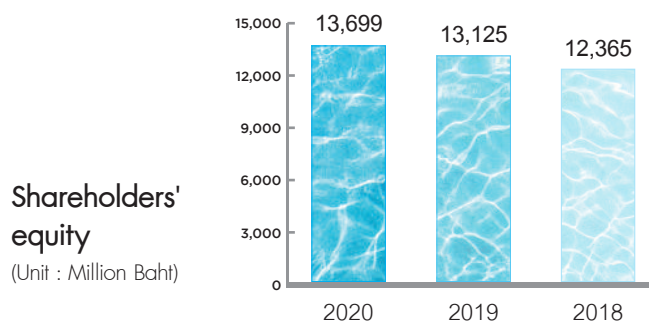
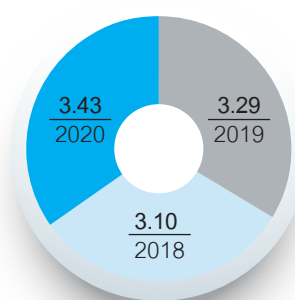


Significant Financial Information

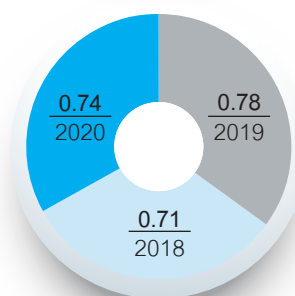
Consolidated financial statements



Book value per share
(Baht / share)



Basic earnings per share
(Baht / share)



Significant Financial Information

(Unit : Million Baht)

| Description | Consolidated financial statements | | | Separate financial statements | | |
|---|-----------------------------------|--------|--------|--------------------------------|--------|--------|
| | For the year ended 31 December | | | For the year ended 31 December | | |
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| Total assets | 22,842 | 23,158 | 23,330 | 20,720 | 21,175 | 21,664 |
| Total Liabilities | 9,143 | 10,033 | 10,965 | 8,914 | 9,826 | 10,776 |
| Shareholders' equity | 13,699 | 13,125 | 12,365 | 11,806 | 11,349 | 10,888 |
| Sales of treated water | 6,059 | 5,993 | 5,807 | 4,090 | 4,096 | 3,975 |
| Services income | 120 | 119 | 118 | 40 | 44 | 42 |
| Total revenues | 6,193 | 6,166 | 5,949 | 5,181 | 5,193 | 5,004 |
| Cost of sales and services | 1,862 | 1,795 | 1,722 | 1,061 | 1,025 | 1,011 |
| Administration and Management expenses | 264 | 252 | 280 | 225 | 208 | 230 |
| Financial expenses | 274 | 305 | 372 | 274 | 305 | 372 |
| Income tax expenses | 685 | 697 | 616 | 509 | 523 | 450 |
| Gross margin | 4,318 | 4,317 | 4,203 | 3,070 | 3,115 | 3,006 |
| Net profit | 2,972 | 3,147 | 2,861 | 2,850 | 2,855 | 2,667 |
| Book value per share (Baht / share) | 3.43 | 3.29 | 3.10 | 2.96 | 2.84 | 2.73 |
| Basic earnings per share (Baht / share) | 0.74 | 0.78 | 0.71 | 0.71 | 0.72 | 0.67 |

Financial Ratio

| Description | Consolidated financial statements | | | Separate financial statements | | |
|------------------------------------|-----------------------------------|-------|-------|--------------------------------|-------|-------|
| | For the year ended 31 December | | | For the year ended 31 December | | |
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| Profitability ratio | | | | | | |
| Gross profit margin (%) | 69.87 | 70.64 | 70.94 | 74.32 | 75.23 | 74.83 |
| Net profit margin (%) | 47.91 | 51.05 | 48.09 | 54.89 | 54.98 | 53.29 |
| Return on equity (%) | 22.16 | 23.98 | 23.14 | 24.62 | 25.16 | 24.49 |
| Efficiency ratio | | | | | | |
| Return on assets (%) | 12.92 | 13.59 | 12.26 | 13.61 | 13.48 | 12.31 |
| Return on fixed assets (%) | 22.63 | 23.40 | 19.86 | 26.02 | 25.79 | 23.24 |
| Debt service coverage ratio | | | | | | |
| Debt to equity (times) | 0.67 | 0.76 | 0.89 | 0.76 | 0.87 | 0.99 |
| Dividend Yield (%) | 80.54 | 76.06 | 83.68 | 83.97 | 83.86 | 89.76 |



Message from the Chairman of the Board of Directors




“

In this new year of 2021, we look forward to another challenging twelve months for TTW, due to both the impacts of the Covid-19 pandemic and the fragile, unexpected, and fluctuating political and social factors all around us. However, with the amazing potentiality, determination, and dedication of our Company in operating our business according to our stated mission to “grow on a firm, continuous and sustainable basis in order to accomplish our vision through the balance of customers, employees, business partners, shareholders, communities and environments,” I am confident that 2021 will be yet another year of steady, sustainable forward progress.

”

Dr. Thanong Bidaya

Chairman of the Board of Directors



In 2020, for the whole year, we faced the challenges of the Covid-19 pandemic. While Thailand did a good job of controlling the situation to a certain extent and remedial measures were put forth by the government throughout the year in its efforts to limit the overall damage to the nation, the situation remained extremely challenging for the economic sector, the tourism industry, and even small and medium-sized enterprises (SMEs).

For TTW, our stable business structure and systems, as well as the strict implementation of Business Continuity Planning (BCP) and stringent preventative measures, have enabled us to continue to supply suitable quality tap water to water users in all sectors. In particular, risk was mitigated by increasing our reserves of raw materials and necessary spare parts for the tap water production process in order to ensure continuous operations. As a result, performance for the past year has been satisfactory.

On the financial side, the Company has put aside cash reserves in order to reduce risk from emergency situations or lack of liquidity and has taken steps to reduce any unnecessary costs and expenses. The Company has also decreased its energy consumption in production processes and in every office building while also increasing the proportion of electricity used from alternative energy sources, such as solar rooftop systems. The result of this has been the Company's readiness for a complete transition into the Low-carbon Economy age in the very near future. Additionally, due to the commitment and determination of the Board of Directors, executive management, and employees from all sectors of the Company, TTW has continued to gain the confidence of both regulators and various institutions as in every previous year.

In this new year of 2021, we look forward to another challenging twelve months for TTW, due to both the impacts of the Covid-19 pandemic and the fragile, unexpected, and fluctuating political and social factors all around us. However, with the amazing potentiality, determination, and dedication of our Company in operating our business according to our stated mission to "grow on a firm, continuous and sustainable basis in order to accomplish our vision through the balance of customers, employees, business partners, shareholders, communities and environments," I am confident that 2021 will be yet another year of steady, sustainable forward progress.

On behalf of the Board of Directors, management and employees of TTW Public Company (Limited), I would like to thank our shareholders, business partners, affiliates, communities, and supporters in all sectors for your trust and support of the company's operations at all times. In closing, we wish you protection from the spread of Covid-19 so that you, your families, and the nation as a whole can continue to move forward together.



Dr. Thanong Bidaya
Chairman of the Board of Directors



Report of the Audit Committee

To The Shareholders

The Audit Committee of TTW Public Company Limited consists of a number of experts in various fields, three of which are Independent Directors, with Mr. Phairuch Mekarporn as the Chairman of the Audit Committee, and Mr. Somnuk Chaidejsuriya and Dr. Patarut Dardarananda as members of the Audit Committee, and Ms. Nisaratuck Sichapakornrat, Internal Audit Manager of the Company is the Audit Committee Secretary.

In 2020, the Audit Committee, in the performance of its duties in accordance with the scope of responsibilities specified in the Audit Committee Charter as approved by the Board of Directors, convened four meetings and reported said meeting results to the Board of Directors each quarter, with assessment of key matters summarized as follows:

1. Carried out examination of the annual audit plan and quarterly audit results in order to assess the work systems and internal control system of the Company, as well as to provide advice and propose solutions for the internal audit and supervision of operations to ensure that the internal audit system is satisfactory and is standardized in accordance with the regulations of the Office of the Securities and Exchange Commission (SEC).
2. Carried out reviews of legal compliance with rules and regulations of relevant external agencies, as well as rules and regulations within the Company itself.
3. Reviewed all connected transactions to ensure they were normal business operations and did not provide special benefits to those involved.
4. Carried out reviews of quarterly and annual financial statements prior to proposal to the Board of Directors for consideration, with special emphasis on the implementation of accounting standards, related party transactions, and connected transactions, and provided assessment opinions to the Company's management regarding the performance of asset management for the full benefit of the Company.
5. Assessed the selection, nomination for appointment, and termination of independent persons to act as the Company's auditors and proposed the remuneration for said persons. Convened meetings with the auditor without Company management in attendance.

The Audit Committee performed its duties with prudence and provided independent opinions in the best interests of the Organization without any restriction in the obtaining of Company data, resources, and the full cooperation of the Company. The Audit Committee carries out an evaluation of the performance of its duties annually for the continued improvement and development of its duties in an effective and efficient manner, in order to achieve the objectives assigned by the Board of Directors.

For the year 2021, the Audit Committee has proposed to the Board of Directors the appointment of Ms. Manee Rattanabunnakit, Certified Public Accountant No. 5313, and/or Ms. Sumalee Reewarabundith, Certified Public Accountant No. 3970, and/or Ms. Poonnart Paochareon, Certified Public Accountant No. 5238, and/or Ms. Kunlapee Piyawannasuth, Certified Public Accountant No. 6137, of EY Office as the Company's auditor for another year, with the Audit fees not exceeding 1,420,000 Baht. This shall be proposed for approval at the Annual General Meeting of Shareholders in 2021.

(Mr. Phairuch Mekarporn)

Chairman of the Audit Committee



Report of the Nomination and Remuneration Committee

To The Shareholders

The Board of Directors meeting no.4/2020 held on 30 July 2020 has resolved to appoint the current Nomination and Remuneration Committee, with Dr. Patarut Dardarananda, serving as the Chairman of the Nomination and Remuneration Committee, Mr. Phongsarit Tantisuvanitchkul, Mr. Somnuk Chaidejsuriya, and Mr. Kaoru Umehara, serving as members of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has performed its work in accordance with the scope of duties and responsibilities as assigned by the Board of Directors, which is specified in writing in the Nomination and Remuneration Committee's Charter. In 2020, the Nomination and Remuneration Committee convened its 3 meetings to consider the significant matters and reported the results to the Board of Directors that can be summarized as follows:

1. Consideration and selection of candidates as directors to replace those who were due to retire by rotation, by taking into account their knowledge, ability, experience, transparency, morality, responsibility, maturity and professionalism. It also taking into account the Board Diversity and set a Board Skills Matrix to determine the qualifications of the directors to be nominated based on the necessary skills, appropriate qualifications and are consistent with the composition and Board's structure according to the company's business strategy. In addition, the Director Pool database from the Thai Institute of Directors Association (IOD) is also used for recruiting new directors.
2. Consideration and determination of remuneration for directors and the Managing Director, by taking into account the appropriateness for duties and responsibilities of the directors, together with the company's operational results, compared with that of companies in the same industry and in similar scale.
3. Reviewing the criteria for granting the right of shareholders to nominate persons to be directors and the agenda of the Annual General Meeting of Shareholders in advance.
4. Consideration and review of the Nomination and Remuneration Committee's Charter to ensure that the format and topic are in the same direction and in line with the CG Code.

In this regard, the Nomination and Remuneration Committee has performed its duties independently in accordance with good corporate governance principles, to make the recruitment and remuneration processes transparent and build the confidence of shareholders and all stakeholders.

(Dr. Patarut Dardarananda)

Chairman of the Nomination and Remuneration Committee



Report of the Risk Management and Corporate Governance Committee

To The Shareholders

The Board of Directors meeting no.4/2020 held on 30 July 2020 has resolved to restructure of the subcommittee in order to strengthen and facilitate management by combined the Risk Management Committee and the Corporate Governance Committee to the Risk Management and Corporate Governance Committee, in which Mr. Somnuk Chaidejsuriya serves as Chairman of the Risk Management and Corporate Governance Committee, Ms. Payao Marittanaporn, Mr. Phairuch Mekarporn and Mr. Hideo Matsumoto serve as Members of the Risk Management and Corporate Governance Committee and Ms. Walanut Trivisvavet serves as Member and secretary to the Risk Management and Corporate Governance Committee.

The Risk Management and Corporate Governance Committee has performed its work in accordance with the scope of duties and responsibilities as assigned by the Board of Directors, which is specified in writing in the Risk Management and Corporate Governance Committee's Charter. In 2020, the Risk Management and Corporate Governance Committee convened its 2 meetings to consider the important matters that can be summarized as follows:

Risk Management

1. Considering the annual risk management plans of the company to ensure that such plans have addressed such internal and external risk factors which may affect the Company's operations.
2. Considering plans and strategies in line with the risk management policies to be able to assess, monitor, and control the Company's overall risks to stay at an acceptable level.
3. Monitoring and supervising the risk management on a quarterly basis through the reports from the management of the Company and reporting on the results of its performance in respect of risk management to the Board of Directors on a quarterly basis.

Corporate Governance

1. Supervising the performance of the Board of Directors, Executive Committee and Subcommittee and the management of the company to ensure compliance with the Principles of Good Corporate Governance, Code of Conduct and Business ethics. Promoting information disclosure and transparency of quarterly reports on trading/changes in holdings of securities by directors and executives of the company on a quarterly basis.
2. Reviewing the Company's good corporate governance practice by comparing it with the good corporate governance principles of the international standard and of the Stock Exchange of Thailand, and propose the same to the Board of Directors for consideration and regular update.
3. Reporting on the results of its performance in respect of Corporate Governance to the Board of Directors on a quarterly basis.

(Mr. Somnuk Chaidejsuriya)
Chairman of the Risk Management
and Corporate Governance Committee



Board of Directors



1



2



3

-
1. **Dr. Thanong Bidaya**
Independent Director
Chairman of the Board of Directors
 2. **Mr. Plew Trivisvavet**
Director
Vice Chairman of the Board of Directors
 3. **Mr. Phongsarit Tantisanvanitchkul**
Director
Chairman of the Executive Committee
Nomination and Remuneration
Committee Member
-



4



5



6

-
4. **Mr. Phairuch Mekarporn**
Independent Director
Chairman of the Audit Committee
Risk Management and Corporate Governance
Committee Member
 5. **Mr. Somnuk Chaidejsuriya**
Independent Director
Chairman of the Risk Management
and Corporate Governance Committee
Audit Committee Member
Nomination and Remuneration
Committee Member
 6. **Dr. Sombat Kitjalaksana**
Director
Executive Committee Member
-



7



8



9

-
7. **Mr. Suvich Pungchareon**
Director
Executive Committee Member
 8. **Mrs. Payao Marittanaporn**
Director
Risk Management and Corporate
Governance Committee Member
 9. **Dr. Patarut Dardarananda**
Independent Director
Chairman of the Nomination and
Remuneration Committee
Audit Committee Member
-



10



11



12

-
10. **Mr. Kaoru Umehara**
Director
Nomination and Remuneration Committee
Member
 11. **Mr. Hideo Matsumoto**
Director
Executive Committee Member
Risk Management and Corporate
Governance Committee Member
 12. **Ms. Walainut Trivisvavet**
Director
Executive Committee Member
Risk Management and Corporate
Governance Committee Member
Managing Director
-



Board of Directors



Dr. Thanong Bidaya
Age 73 Years

Position in the Company Independent Director
Chairman of the Board of Directors

Date of Appointment 17 December 2008

Education / Training

- Ph.D. in Management
Northwestern University, U.S.A.
- M.A. in Economics
Northwestern University, U.S.A.
- B.A. in Economics
Yokohama National University, Japan
- Directors Accreditation Program (DAP) 25/2004
Thai Institute of Directors Association

Shareholding in the Company (%)

Direct : 0.0085 Indirect : - None -

Family Relationship between Director and Executive Management
-None-

Work Experience

Position in Listed Company

| | |
|--------------------|--|
| 2018 - Present | Chairman of the Board of Directors, Independent Director S.Khonkaen Foods Public Company Limited |
| 2018 - Present | Chairman of the Board of Directors Property Perfect Public Company Limited |
| 2012 - Present | Chairman of the Board of Directors, Independent Director CK Power Public Company Limited |
| 2012 - August 2020 | Chairman of the Board of Directors, Independent Director Scan Inter Public Company Limited |

Position in Company Limited

| | |
|----------------|---|
| 2010 - Present | Chairman of the Board of Directors Xayaburi Power Company Limited |
| 2005 - 2006 | Minister of Finance |
| 2005 | Minister of Commerce |



Mr. Plew Trivisvavet
Age 75 Years

Position in the Company Director
Vice Chairman of the Board of Directors

Date of Appointment 26 September 2006

Education / Training

- Honorary Doctor of Science (Industrial Management Technology)
Southeast Bangkok College
- Honorary Doctor of Civil Engineering
Rajamangala University of Technology Isan
- Honorary Doctor of Civil Engineering
Nakhon Phanom University
- Honorary Doctor of Civil Engineering
Kasetsart University
- Honorary Doctor of Science (Engineering)
Thai-Nichi Institute of Technology
- Master of Electrical Engineer
Osaka University, Japan
- Bachelor of Electrical Engineer
Osaka University, Japan
- Energy Literacy Leadership Program, class10/2017
Thailand Energy Academy (TEA)
- Director Accreditation Program (DAP), Class 18/2004
- Director Certification Program (DCP), Class 50/2004
- Finance for Non-Finance Directors (FND), Class 13/2004
Thai Institute of Directors Association
- Capital Market Academy Executive Program (CMA), Class 4/2007
Capital Market Academy
- National Defense Course for the Joint State-Private Sectors, (Thai NCD), Class 366
Thai National Defense College

Shareholding in the Company (%)

Direct : 0.0050 Indirect : 0.0025

Family Relationship between Director and Executive Management
Miss Walainut Trivisvavet's uncle

Work Experience

Position in Listed Company

| | |
|----------------|---|
| 2016 - Present | Directors and Chairman of Executive Committee Bangkok Expressway and Metro Public Company Limited |
|----------------|---|

Mr. Phongsarit Tantisuvanitchkul

Age 48 Years



| | |
|------------------------------------|--|
| 2015 - Present | Chairman of Executive Board CH. Karnchang Public Company Limited |
| 2011 - Present | Director and Chairman of Executive Committee CK Power Public Company Limited |
| 2007 - Present | Corporate Governance and Risk Management Committee Member CH. Karnchang Public Company Limited |
| 2003 - Present | Nomination and Remuneration Committee Member CH. Karnchang Public Company Limited |
| 1994 - Present | Chairman of Executive Committee CH. Karnchang Public Company Limited |
| 1998 - 2015 | Directors / Chairman of Executive Committee Bangkok Expressway Public Company Limited |
| 1998 - 2015 | Chairman of the Board of Directors and Chairman of Executive Committee Bangkok Metro Public Company Limited |
| 1994 - 2015 | President CH. Karnchang Public Company Limited |
| Position in Company Limited | |
| 2010 - Present | Chairman of Executive Committee Xayaburi Power Company Limited |
| 2006 - Present | Chairmen of Executive Committee Nam Ngum 2 Power Company Limited |
| 2004 - Present | Chairman of Executive Committee Southeast Asia Energy Company Limited |
| 1999 - Present | Chairman of Executive Committee Construction Material Supply Company Limited |
| 1996 - Present | Chairman of the Board of Directors and Chairman of Executive Committee Northern Bangkok Expressway Company Limited (NECL) |
| 1994 - Present | Director CH. Karnchang Holding Company Limited |
| 1992 - Present | Director CK. Office Tower Company Limited |
| 1991 - Present | Director CH. Karnchang Real Estate Company Limited |
| 1983 - Present | Director Mahasiri Siam Company Limited |
| 1981 - Present | Director CH. Karnchang-Tokyu Construction Company Limited |

| | |
|--------------------------------|--|
| Position in the Company | Director Chairman of the Executive Committee Nomination and Remuneration Committee Member |
| Date of Appointment | 25 February 2016 |

Education / Training

- Master of Engineering
University of Michigan Ann Arbor, U.S.A.
- Bachelor of Engineering
Kasetsart University
- Director Certification Program (DPC), Class 155/2012
- Finance for Non-Finance Director (FND) Program, Class 35/2007
- Understanding the Fundamental of Financial Statement Program
(UFS), Class 9/2007

Thai Institute of Directors Association

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Family Relationship between Director and Executive Management
- None -

Work Experience

Position in Listed Company

| | |
|----------------|---|
| 2020 - Present | Director CH. Karnchang Public Company Limited |
| 2016 - Present | Director and Executive Director Bangkok Expressway and Metro Public Company Limited |
| 2016 - Present | Senior Executive Vice President - Operation Group CH. Karnchang Public Company Limited |
| 2011 - 2015 | Executive Vice President - Business Development CH. Karnchang Public Company Limited |
| 2014 - 2015 | Director Bangkok Metro Public Company Limited |

Position in Company Limited

| | |
|----------------|---|
| 2020 - Present | Chairman of the Board of Directors Pathum Thani Water Company Limited |
| 2017 - Present | Chairman of the Board Bangkok Metro Networks Company Limited |
| 2016 - Present | Director and Executive Committee Northern Bangkok Expressway Company Limited (NECL) |
| 2016 - Present | Director CH. Karnchang-Tokyu Construction Company Limited |
| 2009 - 2017 | Director and Executive Committee Bangkok Metro Networks Company Limited |
| 2012 - 2015 | Director Transit Experts Company Limited |



Mr. Phairuch Mekarporn

Age 75 Years

Position in the Company Independent Director
Chairman of the Audit Committee
Risk Management and Corporate
Governance Committee Member

Date of Appointment 26 September 2006

Education / Training

- M.S.M.E
California State University, Long beach, U.S.A.
- B.S.M.E
Chulalongkorn University
- Advanced Management Program: The International Senior
Managers' Program (1995)
Harvard University, Graduated School of Business
Administration, U.S.A.
- Thai Institute of Directors Association, Seminar Courses:
Advanced Audit Committee Program (AAP), Class 17/ 2007
Director Certification Program (DCP), Class 81/2006
Independent Directors Forum 1/2019 "Trips and Tricks
for Dealing with Question in AGM"
- Strengthening Good Corporate Governance by Audit Committee
and Independent Director : Experiences from Fraud Cases by
The Securities and Exchange Commission, Thailand.

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Family Relationship between Director and Executive Management

- None -

Work Experience

Position in Listed Company

| | |
|------------------|---|
| 2004 - Present | Independent Director Chairman of Nomination and Remuneration Committee Audit Committee Thai Optical Group Public Company Limited |
| 2008 - July 2020 | Chairman of Nomination and Remuneration Committee Corporate Governance Committee TTW Public Company Limited |

Position in Company Limited

| | |
|------------------|--|
| 2007 - July 2020 | Chairman of the Board of Directors, Pathum Thani Water Company Limited |
| 1996 - 2003 | Managing Director, Siam Kraft Industry Company Limited |
| 1989 - 1996 | Managing Director, Thai Paper Company Limited |
| 1985 - 1989 | Managing Director, TIP Fibre-Cement Company Limited |



Mr. Somnuk Chaidejsuriya

Age 70 Years

Position in the Company Independent Director
Chairman of the Risk Management and
Corporate Governance Committee
Audit Committee Member
Nomination and Remuneration
Committee Member

Date of Appointment 26 September 2006

Education / Training

- Master of Law
Chulalongkorn University
- Bachelor of Law
Chulalongkorn University
- Thai Barrister-at-Law, Institute of Legal Education
Thai Bar Association
- Director Certification Program (DCP), Class 46/2004
- Advanced Audit Committee Program (AAP), Class 9/2005
Thai Institute of Directors Association
- Diploma, National Defense Course for the Joint State-Private
Sectors, Class 11
Thai National Defense College
- Strengthening Good Corporate Governance by Audit Committee
and Independent Director : Experiences from Fraud Cases by
The Securities and Exchange Commission, Thailand

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Family Relationship between Director and Executive Management

- None -

Work Experience

Position in Listed Company

| | |
|------------------|--|
| 2008 - July 2020 | Chairman of the Corporate Governance Committee TTW Public Company Limited |
|------------------|--|

Position in Company Limited

| | |
|----------------|---|
| 2004 - Present | Independent Director / Chairman of Risk Management Committee / Audit Committee / Nomination and Remuneration Committee Don Muang Tollway Public Company Limited |
| 2016 - 2019 | Chairman of Nomination and Remuneration Committee Advance Finance Public Company Limited |
| 2015 - 2018 | Chairman of Audit Committee Loxley Wireless Public Company Limited |
| 2012 - 2016 | Vice Chancellor Navamindradhiraj University (formerly University of Bangkok Metropolis) |
| 1999 - 2000 | Board Member and Executive Director The Marketing Organization For Farmers (MOF) |
| 1997 - 1998 | Governor / Deputy Governor for Operation / Deputy Governor for Legal Affairs and Land Ownership Expressway Authority of Thailand (EXAT) |



Dr. Sombat Kitjalaksana
Age 64 years



Mr. Suvich Pungchareon
Age: 74 years

Position in the Company Director
Executive Committee Member

Date of Appointment 11 September 2000

Educational / Training

- Dr. Techn. (Soil Mechanic)
University of Innsbruck, Austria
- Bachelor and Master of Engineering (Civil)
Chulalongkorn University
- Directors Accreditation Program (DAP), Class 36/2005
- Director Certification Program (DCP), Class 81/2006
Thai Institute of Directors Association

Shareholding in the Company (%)

Direct : 0.0250 Indirect : - None -

Family Relationship between Director and Executive Management
- None -

Work Experience

Position in Listed Company

| | |
|----------------|---|
| 2015 - Present | Director, Managing Director, Executive Committee Bangkok Expressway and Metro Public Company Limited |
| 2014 - 2015 | Managing Director and Executive Committee Bangkok Metro Public Company Limited |
| 2005 - 2015 | Director CH. Karnchang Public Company Limited |
| 2001 - 2010 | Vice President for Business Development CH. Karnchang Public Company Limited |
| 2000 - 2011 | Managing Director Bangkok Metro Public Company Limited |

Position in Company Limited

| | |
|----------------|--|
| 2020 - Present | Director Pathum Thani Water Company Limited |
| 2009 - Present | Director Bangkok Metro Networks Company Limited |

Position in the Company Director
Executive Committee Member

Date of Appointment 26 September 2006

Educational / Training

- Master of Political Science
Sukhothai Thammathirat University
- Bachelor of Electrical Engineering
Tohoku University, Japan
- Diploma Program on Politics and Governance
in Democratic Systems, Class 8/2004
King Prajadhipok's Institute
- Diploma Program on Public Economy Management,
Class 1/2003
King Prajadhipok's Institute
- Director Certification Program (DCP), Class 37/2003
Thai Institute of Directors Association
- Mini MBA
Berkeley University, U.S.A.

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Family Relationship between Director and Executive Management
- None -

Work Experience

Position in Listed Company

| | |
|-------------|---|
| At present | Advisor Bangkok Expressway and Metro Public Company Limited |
| 2003 - 2006 | Managing Director Bangkok Expressway Public Company Limited |
| 1989 - 1994 | General Manager Bangkok Expressway Public Company Limited |

Position in Company Limited

| | |
|-------------|--|
| 1996 - 2003 | Managing Director Northern Bangkok Expressway Company Limited |
|-------------|--|



Mrs. Payao Marittanaporn

Age 64 years

Position in the Company Director
Risk Management and Corporate
Governance Committee Member

Date of Appointment 17 February 2015

Educational Background / Training Profiles

- Master of Business Administration
Chulalongkorn University
- Higher Diploma in Auditing
Thammasat University
- Bachelor of Accountancy
Chulalongkorn University
- Director Certification Program (DCP), Class 48/2004
- Role of the Compensation Committee (RCC), Class 9/2009
Thai Institute of Directors Association
- Capital Market Academy Leader Program, Class 11/2010
Capital Market Academy (CMA)

Shareholding in the Company (%)

Direct : - None - Indirect : 0.000003

Family Relationship between Director and Executive Management

- None -

Work Experience

Position in Listed Companies

| | |
|------------------|---|
| 2015 - Present | Director / Corporate Governance and Risk Management Committee Member / Executive Director Bangkok Expressway and Metro Public Company Limited |
| 2015 - 2020 | Managing Director Bangkok Expressway and Metro Public Company Limited |
| 2019 - July 2020 | Chairman of Risk Management Committee TTW Public Company Limited |
| 2015 - July 2020 | Nomination and Remuneration Committee Member TTW Public Company Limited |
| 2007 - 2015 | Director / Executive Director / Managing Director Bangkok Expressway Public Company Limited |
| 2013 - 2014 | Director / Nomination and Remuneration Committee Member / Risk Management Committee Member TTW Public Company Limited |

Position in other companies

| | |
|----------------|---|
| 2004 - Present | Director and Executive Director Northern Bangkok Expressway Company Limited |
| 2007 - 2020 | Acting Managing Director Northern Bangkok Expressway Company Limited |
| 2011 - 2014 | Director Xayaburi Power Company Limited |



Dr. Patarut Dardarananda

Age: 62 years

Position in the Company Independent Director
Chairman of the Nomination and
Remuneration Committee
Audit Committee Member

Date of Appointment 12 December 2018

Educational / Training

- Doctor of Philosophy Program in Public Administration
(Ph.D. Public Administration)
Ramkhamhaeng University
- Master of Science in Engineering (Civil)
Youngstown State University, Ohio, USA.
- Bachelor of Engineering (Civil)
Chulalongkorn University
- Leadership Succession Program (LSP 1)
Institute of Research and Development for Public Enterprises
- Director Certification Program (DCP), Class 271/2019
- Advanced Audit Committee Program (AAP), Class 34/2019
- Risk Management Program for Corporate Leaders (RCL),
Class 18/2019
Thai Institute of Directors Association

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Family Relationship between Director and Executive Management

- None -

Work Experience

Position in Listed Company

| | |
|------------------|--|
| 2019 - Present | Independent Director, Audit Committee and Nomination and Remuneration Committee CK Power Public Company Limited |
| 2018 - July 2020 | Corporate Governance Committee Risk Management Committee TTW Public Company Limited |

Position in Company Limited

| | |
|------------------|--|
| 2018 - July 2020 | Director Pathum Thani Water Company Limited |
| 2016 - Sep 2018 | Permanent Secretary The Bangkok Metropolitan Administration (BMA) |
| 2015 - 2016 | Deputy Permanent Secretary The Bangkok Metropolitan Administration (BMA) |
| 2014 - 2015 | Director General of the Department of Public Works |
| 2013 - 2016 | Board of Directors of Mass Rapid Transit Authority of Thailand |
| 2012 - 2014 | Deputy Director General of the Department of Public Works |
| 2006 - 2012 | Deputy Inspector General Office of the Permanent Secretary |



Mr. Kaoru Umehara

Age 53 years



Mr. Hideo Matsumoto

Age: 48 years

Position in the Company Director
Nomination and Remuneration Committee Member

Date of Appointment 20 August 2020

Educational / Training
● Bachelor's degree (Faculty of Law)
Keio University, Japan

Shareholding in the Company (%)
Direct : - None - Indirect : - None -

Family Relationship between Director and Executive Management
- None -

Work Experience

Position in Listed Company
- None -

Position in Company Limited

| | |
|------|--|
| 2020 | Divisional Operating Officer Infrastructure & Energy Division Mitsui & Co. (Asia Pacific) Pte. Ltd. |
| 2019 | Divisional Operating Officer Energy Business Division Mitsui & Co. (Asia Pacific) Pte. Ltd. |
| 2018 | General Manager Energy & Innovation Division, Energy Business Unit I |
| 2016 | General Manager Business Innovation Department, Corporate Planning & Strategy Division |
| 2014 | General Manager Strategic Planning Department, Energy Business Unit I & II |
| 2013 | General Manager US Gas Marketing & Shipping Department, Natural Gas Division I, Energy Business Unit II |
| 2012 | General Manager Global Natural Gas Development Department, Natural Gas Division I, Energy Business Unit II |
| 2011 | General Manager Global Gas Trading Department, LNG Project Division II, Energy Business Unit II |
| 2009 | General Manager Advanced Materials Department, New Metals Division, Mineral & Metal Resources Business Unit |
| 2005 | General Manager Energy Department Mitsui & Co. Europe PLC (@London, UK) |
| 2004 | Manager Energy Department Mitsui & Co. UK PLC (@London, UK) |
| 1999 | Manager North West Shelf Project Marketing & Shipping Department, Natural Gas Second Division, Energy Unit |
| 1998 | International Bank for Reconstruction and Development (IBRD) (World Bank @Washington D.C., USA) |
| 1996 | Operating & Chartering Manager Utility Fuel Section Energy Business Division, Energy Group |
| 1991 | Wandoo Petroleum Pty Ltd. Joined Mitsui & Co., Ltd. Head Office LNG Das Section, Natural Gas First Division, Energy Group |

Position in the Company Director
Executive Committee Member
Risk Management and Corporate
Governance Committee Member

Date of Appointment 21 December 2017

Educational / Training
● Bachelor of Arts in Policy Management
Keio University, Japan
● Director Certification Program (DCP), Class 256/2018,
Thai Institute of Directors Association

Shareholding in the Company (%)
Direct : - None - Indirect : - None -

Family Relationship between Director and Executive Management
- None -

Work Experience

Position in Listed Company
- None -

Position in Company Limited

| | |
|------------------|--|
| 2017 - Present | Director Mitsui Water Holdings (Thailand) Co., Ltd. |
| 2017 - Present | Senior Vice President & General Manager Infrastructure Projects Division Mitsui & Co., Ltd (Thailand) |
| 2017 - July 2020 | Director Pathum Thani Water Company Limited |
| 2016 - 2017 | Deputy General Manager Fourth Department, First Projects Development Division Mitsui & Co., Ltd (Tokyo) |
| 2011 - 2016 | Deputy General Manager Third Department, First Projects Development Division Mitsui & Co., Ltd. (Tokyo Headquarters) |
| 2005 - 2011 | Deputy Project Director Mitsui & Co., Ltd. (Thailand) |



Ms. Walainut Trivisvavet
Age 50 Years

Position in the Company Director
Executive Committee Member
Risk Management and Corporate
Governance Committee Member
Managing Director

Education/ Training

- Master of Science in Administrative Studies, Sub-concentration :
Financial Economics
Boston University, USA
- Bachelor of Business Administration
Assumption University
- Director Certification Program (DCP), class 201/2015
- Advanced Audit Committee Program (AACP), Class 20/2015
- Company Reporting Program (CRP), Class 13/2015
- **Thai Institute of Directors Association**
Capital Market Academy Executive Program (CMA), Class 24/2017
- **Capital Market Academy**
Top Executive Program in Commerce and Trade (TEPCoT) 11/2018
- **Commerce Academy, University of the Thai Chamber of Commerce**
Certification Program in Investor Relations, 2016
- **Thai Listed Companies Association**
Chief Financial Officer Certification Program (CFO), Class 19
- **The Federation of Accounting**
Advance Certificate Course in Public Economics Management
for Executives
- **King Prajadhipok's Institute**
How to Transform Your Business to Become an Exponential
Company in a Digital Era
- **The Stock Exchange of Thailand**
Credit Spotlight On Thailand
- **S&P Global Ratings & TRIS Rating**
Global Business Dialogue 2019: Designing New Growth Model
towards Sustainability
Thailand Management Association

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Family Relationship between Director and Executive Management

Grandchild of Mr. Plew Trivisvavet

Experience

Position in Listed Company

2015 - 2018 Assistant Managing
Director Administration Group
TTW Public Company Limited

2014 - 2015 Assistant Managing
Director Finance Department
Bangkok Expressway Public Company Limited

Position in Company Limited

2019 - Present Director
**Center of Excellence on Hazardous Substance
Management**

2016 - Present Director, Managing Director
Pathum Thani Water Company Limited

2016 - Present Director
Thai Water Operation Company Limited

2014 - 2017 Managing Director
Fahamorn Machinery Company Limited

2014 - 2017 Managing Director
R.S.B Construction Company Limited



Management



1



2



3



4



5



6



7



8

1. **Ms. Walainut Trivisvavet**
Managing Director

2. **Mr. Tanat Siricharoen**
Assistant Managing Director,
Operations Group Acting Engineering Division Director

3. **Mr. Somkiat Pattamamongkolchai**
Assistant Managing Director
Administration Group
Acting Account and Finance Director

4. **Ms. Sudarat Chiamchan**
Corporate Affairs Director and Company Secretary

5. **Mr. Hongthong Artit**
Business Development Director

6. **Mr. Pipat Katikul**
Operations Director

7. **Mr. Chatchawan Tienprasertkij**
Acting Customer Relationship Management Director
Customer Relationship Manager

8. **Mrs. Busawan Pholprasert**
Acting Human Resources and Administrative Director
Human Resources Development Manager



Management



Ms. Walainut Trivisvavet

Age 50 Years

Position in the Company

Director
Executive Committee Member
Risk Management and Corporate
Governance Committee Member
Managing Director

Education/ Training

- Master of Science in Administrative Studies, Sub-concentration :
Financial Economics
Boston University, USA
- Bachelor of Business Administration
Assumption University
- Director Certification Program (DCP), class 201/2015
- Advanced Audit Committee Program (AACP), Class 20/2015
- Company Reporting Program (CRP), Class 13/2015
Thai Institute of Directors Association
- Capital Market Academy Executive Program (CMA), Class 24/2017
Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT) 11/2018
Commerce Academy, University of the Thai Chamber of Commerce
- Certification Program in Investor Relations, 2016
Thai Listed Companies Association
- Chief Financial Officer Certification Program (CFO), Class 19
The Federation of Accounting
- Advance Certificate Course in Public Economics Management
for Executives
King Prajadhipok's Institute
- How to Transform Your Business to Become an Exponential
Company in a Digital Era
The Stock Exchange of Thailand
- Credit Spotlight On Thailand
S&P Global Ratings & TRIS Rating
- Global Business Dialogue 2019: Designing New Growth Model
towards Sustainability
Thailand Management Association

Shareholding in the Company (%)

Direct : - None -

Indirect : - None -

Family Relationship between Director and Executive Management

Grandchild of Mr. Plew Trivisvavet

Experience

Position in Listed Company

- | | |
|-------------|---|
| 2015 - 2018 | Assistant Managing Director Administration Group TTW Public Company Limited |
| 2014 - 2015 | Assistant Managing Director Finance Department Bangkok Expressway Public Company Limited |

Position in Company Limited

- | | |
|----------------|--|
| 2019 - Present | Director Center of Excellence on Hazardous Substance Management |
| 2016 - Present | Director, Managing Director Pathum Thani Water Company Limited |
| 2016 - Present | Director Thai Water Operation Company Limited |
| 2014 - 2017 | Managing Director Fahamorn Machinery Company Limited |
| 2014 - 2017 | Managing Director R.S.B Construction Company Limited |



Mr. Tanat Siricharoen

Age 61 years

Positions in the Company Assistant Managing
Director, Operations Group
Aging Engineering Division
Director

Education/Training

- Bachelor's degree: Bachelor of Industrial Electrical Technology
King's Mongkut's Institute of Technology North Bangkok
- Director Accreditation Program (DAP), Class 99/2012
- How to Develop a Risk Management Plan (HRP), Class 1/2012
- Director Certification Program (DCP), Class 170/2013
- Board Reporting Program (BRP), 2015
Thai Institute of Directors Association
- Monitoring and Controlling Business Performance, 2015
Thailand Management Association (TMA)
- Strategic Risk Management, 2017
Holistic Development Center Limited Company
- Integrated Water Management for Executives, Class 3
Thai Waterworks Association (TWWA)

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Experience

Operations Director
TTW Public Company Limited
Operations Manager
Thai Water Operations Company Limited
Operations Director
BJT Water Company Limited
Maintenance Manager
BJT Water Company Limited

Other Current Positions

Director / Managing Director
Thai Water Operations Company Limited
Director
Pathum Thani Water Company Limited



Mr. Somkiat Pattamamongkolchai

Age 48 years

Positions in the Company Assistant Managing Director
Administration Group
Acting Account and Finance Director

Education/ Training

- Master's degree: Master of Accounting
Thammasart University
- Bachelor's degree: Bachelor of Commerce and Accountancy
Chulalongkorn University
- Director Certification Program (DCP), Class 121/2009
- Director Accreditation Program (DAP), Class 79/2009
- Board Reporting Program (BRP), 2015
Thai Institute of Directors Association
- TLCA Executive Development Program, 2015
Thai Listed Companies Association
- Strategy Management Program, 2018
Fiscal policy research institute foundation
- TLCA CFO Professional Development Program, 2019
The Securities and Exchange Commission, Thailand

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Experience:

Director
Pathum Thani Water Company Limited
Director
Thai Water Operations Company Limited
Director
CK Power Public Company Limited
Director
Bangkhenchai Company Limited
Assistant Audit Manager
EY Office Limited
(Formerly Ernst & Young Limited)

Other current positions

Director
Pathum Thani Water Company Limited



Ms. Sudarat Chiamchan

Age 56 Years

Position in the Company Corporate Affairs Director and Company Secretary

Education/ Training

- Master of Management
Mahidol University
- Bachelor of Business Administration (Accounting)
Ramkhamhaeng University
- Company Reporting Program (CRP), Class 2/2011
- Company Secretary Program (CSP), Class 43/2011
- Effective Minutes Taking (EMT), Class 24/2012
- Director Certification Program (DCP), Class 186/2014
- Advance Audit Committee Program (AACP), Class 20/2015
- Business Reporting Program (BRP), 2015
- Corporate Governance for Executives (CGE), Class 6/2016)
- Board Nomination & Compensation Program (BNCP 1/2017)
- IOD Open House for Company Secretary, Role of the Company Secretary in Corporate Governance, 2020
- Director Forum in Board's Role in Strategy for Business Sustainability, 2020
- IOD Company Secretary Forum in Virtual Board Meeting & the Evolving Role of Company Secretary, 2020
Thai Institute of Directors Association
- Orientation Course - CFO FOCUS ON FINANCIAL REPORTING
The Federation of Accounting

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Experience:

Account and Finance Manager
Pathum Thani Water Company Limited
Account and Finance Manager
Index International Group Company Limited

Other current positions

- None -



Mr. Hongthong Artit

Age 53 years

Position in the Company Business Development Director

Education/ Training

- Master's degree: Master of Engineering (Infrastructure and Management)
Kasetsart University
- Bachelor's degree: Bachelor of Engineer (Mechanical Engineering)
King Mongkut's Institute of Technology North Bangkok
- TMA Thailand Management Day 2018
Thailand Management Association (TMA)
- Business Reporting Program (BRP), 2015
Thai Institute of Directors Association
- Myanmar insight 2018
Thai Business Association of Myanmar
- Myanmar Investment Commission, 2017
The Federation of Thai Industrial
- TLCA Exclusive Development Program, EDP 2016
Thai Listed Companies Association
- Energy Symposium, 2016
The Federation of Thai Industries

Shareholding in the Company (%)

Direct : 0.00001 Indirect : - None -

Experience

Customer Service Director
TTW Public Company Limited
Operation Manager
PathumThani Water Company Limited
Engineering and Construction Section Chief
TTW Public Company Limited
Pipeline Site Manager
JWTWCK Joint Venture

Other current positions

- None -



Mr. Pipat Katikul
Age 53 years

Position in the Company Operations Director

Education/ Training

- Master's degree: Business Administration
National Institute of Development Administration (NIDA)
- Master's degree: Computer and Engineering Management
Assumption University
- Bachelor's degree: Bachelor of Science (Microbiology)
King Mongkut's University of Technology Thonburi
- Executive Development Program : Building Regional Leaders,
EDP 2018
Thai Listed Companies Association
- Monitoring and Controlling Business Performance, 2015
Thailand Management Association (TMA)
- Strategic Risk Management, 2017
Holistic Development Center Limited Company
- Business Reporting Program (BRP), 2015
Thai Institute of Directors Association
- Business Capability Enhancement Program (BCEP), 2014
Thailand Management Association (TMA)

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Experience

Acting Engineering and Construction Director
TTW Public Company Limited
Quality and Efficiency Manager
Thai Water Operations Company Limited
Pathum Thani Water Treatment Plant Manager
Thai Water Operations Company Limited
Business Development Manager
Thai Tap Water Supply Public Company Limited
Operations Manager
BJT Water Company Limited

Other Current Positions

- None -



Mr. Chatchawan Tienprasertkij
Age 55 years

Position in the Company Acting Customer Relationship
Management Director

Education/ Training

- Master's degree Master of Business Administration
(Management)
Sripatum University
- Bachelor's degree Faculty of Commerce and Accountancy,
Department of Statistics, Computer Program
Chulalongkorn University
- Business Reporting Program (BRP), 2015
Thai Institute of Directors Association
- Governance, Risk and Compliance, 2014
TRIS Academy of Management
- Internal Audit Certification Program, 2013
The Federation of Accounting Professions
- Water loss management, 2017
Dhurakij Pundit University
- Strategic Risk Management
Holistic Development Center Company Limited
- Leadership for QMS and EMS, 2018
SGS (Thailand) Company Limited
- Water Leadership Program, 2019
Water Institute for Sustainability, The Federation of
Thai Industries

Shareholding in the Company (%)

Direct : - None - Indirect : - None -

Experience

Manager - Internal Audit Division
Information Technology Director
Marketing Director
TTW Public Company Limited
Senior Manager - Business Development Division
Bangkok Metro Public Company Limited
Operation Support Manager - Operation Division
Bangkok Metro Public Company Limited
Manager - Software Applications for Business Administration
Business Application Co., Ltd.
Manager - Computer Division
Siam Kayaba Company Limited

Other Current Positions

- None -



Mrs. Busawan Pholprasert

Age 48 years

Position in the Company Acting Human Resources and Administrative Director
Human Resources Development Manager

Education/ Training

- Master's degree: Master of Art - Public Administration
Kasetsart University
- Bachelor's degree: Bachelor of Political Science
Thammasart University
- Up To Date New Labor Law, 2019
HR Dee Solution
- Leadership for QMS and EMS, SGS, 2018
SGS (Thailand) Company Limited
- The Effect of the minimum Wage and Compensation Management, 2018
Personnel Management Association of Thailand
- Engaging Thailand's Workforce, 2018
ARIP Public Company Limited

- Strategic Risk Management, 2017
Holistic Development Center Company Limited
- Preparation of Thailand's Industry for Transition towards Industry 4.0, 2017
The Federation of Thai Industrial / Thai-German Institute
- Building Employee Engagement during Change, 2017
Dale Carnegie
- New Business Challenges of the Digital Workforce, 2017
E-Business Plus Company Limited

Shareholding in the Company (%)

Direct : - None -

Indirect : - None -

Experience

Human Resources Manager

Progress Software Co., Ltd.

Human Resources Manager

T.N. Information System Co., Ltd.

Other current positions

- None -





Business Operations



Business Policy and Overview

TTW Public Company Limited (TTW) operates the business of generation and distribution of water to the Provincial Waterworks Authority (PWA) in the vicinity of West Bangkok, covering the areas of two provinces, namely, Nakhon Pathom Province in three districts, i.e., Amphoe Nakhon Chai Si, Amphoe Sam Phran, Amphoe Phutthamonthon, and Samut Sakhon Province in two districts, i.e., Amphoe Krathum Baen and Amphoe Mueng Samut Sakhon. TTW has executed the Water Purchase Agreement with the Provincial Waterworks Authority (PWA) for a period of 30 years on Build-Own-Operate (BOO) basis and TTW was granted concession for the tap water business operation by the Ministry of Natural Resources and Environment.

Moreover, TTW also invested in subsidiaries companies related to tap water business, including acquisition of rights in Industrial Estate in order to conduct business related to tap water production and wastewater treatment together with holds shares in common stocks of Holding Companies that operating the business of production and distribution of electricity from various kinds of energy.

1. Vision Mission and Corporate Value

TTW is the largest private tap water producer and distributor in Thailand, determined to seek opportunities and possibilities to expand the water supply business in neighboring countries, as well as expand operation in energy and environment business, the Company has the Vision mission and corporate value as follows;

| | |
|------------------------|---|
| <u>Vision</u> | "To be Thailand's leading company in Water, Energy and Eco-Friendly Businesses". |
| <u>Mission</u> | To grow on a firm, continuous and sustainable basis in order to accomplish our vision through the balance of interests among customers, employees, business partners, shareholders, communities and environments. |
| <u>Corporate Value</u> | Running business to fulfill our vision and mission on the basis of sharing highest satisfaction and benefits among stakeholders by means of: <ul style="list-style-type: none">- Continuous Improvement- Proactive & Initiative- Teamwork |

Goals and Business Strategies

TTW places great importance on the tap water business both domestically and internationally, collaborating with the Provincial Waterworks Authority (PWA) to develop a variety of tap water supply projects. At present, within the country, tap water service providers are still operated and serviced by the public sector, which includes the Provincial Waterworks Authority (PWA), the Metropolitan Waterworks Authority (MWA), the Subdistrict Administrative Organization (SAO), and the Local Administrative Organizations (LAOs). The production capacity of PWA remains the largest in the country and it continues to produce its own tap water, with only certain specific areas open to private investment, while the SAO and LAOs operate tap water production and management at the local level with a low production capacity. If, however, the public sector allows private investors to invest in new projects such as the Eastern Economic Corridor (EEC) with attractive conditions, the Company is ready to participate in the auction. The tap water business is considered to be capital intensive in the beginning of any new ventures and, as a result, the Company must consider the water distribution volume necessary to provide reasonable returns. If the initial sales volume and those of following years do not meet expectations, this can result in a risk which may not make it worth the investment. As such, the tap water supply business must rely on the Minimum Order Quantity (MOQ) agreed upon with the public sector in order to reduce said risks.

In regard to the wastewater treatment business, the Company has great interest in the construction of a wastewater treatment plant and/or a contract to operate public sector wastewater treatment systems already in operation. However, wastewater treatment service rates are presently still under consideration from the government as to how much water users should be billed, as is the factor of from where funding should be allocated for the hiring of private sector entities in said operations.

In regard to foreign investment, the Company continues to examine business opportunities in ASEAN and other regions of interest. However, due to the individual risks of each country, the Company must exercise caution when investing in order to reduce any possible future risks that may occur, such as from exchange rates, security factors, revenue collection from customers, natural disasters, raw water sources, etc., to ensure profitability and that such investments are worthwhile.

2. Significant Changes and Development

TTW Public Company Limited was incorporated as a limited company on 11 September 2000 under the name “Thai Tap Water Company Limited” to operate the project for producing and distributing water supply in the vicinity of West Bangkok, details of the Company’s significant changes and development can be summarized as follows:

| | | | |
|-------------------|--|-------------------|--|
| 21 September 2000 | The Company has signed a water purchase agreement with the Provincial Waterworks Authority (PWA) on a Build-Own-Operate (BOO) for a period of 30 years. | | |
| 5 January 2004 | Produce tap water for distribution to the Provincial Waterworks Authority before the start of operation. | 8 January 2010 | Waterflow Company Limited merged with BJT Water Company Limited to establish Thai Water Operations Company Limited, stake by TTW 68 percent and PTW 32 percent. |
| 21 July 2004 | Start selling tap water according to the terms of the water purchase agreement with the Provincial Waterworks Authority. | 13 September 2011 | TTW purchased ordinary shares of CK Power Company Limited (CKP). |
| 11 March 2005 | TTW was granted a concession to engage in tap water production business from the Ministry of Natural Resources and Environment for 25 years to produce and distribute tap water for the areas of Nakhon Pathom Province in three districts, i.e., Amphoe Nakhon Chai Si, Amphoe Sam Phran, Amphoe Phutthamonthon, and Samut Sakhon Province in two districts, i.e., Amphoe Krathum Baen and Amphoe Mueng Samut Sakhon. | 10 May 2012 | TTW paid CKP’s capital increase (from 100 million shares to 9,200 million shares) in proportion to the shareholder’s equity of 2,730 million baht, totaling 276 million shares or equivalent to 30 percent. |
| 6 July 2006 | The Company has registered as a public company by the name of Thai Tap Water Company Limited. | 14 March 2014 | The 2014 Annual General Meeting of Shareholders approved the Company Changed its name to TTW Public Company Limited. |
| 29 June 2007 | The Company entering into agreement to purchase ordinary shares of Pathum Thani Water Company Limited (PTW) amount of 10,698,283 shares or 89.15 percent of total paid-up shares. | 22 May 2015 | TTW purchased 467.50 million shares in CKP according to the rights and the premium of 23,144,123 shares at a par value of 3 Baht per share, totaling 1,471.90 million baht, resulting the company having a 25.31 percent stake in CKP. |
| 18 December 2007 | The Company entering into agreement to purchase an additional shares of Pathum Thani Water Company Limited amount of 1,061,452 shares or 8.85 percent of total paid-up shares (as of 31 December 2007, the company has a total shareholding in PTW of 98 percent, 2 percent is owned by the Provincial Waterworks Authority). | 19 June 2017 | TTW accepted the construction works from Ch.Karnchang PLC, including; Krathumbaen Water Treatment Plant, Rai Khing Raw Water Pumping Station, Pipe laying of raw water, and the renovation work of a booster station to a water distribution station, including the construction work under the conditions of the government agency license. |
| | | 22 February 2019 | The Company redeemed the debenture of Thai Tap Water Company Limited No.1/2012 (TTW192A) valued at 1,500 million baht. |

22 May 2008

The Company was converted into a listed company on the Stock Exchange of Thailand (SET) with the registered capital of 3,990,000,000 Baht, comprising 3,990,000,000 ordinary shares at the par value of 1 Baht per share, TTW has been classified into Energy and Utilities Business in Resource Sectors.

7 August 2009

TTW has signed an agreement to acquire the right to produce tap water and wastewater treatment in Bang Pa-in Industrial Estate from Bang Pa-in Land Development Company Limited (BLDC) for a period of 30 years (ended on 6 August 2039).

Waterflow Company Limited merged with BJT Water Company Limited to establish Thai Water Operations Company Limited, stake by TTW 68 percent and PTW 32 percent.

TTW purchased ordinary shares of CK Power Company Limited (CKP).

TTW paid CKP’s capital increase (from 100 million shares to 9,200 million shares) in proportion to the shareholder’s equity of 2,730 million baht, totaling 276 million shares or equivalent to 30 percent.

The 2014 Annual General Meeting of Shareholders approved the Company Changed its name to TTW Public Company Limited.

TTW purchased 467.50 million shares in CKP according to the rights and the premium of 23,144,123 shares at a par value of 3 Baht per share, totaling 1,471.90 million baht, resulting the company having a 25.31 percent stake in CKP.

TTW accepted the construction works from Ch.Karnchang PLC, including; Krathumbaen Water Treatment Plant, Rai Khing Raw Water Pumping Station, Pipe laying of raw water, and the renovation work of a booster station to a water distribution station, including the construction work under the conditions of the government agency license.

The Company redeemed the debenture of Thai Tap Water Company Limited No.1/2012 (TTW192A) valued at 1,500 million baht.

| | | | |
|-------------------|---|----------------|---|
| 28 June 2019 | Ch.Karnchang PLC has exercised the warrants to purchase ordinary shares (CKP-W1) and shareholding in CKP increase to 32.56 percent, resulting in TTW's shareholding in CKP decreased to 23.43 percent (Dilute Effect). | 9 May 2020 | to support PWA's operations during the COVID-19 epidemic situation. TTW refinanced long-term loan of 2,760 million baht from Thanachart Bank to Krung Thai Bank, repayment period not exceeding 6 years 7 months, 25 installments. |
| 19 September 2019 | The Board of Directors has approved TTW to gradually exercise the rights of warrants purchased ordinary shares (CKP-W1) at the sum of 490,644,424 units, in which, 1 unit of warrant could be converted to 1.0007 new ordinary shares of CKP, TTW could exercise the warrants purchased CKP's shares up to 490,987,875 shares at 6.00 baht per share. The total amount would be 2,945,927,250 Baht. | 28 May 2020 | TTW received the Certificate of SDG Impact Company and received an assessment of the impact on the GOLD CLASS sustainable development goals from Thaipat Institute. |
| 24 September 2019 | TTW issued a bill of exchange (B/E) 1,000 million baht of unsecured senior debentures, with no trustees, as an investment to converting warrants into ordinary shares of CKP by private placement offering with a 1.73 percent discounted rate of return, maturity date on 24 December 2019. | 15 June 2020 | The Stock Exchange of Thailand announced TTW as stock listed in the SET50 Index, SETHD Index and SETTHSI Index for the period of 1 July - 31 December 2020. |
| 4 October 2019 | CKP received the additional shares from the exercise of warrants to purchase ordinary shares (CKP-W1) amount of 165,115,000 shares that trade on 4 October 2019, resulting TTW's stake in CKP 24.98 percent. | 30 July 2020 | The Board of Directors has approved the change of sub-committee structure from 5 to 4 to make the work of each sub-committee much more compact by combining the Corporate Governance Committee and the Risk Management Committee to the Risk Management and Corporate Governance Committee. |
| 20 December 2019 | TTW issued and offered for sale debentures with a maturity of 7 years 2 months, in the total amount of 1,000 million baht, at the fixed interest rate of 2.41 percent per annum, proceeds of which would be used for repayment of the matured existing debentures. | 31 July 2020 | The Thaipat Institute has announced TTW was ranked as 1 in 100 companies listed on the Stock Exchange of Thailand as being outstanding in Environmental Social and Governance or ESG100 in the 2020. |
| | | 17 August 2020 | The Executive Committee resolved to approve the scope of powers and duties of PTW's Board of Directors would be able to approve the company to enter into any legal bindings for any transaction value not exceeding 15 million baht. The amendment and/or change in any terms and conditions of the existing Agreement or entering into the new Agreement between PTW and PWA would be proposed to TTW's Executive Committee's meeting and/or TTW's Board of Directors' meeting for approval before entering into such legal bindings. |

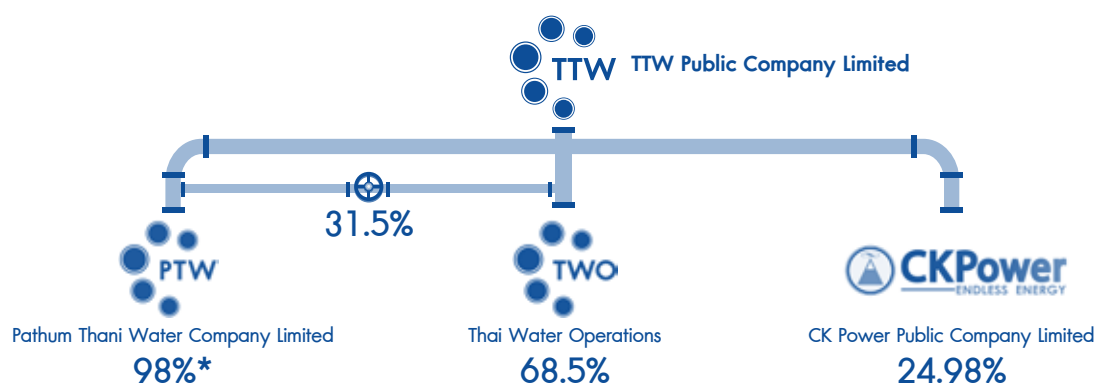
Significant Changes and Developments of the Company in 2020

| | | | |
|---------------|---|----------------|---|
| 30 April 2020 | TTW accepts PWA in cooperating the extension of credit term for 2 months from the date of invoices without interest charge and waive of compensation for sale volume below the minimum offtake quantity (MOQ) as stipulate in the Agreement during April - June 2020, | 5 October 2020 | TTW was ranked as 1 of the 40 stocks in the SET Low Volatility Index. |
|---------------|---|----------------|---|

| | | | |
|------------------|---|------------------|--|
| 11 November 2020 | TTW was selected as 1 of 124 listed companies for the Thailand Sustainability Investment (THSI) listing for the year 2020. | 30 November 2020 | TRIS Rating Co., Ltd. Reaffirmed the Company's rating at "AA-", with a "Stable" outlook. |
| 19 November 2020 | The Thai Institute of Directors (IOD) announced the results of their Corporate Governance Report of Thai Listed Companies for 2020 (CGR), with TTW receiving a rating of "Excellent". | 16 December 2020 | The Stock Exchange of Thailand announced TTW as stock listed in the SET50 Index, SET100 Index, SETHD Index and SETTHSI Index for the period of 1 January - 30 June 2021. |

3. Shareholding Structure of Company Group

Chart of Shareholding Structure and the Company's Shareholding Percentage as of December 31, 2020



Remark : *2% is owned by the Provincial Waterworks Authority (PWA)

The Company has a policy on investment in subsidiaries companies and associated companies related to tap water business together with holds shares in common stocks of Holding Companies that operating the business of production and distribution of electricity from various kinds of energy. The Company's investment as of December 31, 2020, was as follows:

Investment in Subsidiaries and Other Companies

Unit : million Baht

| Names of Companies | Nature of Business | Registered Capital | Paid-up Capital | Shareholding Percentage (%) | Investment Value at Cost |
|---|---|--------------------|-----------------|-----------------------------|--------------------------|
| Subsidiaries | | | | | |
| Pathum Thani Water Company Limited (PTW) | Tap water production and distribution for the Provincial Waterworks Authority in Pathum Thani - Rangsit areas. | 1,200 | 1,200 | 98.0 | 1,313.3 |
| Thai Water Operations Company Limited (TWO) | Management and maintenance of tap water production system and wastewater treatment system for TTW, PTW, the Bang Pa-in Industrial Estate, the Amata City Chonburi Industrial Estate, and the Amata City Rayong Industrial Estate. | 60 | 60 | 68.5 | 380.3 |

| Names of Companies | Nature of Business | Registered Capital | Paid-up Capital | Shareholding Percentage (%) | Investment Value at Cost |
|--|--|--------------------|-----------------|-----------------------------|--------------------------|
| Other Companies CK Power Public Company Limited (CKP) | Investment by holding shares in other companies (Holding Company) operating business of electricity production and distribution. | 9,240 | 8,129 | 24.98 | 5,218.7 |

Details of Companies Invested by the Company



1. Pathum Thani Water Company Limited (PTW)

PTW is TTW's subsidiary, with the registered capital amounting to 1,200 million baht, divided into 12 million ordinary shares, at the par value of 100 baht per share, with the paid-up capital amounting to 1,200 million baht. As at December 31, 2020, the Company's shareholding proportion in PTW represented 98 percent of the registered capital (another 2 percent of its shares were held by the Provincial Waterworks Authority). PTW operates the business of production and distribution of water to the PWA in the vicinity of Pathum Thani - Rangsit on a Build-Own-Operate-Transfer (BOOT) basis for a period of 25 years. PTW commenced its business operation in 1998 onwards. Currently, PTW's production capacity accounted for 488,000 cubic meters per day, with the minimum off-take quantity to which the PWA has committed amounting to 358,000 cubic meters per day.



2. Thai Water Operations Company Limited (TWO)

TWO is TTW's subsidiary, with the registered capital amounting to 60 million baht, divided into 600,000 ordinary shares, at the par value of 100 baht per share, with the paid-up capital amounting to 60 million baht. As at December 31, 2020, the Company's shareholding proportion in TWO represented 68.50 percent of the registered capital (another 31.50 percent of its shares were held by PTW). TWO operates the business of management and maintenance of tap water production system and wastewater treatment system for TTW, PTW, the Bang Pa-in Industrial Estate, the Amata City Chonburi Industrial Estate, and the Amata City Rayong Industrial Estate.



3. CK Power Public Company Limited (CKP)

CKP is a listed company on the Stock Exchange, operates the main business as holding company by holding shares in other companies operating the business of production and distribution of electricity. CKP has the registered capital in the total amount of 9,240 million baht, divide into 9,240 million ordinary shares, at the par value of 1 baht per share, with the paid-up capital amounting to 8,129 million baht. As at December 31, 2020, TTW's shareholding percentage in CKP represented 24.98 percent of the registered capital. CKP invests in companies operating the business of production and distribution of electricity in 3 types of power plants, which are, Hydroelectric Power Plant, Cogeneration Power Plant, and Solar Power Plant, divided into investment in a total of 6 subsidiaries and associated companies, as follows :

Investment in power plants of 3 subsidiaries, comprising:

- Nam Ngum 2 Power Company Limited, as the Company's core company, via South East Asia Energy Company Limited.
- Bangpa-in Cogeneration Company Limited
- Bangkhenchai Company Limited

Investment in power plants of 3 associated companies, comprising :

- Xayaburi Power Company Limited
- Chiangrai Solar Company Limited
- Nakhon Ratchasima Solar Company Limited

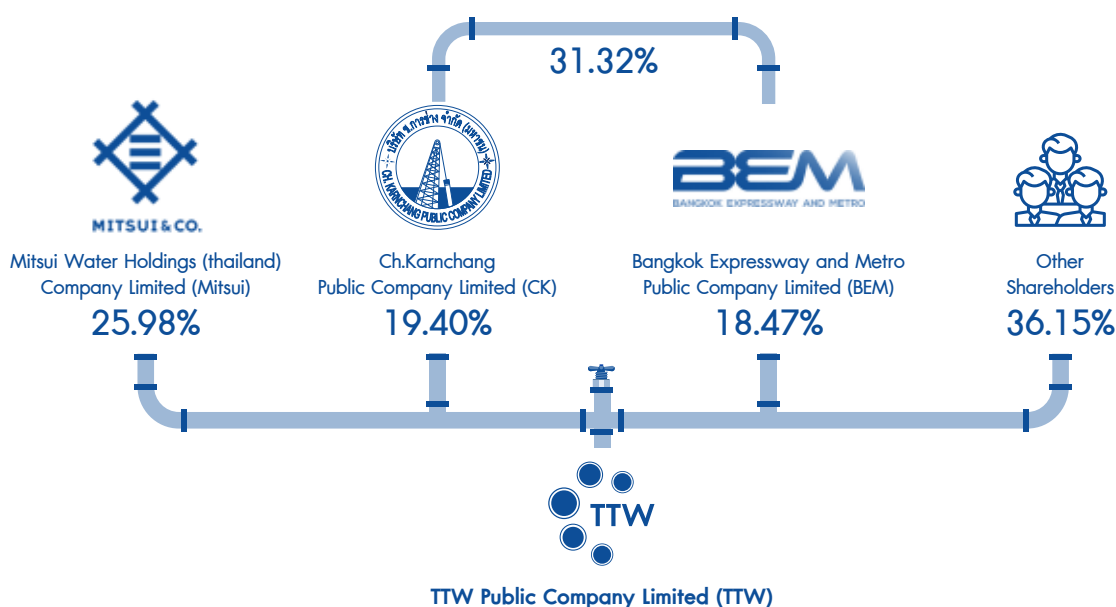


4. Bang Pa-in Industrial Estate

TTW has acquired the rights to produce tap water and wastewater treatment in Bang Pa-in Industrial Estate from Bang Pa-in Land Development Company Limited for a period of 30 years since August, 2009, with a production capacity of 48,000 cubic meters per day and a wastewater treatment capacity of 18,000 cubic meters per day. The Company has moved the raw water pumping station from Khlong Wua to the Chao Phraya River at Bang Krasan Subdistrict, Bang Pa-in District, Phra Nakhon Si Ayutthaya Province, which has better raw water quality, thus increasing their confidence in quality and continuity in tap water production. The implementation of the BIE program increases the income of the organization and also adds the skills, knowledge and experience of TTW personnel to become a direct service provider to customers.

4. Relationship with Major Shareholder

The Company's shareholding structure and percentages as at December 30, 2020, which was the Company's most recent closing date of the share register, were as follows:



The Company's three major shareholders comprises Mitsui (25.98 percent), CK (19.40 percent), and BEM (18.47 percent), which CK and BEM including the company, are deemed to be in Ch.Karnchang Group.



1. TTW Public Company Limited (TTW)

TTW is the operator of tap water production and distribution in response to the government's policy to provide the public with adequate, continuing and good quality supply of tap water to the public that wants people to use tap water that is sufficient and continuous with the following nature of businesses.

(1) Business Contract and Concession

a) Water Purchase and Sale Agreement with the Provincial Waterworks Authority (PWA)

On 21 September 2000, TTW and PWA signed a contract in which PWA agreed to purchase tap water, produced by TTW in order to resell the water to consumers in Samphran, Nakhon Chaisri and Buddha Monthon Districts of Nakhon Pathom Province, as well as Krathumbaen and Muang Districts of Samut Sakhon Province for a period of 30 years, starting from the date that TTW sold water to PWA according to the contract, i.e., 21 July 2004. The contract which will last until 20 July 2034 is called the Build-Own-Operate (BOO) under which TTW is the builder of water production and distribution facilities and the owner of such production and distribution facilities without having to transfer the facilities to the PWA. According to the contract, TTW must arrange to ensure the production capacity of 320,000 cubic meters per day and the Minimum Order Quantity (MOQ) that the PWA must purchase from TTW throughout the contract period is as follows.

| Starting Date | Ending Date | MOQ (Cubic Meter / Day) |
|---------------|--------------|-------------------------|
| 21 July 2004 | 20 July 2006 | 200,000 |
| 21 July 2006 | 20 July 2008 | 250,000 |
| 21 July 2008 | 20 July 2034 | 300,000 |

Apart from the MOQ amount of tap water that the PWA is required to purchase from TTW as detailed above, the tap water supply contract also requires TTW to maintain and ensure that TTW tap water production capability must be adequate to supply minimum amount of tap water required to purchase at the time plus the 7% minimum amount of tap water that is required to be purchased at that time or plus 20,000 cubic meter/day of tap water, whichever amount is lower.

b) An Amendment to the Water Purchase and Sales Agreement with PWA.

TTW signed an amendment to the Water Purchase and Sales Agreement with PWA on 29 December 2008 in which the MOQ amount has been increased from 300,000 cubic meters per day to 354,000 cubic meters per day. (increased 9,000 cubic meters per year). In 2020 from 1 January to 31 December, the rate for 1-300,000 cubic meters shall be 29.136657 Baht per cubic meter, and the exceeding 300,001 cubic meter shall be 12.28 Baht per cubic meter.

c) Tap Water Business Concession

TTW was granted a concession to engage in tap water production business from the Ministry of Natural Resources and Environment for 25 years, starting from 11 March 2005 to 10 March 2020. Under the concession, TTW shall produce and distribute tap water for the areas in 5 districts of 2 provinces as shown in the following table.

| Province | District |
|---------------|---|
| Nakhon Pathom | Sam Phran, Nakhon Chaisri, and Buddha Monthon |
| Samut Sakhon | Krathumbaen and Muang Samut Sakhon |

According to the provision in TTW Concession, TTW can produce and distribute tap water to anyone in the areas without limitation, e.g., PWA, Industrial Estate Authority and municipalities, etc., and TTW shall charge the tap water users at the rate, specified in the contract between TTW and PWA.

(2) Production and Distribution System

a) Production System

TTW produces tap water by pumping raw water from the middle course of the Tha Chin River into tap water production process at TTW water treatment plant on the east side of the river at Bang Rakam Sub-District, Banglen District, Nakhon Pathom Province. The plant has installed and maximum production capacity of 320,000 cubic meters per day, as of 31 December 2009 and since August 2010, the production capacity has been increased to 440,000 cubic meter/day. The company built the 2nd water treatment plant at Krathumbaen, located on Settakit Road 1, Khlong Maduea Sub-District, Krathumbaen District, Samut Sakhon Province which was intended to be used as a secondary plant with a production capacity of 100,000 cubic meter/day. The two plants have a combined production capacity of 540,000 cubic meters per day.

The production process at the water treatment plants, the distribution of tap water to both water treatment plants and the tap water distribution process to the PWA is controlled by the Supervisory Control and Data Acquisition (SCADA) System which is able to control water production and distribution to distribution stations efficiently. Such system is installed in a control building which is located separately from the tap water production plant.

The quality of tap water, produced and distributed by TTW meets standard criteria, prescribed in the Water Purchase and Sales Agreement with PWA and the Thai Industrial Standard of the Thai Industrial Standard Institute, the Ministry of Industry. To ensure that the quality of the tap water meets these standards, TTW conducts the test on water quality at all steps of production, starting from the adding of chemical solvent until the sludge dewatering and the distribution of tap water from the water production plant. With efficient and skillful production, tap water, produced by TTW always meets the standard, prescribed by the PWA ever since the starting of operation on 5 January 2004 until present and in pursuance to the Thai Industrial Standard 257, Vol. 1-2521.

b) Tap Water Transmission System to Water Distribution Stations

Tap water, produced by TTW will be distributed to the following 2 distribution stations

(1) **Buddha Monthon Distribution Station** is located on Buddha Monthon 5 Road, Rai Khing Sub-district, Samphran District, Nakhon Pathom Province. It has 2 storage tanks with the capacity of 50,000 cubic meters to pump water to the Samphran & Omnoi Distribution station, Krathumbaen Booster Station and Mahachai Distribution Station.

(2) **Mahachai Distribution Station** is located at Mueang Samut Sakhon District of Samut Sakhon Province and has 2 storage tanks with the capacity of 30,000 cubic meter to distribute tap water to Samut Sakhon Water Distribution station.

Both distribution stations has the water distribution control plant that pumps water through a series of water gauge to record the quantity of water, distributed to PWA. The two stations also have pressure control tank to prevent the occurrence of vacuum in water distribution pipe and deformity caused by resonance frequency.

c) Raw Water & Tap Water Distribution System

(1) **Bulk Trunk Main (BTM)** is the pipeline system from the water treatment plant to the 2 distribution stations of TTW, for a total distance of approximately 51 kilometers consisting of:

- Tap water distribution system from tap water treatment plant to Khlong Yong booster station.
- Tap water distribution system at Khlong Yong booster station to Buddha Monthon Distribution Station
- Tap water distribution system from Buddha Monthon Distribution station to Krathumbaen Booster Station
- Tap water distribution system at Krathumbaen booster station to Mahachai Distribution Station

(2) **Local Distribution Network (LDN)** is a tap water distribution piping network from both of TTW water distribution stations to PWA and the water users. The total length of the network is 113 kilometers. Each point of LDN is linked by the valve pond that consists pressure control equipment that links the LDN and PWA's service piping network. All of the valve ponds and pressure control equipment in 43 points are TTW's assets.

TTW has paid for the lease of land where the bulk transmission main (BTM) and local distribution network (LDN) are laid to the Department of Highways every year according to the lease agreement. The lease fee is subject to an increase of 15% in every 5 years according to the condition, prescribed by the Department of Highways. In 2020, the total lease fee that TTW had to pay was 34.62 million Baht of which 27.94 million Baht was for the lease of water treatment plant in Banglen and 6.68 million Baht for the second water treatment plant in Krathumbaen.

(3) **Raw Water Distribution System** is a raw water distribution system that flows from the Tha Chin distributary to the Rai Khing Raw Water Pumping Station, located at Rai Khing Subdistrict, Samphran District, Nakhon Pathom Province. The distribution system delivers raw water via a 1,500-millimeter water pipe with a total distance of 16 kilometers to the Krathumbaen water supply plant to bring raw water into the tap water production process.

d) Quality of Tap Water

The quality of tap water, produced and distributed by TTW meets standard criteria, prescribed in the Water Purchase and Sales Agreement with PWA and the Thai Industrial Standard of the Thai Industrial Standard Institute, the Ministry of Industry.

To ensure that the quality of the tap water meets these standards, TTW conducts the test on water quality at all steps of production, starting from the adding of chemical solvent until the sludge dewatering and the distribution of tap water from the water production plant. Moreover, samples of water were also sent to be examined by the Health Department of the Ministry of Public Health at least once a month from the start of operation on 5 January 2004 until present.

2. Pathum Thani Water Company Limited (PTW)

PTW is a manufacturer and distributor of tap water for the Provincial Waterworks Authority, and is the first private investment project to produce tap water for the replacement of groundwater use per government policy. PTW has the following key business characteristics:

(1) Business Contract and Concession

a) A Contract to Produce and Supply Tap Water to the Provincial Waterworks Authority (PWA)

PTW has signed the Build-Own-Operate-Transfer (BOOT) contract with the Provincial Waterworks Authority (PWA) on 31 August 1995 in which PWA granted PTW the right to produce and distribute tap water in Pathum Thani-Rangsit areas of Pathum Thani Province for a period

of 25 years, starting from the operation date, i.e., 15 October 1998 to 14 October 2023. Under this contract, PTW shall build tap water production and distribution system and shall transfer the ownership of distribution system to the PWA on the date that the operation started. And the ownership of tap water production system shall be transferred to PWA at 24.00 hr. of 14 October 2023 which is the end of the 25 year contractual period. However, PTW may request to lease the tap water production system from PWA in order to produce and distribute the tap water after the 25 years contract is ended by notifying the intent to PWA within the 24th year after the operation has started or at least 6 months before the transfer of tap water production system or between 15 October 2022 to 14 April 2023. PTW is entitled to lease the tap water production system from PWA 2 times at 10 year period.

Under this contract, PTW was granted the right to distribute tap water supply at the amount of not more than 288,000 cubic meter/day and PWA will stop supply from other tap water sources to the consumers in Pathum Thani and Rangsit areas after the start of operation, i.e., 15 October 1998, except at a time when PWA projects that the demand for tap water in Pathum Thani and Rangsit areas would exceed 288,000 cubic meter/day. In such case, the PWA would be entitled to commence a project to supply that exceeding amount of tap water, either by itself or by other third party private supplier even though this contract has not yet terminated. However, the PWA shall be able to buy tap water from other sources or distribute tap water to the consumers at the exceeding amount only when the MOQ has reached 288,000 cubic meter/day. Therefore, at 15 days before the end of each year, PWA must set and notify the amount of MOQ that must not be lower than the MOQ of the previous year. In 2009, 2010, and 2016, the MOQ was 320,000 cubic meter/day, 330,000 cubic meter/day and 358,000 cubic meter/day, respectively (The total MOQ meets the requirement of the contract).

PTW pumps raw water from the Chao Phraya River to be used for the production of tap water in its production facility in Sam Khok District. The tap water supply would then be sent through the Bulk Transmission Main (BTM) to the 4 distribution stations, i. e., Rangsit Station, Thammasat Station, Pathum Thani Station and Muang Ake Village Station

(Distribution officially started on 7 September 2015). Then, tap water from Rangsit Station, Thammasat Station and Muang Ake Village Station would be distributed to PWA's Rangsit Office and Klong Luang Office. The water from Pathum Thani Station would be distributed to PWA's Pathum Thani Office through the LDN main that belongs to PWA. The amount of water to be purchased in each month shall be measured by meter at the 4 distribution stations and the water charge rate is adjusted on 1 January of every year.

b) Contract to Buy Additional of Tap Water

On 15 September 2006, PWA and PTW signed a contract that increased the purchase additional amount of tap water supply by 70,000 cubic meter/day to be distributed to areas under the operation of PWA's Rangsit Office, using some assets from the Production and Distribution of Tap Water Contract. The expansion project was in response to an increasing daily demand for tap water. PTW invested in improving the raw water system, construction of tap water production system, booster pump station, improving distribution system and stations in order to increase production capacity by 100,000 cubic meter/day. On 1 August 2008, PTW started the production and distribution of tap water to PWA and this contract will end on 14 October 2023, the same time as that of the Production and Distribution of Tap Water Contract. The nature of the contract was the Build-Own-Operate-Transfer (BOOT).

c) Tap Water Business Concession

PTW was granted a concession to operate tap water business by the Ministry of Interior (Currently, under the supervision of the Department of Natural Resources and Environment) for a period of 25 years, starting from 13 January 2000 to 12 January 2025. Under this concession, PTW was granted the right to produce and distribute tap water in the service area of Pathum Thani-Rangsit, Pathum Thani Province. The PTW shall charge the the PWA at the rate, specified in the Tap Water Production and Distribution Contract.

(2) Production and Distribution System

a) PTW Production System

PTW water treatment plant is located in an area of 46 Rai at Ban Pathum Sub-District, Sam Khok District, Pathum Thani Province. Initially, the plant had the installed production capacity of the plant was 288,000 cubic meter/day. PTW increased the production capacity for the first time to 100,000 cubic meter/day in 2008 and in 2015, the initial production capacity has been increased to 57,000 cubic meter/day and the maximum production capacity to 100,000 cubic meter/day. As a result, the current production capacity is 488,000 cubic meter/day.

b) Tap Water Transmission System to Water Distribution Stations

The tap water is pumped and transmitted to 4 following water distribution stations.

(1) **Thammasat Water Distribution Station**, distribute tap water to PWA Khlong Luang Distribution System and some areas under PWA's Ayutthaya Office from where the tap water is further distributed to the users in the areas of Khlong Luang District and some areas in Ayutthaya province.

(2) **Rangsit Water Distribution Station**, distribute tap water to PWA Rangsit Distribution Station from where the tap water is further distributed to the users in the areas of Thanyaburi District and Lam Luk Ka District.

(3) **Pathum Thani Water Distribution station**, distribute tap water to PWA Pathum Thani Distribution System from where the tap water is further distributed to the users in the areas of Mueang District, Sam Khok District and Lard Lum Kaew District.

(4) **Muang Ake Water Distribution Station**, distribute tap water to some areas under PWA Rangsit Distribution System so that it could transmit more water to the areas of Khlong 4-5 of Khlong Luang area. Muang Ake Water Distribution Station distributes tap water to users in Lak Hok Sub-District, Ban Mai Sub-District, Bang Phoon Sub-District, Mueang District, Pathum Thani province.

All four of PWA's water distribution stations have installed a set of equipment to control the level of distribution pressure to be in proper balance with water quantity, required in the distribution areas. The water is distributed through a series of water gauge that record the amount of water, distributed to PWA, the same way it does to TTW. However, the areas under the responsibility of PTW covers the water gauge installed in the water distribution only.

c) Tap Water Transmission System

1) **Bulk Transmission Main (BTM)** This 33.78 Kilometer-long water transmission system distribute tap water from water treatment plant to the company's following

- Water Transmission system from PTW Water Treatment plant to Rangsit Distribution Station.
- Water Transmission system from PTW Water Treatment plant to Thammasat Distribution Station.
- Water Transmission system from PTW Water Treatment plant to Pathum Thani Distribution Station.
- Water Transmission system from PTW Water Treatment plant to Muang Ake Distribution Station which is located in Water Treatment Plant, distribute to Muang Ake.

2) **Local Distribution Network (LDN)** This is a tap water distribution system that transmits water to 4 of PWA's water distribution stations according to the Water Production and Distribution Contract between PTW and PWA. All of distribution systems built by PTW would be transferred under the ownership of PWA on the start of operation or on 15 October 1998. Therefore, the PTW water distribution systems that comprise some of the water distribution mains, including the valve pond are transferred to be the assets of PWA.

d) Quality of Tap Water

The tap water produced and distributed by PTW is in accordance with the standards stipulated in the Contract to Produce and Supply Tap Water and the Additional Tap Water Purchase and Sales Agreement, both of which are according to the Industrial Product Standards of the Thai Industrial Standard Institute (TISI), Ministry of Industry. Tap water produced by PTW has, throughout the past, always met said production and quality standards.

3. Bangpa-in Industrial Estate (BIE)

TTW has acquired the rights from the Bangpa-in Land Development Company Limited to produce tap water and treat wastewater in the Bangpa-in Industrial Estate (BIE) for a period of 30 years, starting in August, 2009, with a production capacity of 48,000 cubic meters per day and a treatment capacity of 18,000 cubic meters of wastewater per day. The Company entered into a system maintenance management agreement with Thai Water Operations Company Limited (TWO) on August 7, 2009, to manage the water supply and distribution system and the wastewater collection and treatment system in Bang Pa-in Industrial Estate.

(1) BIE Production System

Tap water production is carried out by pumping raw water from the Chao Phraya River into the production and water distribution process of various factories in the Bangpa-in Industrial Estate. The entire process is fully automated using the SCADA (Supervisory Control and Data Acquisition) system in order to control water supply and distribution efficiently. The system is located in a control building in a water treatment plant consisting of a 7,000 cubic meter water storage tank. A chemical storage building has been built separate from the water supply plant in which chemicals are stored before being added automatically to the water production system.

The quality of the tap water produced and distributed meets the standards set forth in the contract, which is in accordance with the water quality standard criteria of the Provincial Waterworks Authority as recommended by the World Health Organization (WHO) in 2011. To guarantee that the tap water meets the said criteria, the water quality is tested at every step of the production process, from the adding of chemical solvents to the distribution of tap water from the water production plant, thus ensuring that the production process is efficient and that all water meets the standard criteria.

(2) Wastewater Treatment System

The central wastewater treatment system of Bangpa-in Industrial Estate, which is an activated sludge treatment system, has a maximum wastewater treatment capacity of 18,000 cubic meters per day, with current levels of wastewater totaling about 14,000 cubic meters per day. The treated wastewater is stored in an 18,000 cubic meter wastewater tank (1 day retention period) before being discharged into the Bangpa-in Industrial Estate drainage system for reuse and recycling before the remaining water is drained into nearby water sources.

(3) Treated Water Quality (Effluent)

Management of the central wastewater treatment system of Bangpa-in Industrial Estate controls the quality of the treated water (effluent) to ensure it is in accordance with the Ministry of Natural Resources and Environment's Notification regarding Industrial Effluent Standards for Industrial Factories, Industrial Estates, and Industrial Zones, 2016.

4. Thai Water Operations Company Limited (TWO)

TWO has been contracted by TTW and PTW to provide management and maintenance of the water production and wastewater treatment systems for TTW within the Bangpa-in Industrial Estate and Amata Water Company Limited within the Amata City Industrial Estates of Chonburi and Rayong. Significant operating agreements are as follows:

1. Maintenance management and water production and wastewater treatment systems management agreement with TTW

TWO entered into a system maintenance management agreement with TTW on June 12, 2001. The 30-year contract period is equal to that of the tap water purchase agreement, starting from the date of commencement of business on July 21, 2004, until the expiration of the agreement, which shall be on July 20, 2034, in order to carry out management and maintenance of all operations. On August 7, 2009, TWO was

also hired by TTW to manage the water production and distribution system and the wastewater collection and treatment system in Bangpa-in Industrial Estate, Phra Nakhon Sri Ayutthaya Province.

2. Maintenance management agreement with PTW

TWO entered into a maintenance management agreement with Pathum Thani Water Company Limited, located at 43 Moo 3, Chiang Rak Noi - Bang Sai Road, Ban Pathum Subdistrict, Sam Khok District, Pathumthani Province, to be responsible for the maintenance of the water production system. The contract expires on October 14, 2023.

3. Management and maintenance of water production and wastewater treatment systems agreement with Amata Water Company Limited

TWO entered into a management and maintenance of water production and wastewater treatment systems agreement with Amata Water Company Limited within the Amata City Industrial Estate, Chonburi, and Amata City Industrial Estate, for a total of 6 contracts.

TTW will calculate the tap water value based on the amount sold to PWA each month, and will send invoices of such to the three waterworks offices responsible for water distribution services in the service area, along with the payment condition that PWA must pay said water bills within 15 days from the date the invoice is sent by TTW.

TTW averages tap water volumes every 6 months according to the terms of the contract. If the average value of the water volume purchased from TTW by PWA is low per the contract specifications, PWA will pay additional tap water fees to TTW, calculated based on the water tariff rate multiplied by the difference in the volume of tap water delivered by TTW compared to the Minimum Order Quantity (MOQ) contract.

PTW

PTW produces and distributes tap water for PWA who purchases tap water from all of PTW's 4 water distribution stations, i.e., Pathum Thani, Rangsit, Thammasat and Muang Ake Stations to sell the tap water to users in the service areas of Pathum Thani-Rangsit

PTW will calculate the actual value of tap water sold to PWA each month, and will send invoices of such to the three waterworks offices responsible for water distribution services in the service area, along with the payment condition stating that PWA must pay said water bills within 7 days from the date that the invoice is sent by PTW.

PTW will average tap water volumes every 12 months according to the terms of the contract (from October 15 to October 14 of each year). If the average value of the water volume purchased from PTW is low per the contract specifications, PWA will pay additional tap water fees to PTW, calculated based on the water tariff rate multiplied by the difference in the volume of tap water delivered by PTW compared to the Minimum Order Quantity (MOQ) contract.

Marketing and Competition

1. Nature of Customers and Channel of Distribution

TTW

TTW provides tap water production and distribution to one client only PWA. At present, PWA purchases tap water from TTW at both of its distribution stations, namely, the Phuttamonton Distribution Station and the Mahachai Distribution Station. PWA then distributes the tap water to water users via water distribution mains and service pipes. The amount of tap water sold by TTW to PWA is calculated from the main water meters at both of TTW's water distribution stations—the aforementioned Phuttamonthon and Mahachai Distribution Stations. The amount of tap water distributed by PWA to water users is measured by water meters at the water users' locations.

2. Demand for Tap Water in the Areas

Tap Water Demand in Nakhon Pathom and Samut Sakhon Provinces

As these are expanding areas on the outskirts of Bangkok with rapid growth in both population and residential areas, and as they are densely populated industrial areas with tens thousands of industrial factories, the Department

of Water Resources has placed particular importance on the supply of adequate water to meet the continuously increasing water demand in these areas. A survey and study in the service area by Team Consulting Co., Ltd. in May of 2017 projected that water consumption by users in these service areas until 2034 will be about 800,000 cubic meters per day.

Industrial water users are the main water users in the TTW service area. According to 2020 data, industrial water users account for 40% of the total water supply distributed by PWA, followed by commercial and household water users, which accounted for 15% and 45% respectively.

Tap Water Demand in Pathum Thani - Rangsit Areas

The results of a study on tap water demand in this area, conducted by Team Consulting Co., Ltd., indicated that the area with the highest increase in tap water demand was the Lam Luk Ka District, as this is located in the area where Pathum Thani and Sai Mai, Bangkok, connect, and is an area predicted to experience an increase in economic prosperity. Currently there is also the Green Line electric railway construction underway in order to connect Moh Chit, Saphan Mai, Khu Khot and Lum Luk Ka Districts. This railway line is completed and open for service in 2020, resulting in the development of real estate projects around the BTS route, further increasing the likelihood of greater population growth in the Lum Luk Ka District, thus also increasing the demand for tap water in this area in the future. In addition, the completion of the Bang Sue - Rangsit Red Line electric railway in the Khlong Luang District makes this another area with a high water demand growth rate expected.

Considering the above statistics together with the data for tap water consumption in the Pathum Thani - Rangsit service area of PTW, it was found that household or residential sectors account for the highest proportion of water usage at 62%, followed by the industrial sector at 22% and the commercial sector at 16%. Residential and household users, therefore, play an important role in the business operations of PTW.

3. Strategies and Competition

Tap water is a basic consumer product essential for life itself. In 2020, the country's largest tap water producer, the Metropolitan Waterworks Authority (MWA), produced a

total of 2,121 million cubic meters of tap water, while the Provincial Waterworks Authority (PWA) had a production volume of 1,991 million cubic meters. TTW and PTW are considered the largest private tap water production and distribution contract parties and, in 2020, the amount of tap water produced and distributed by TTW and PTW to PWA was 319 million cubic meters—16% of PWA's total production amount or 73% of the total amount of tap water produced by all private producers.

(a) Production Strategies

TTW employs foreign-imported tap water production technology which is efficient and modern. The “Leopold” filters are installed, making the filter tank to be durable than the sand filter tanks that are generally used. This filter system also help save water, required for washing the filter tanks. The use of Leopold filter in place of gravel filter and nozzle made the distribution of water and air circulation more thoroughly while filtering from the top layer and in backwash process. Also, the use of Leopold helped gotten rid of the sand and gravel mix issue during backwash and the need to change sand and gravel layers. The use of Leopold also help save more water and air during the backwash than the use of sand and gravel filters. All of TTW's water production and distribution activities are controlled by the Supervisory Control and Data Acquisition (SCADA) System which a modern and efficient computerized management system. TTW also assigned personnel to control production activities 24 hours and built employees' dormitory inside the compound of TTW water treatment plant to ensure that the production process is operated continually and efficiently and an incident occurred, the production control staffers could promptly address the problem. With the production capacity of 440,000 cubic meter/day and the BTM main network with the span of 51 kilometers and LDN system, made of steel high density polyethylene pipes, the distribution main system can withstand very high water pressure. Moreover, all distribution points, connecting with PWA network were designed and constructed as valve ponds which enabled easy and effective inspection of leaks and maintenance works.

TTW also built the second water treatment plant at Krathumbaen District of Samut Sakhon Province. This plant has production capacity of 100,000 cubic meter/day. The TTW's total production capacity of 540,000 cubic meter/day could meet the demand of tap water users in the areas of

Samut Sakhon and Nakhon Pathom provinces adequately without interruption. TTW also installed Ultra-Filtration system the Krathumbaen tap water production plant. The construction of Krathumbaen Plant was designed to prevent the risk that may occur from having only one water production plant in Banglen District. In case that Banglen plant is unable to produce the water, Krathumbaen plant could be used as the back-up plant to produce tap water for PWA.

(b) Service Area Expansion Strategies

TTW sees good business opportunity if it builds tap water distribution main network that covers main streets in its tap water distribution areas and major communities with high demand for tap water. For example, TTW has distribution main networks that cover areas along such major roads as Petch Kasem, Buddha Monthon Sai 4, 5, 7 and Boromratchchonnani in Nakhon Pathom Province and Setthakit, Rama 2 and Ekachai Roads in Samut Sakhon Province. When combining with PWA's water distribution network, TTW network covers a large economic area. Moreover, TTW also joined hands with PWA to survey many areas in order to plan for the improvement of tap water distribution efficiency in areas where tap water pressure is low and where the demand is high. In 2020, support was provided to PWA for the installation of water pressure booster pipes to increase the water supply capacity of the PAO, Samut Sakhon, from Soi Lueang Sala, Panthuwong Road, to certain areas in the Krathum Baen District. Support was also given to a project for the transfer of water users from the Don Ki Di SAO groundwater supply system to support household and industrial water demand, There is also a collaboration project with PWA to expand the water distribution area of PWA.

TTW plans to improve 2 additional pressure boosting stations, namely Khlong Yong booster station, and Krathumbaen booster station to be a water distribution station in the future, in order to increase the capacity to deliver - supply the water to potential service areas that have high demand.

(c) Communication and Public Relations Strategies

TTW recognizes the importance of its business processes and contract management, as well as of good cooperation in the carrying out of a variety of activities. TTW, therefore, is currently focused on the communication of necessary information between the Company and PWA and water users, as well as the publicizing of various activities to relevant sectors, such as water users, relevant government agencies, etc.

(d) Service Quality Creating Strategies

TTW strongly believes that tap water operator should not only the produce good quality tap water but also provide good service which includes the distribution of tap water in adequate quantity and with proper pressure as well as continuity of services. Followings are some of the good quality services provided by TTW in 2020.

- (1) The quality and cleanliness of the tap water met the Industrial Standard 257, Part 1-2521 100%.
- (2) Sufficient water pressure at the end of tap water distribution pipes at not less than 27 meters. Water 100%
- (3) The continuous flow of tap water distribution is not less than 99.94%

TTW also cooperated with PWA to organize meetings with large industrial and commercial tap water users regularly in order to get views and recommendations to improve the quality of goods and services, to build trust, to increase total sales of tap water in service areas and to foster good relationship with tap water users. Moreover, TTW also organized other activities to express gratitude to tap water users.

(e) Quality Control and Examination

TTW regards the importance of the good quality of tap water and services that we provide to PWA and tap water consumers. Apart from close control on the quality of water at all steps of production, TTW also provided cooperation to PWA in the examination of water samples, collected from water users in each service areas in TLAA laboratories to ensure that the quality of tap water, distributed to downstream users is consistent with that of the water produced by TTW. At the same time, TTW also provided advices to the water users who requested us to examine the quality of downstream water free of charge. This is because we believe that "Good Quality Tap Water Brings Better Quality of Life".

(f) Cost Management Strategy

With modern production technology installed, TTW is able to efficiently produce tap water. By using modern filtration technology and gravity to help sedimentation process without using electrical power to circulate the water, TTW has been able to effectively maintain the cost of production at manageable level. Moreover, TTW also have a subsidiary, TWO to operate as a maintenance unit of operation that enable TTW to control maintenance works without having to outsource them.

(g) Water Demand Monitoring

In foreseeing the future business opportunity, TTW has hired the Team Consulting Engineering and Management Co., Ltd., to provide engineering consultancy and to conduct a study on future demand for tap water in TTW service areas until the year 2034. The consulting company also conducted a study on potential service areas in the future and developed a plan to improve production, distribution and transmission systems. As for the assessment of actual water distribution, TTW conducted the study to get information on actual water pressure and flow of tap water in LDN distribution system by using the Hydraulic Model. The results of the study enabled TTW to effectively plan and manage the distribution system with sufficient water pressure and flow that cover all service areas.

Product and Services

1. TTW Production

(1) Production Technology

TTW uses water production technology from England and the Company's staffers have knowledge and expertise in tap water production process that meet international standard. The modern technology used by TTW is the Supervisory Control and Data Acquisition (SCADA) which is a computerized system, used for the automatically control of tap water production and distribution process. As a result, tap water produced by TTW always meets the TIS 257 Parts 1-2521, the standard, prescribed by the PWA.

In addition, TTW's tap water supply system has been designed for efficient production, with a view to attaining maximum saving on production costs. Said design is based on the "Gravity Flow" principle, in which raw water is pumped up to a water pumping station and then is released to flow downward by gravity through the rapid mixing tank, sedimentation, filtration and chlorine mixture processes before being sent to the water storage process and, finally, to both water distribution stations. This process allows the Company to save on electricity used in production when compared to pumping water through each of the above steps as is normally done in the tap water production process.

Average Quantity of Tap Water Produced by TTW during 2018 - 2020

Unit : Cubic meter per day

| Description | 2018 | 2019 | 2020 |
|-------------------------------|---------|---------|---------|
| Production Capacity | 540,000 | 540,000 | 540,000 |
| Average Water Sales Volume | 433,631 | 455,122 | 453,155 |
| Utilization of Production (%) | 80% | 84% | 84% |

In 2020, TTW had an average tap water supply volume of 453,155 cubic meters per day, equal to 84 percent of the total water production capacity at 540,000 cubic meters per day. The tap water distribution volume decreased by 0.43 percent as compared to the total tap water distribution in 2019. This was due to a decrease in demand for tap water in the industrial and commercial sectors as a result of the economic downturn and the Covid-19 pandemic situation. At the same time, tap water consumption in the household sector increased due to real estate projects arising from pipeline expansion and water pressure booster projects of the PWA itself and those supported by the Company to support the expansion of Nakhon Pathom and Samut Sakhon provinces.

(2) Production Process

The water source for production of tap water by TTW is the area in middle course of Tha Chin River. The raw water in natural source in general is contaminated with physical, chemical and biological substances and not proper for production of tap water. Followings are processes used in the production of drinkable tap water.

- (a) There must be no pathogenic microorganisms remaining in tap water, from the tap water plant to the pipes and water transmission system until it reaches the faucets of tap water users.
- (b) There must be no impurities, either dissolved or suspended, in tap water.
- (c) There must be no harmful toxins contaminating the tap water. This includes those that could cause either chronic or acute harm to the human body, such as cadmium, lead, phenol, cyanide, etc.
- (d) Tap water must not have either a smell or taste that is unpleasant to tap water users.
- (e) Tap water must be satisfactory to tap water users at all times, both for use and consumption, and for cleaning and industrial purposes.

2. PTW Production

(1) Production Technology

The technology, used by PTW to produce tap water is similar to that of TTW, i.e., all production steps are controlled by SCADA System which is an automatic system, operated through telecommunications system, Control and adjustment of work rates for various units throughout the system, such as water flow rate, pressure, etc., can all be carried out via computer using the SCADA System in the control room building.

PTW's maximum production capacity as of December 31, 2020 was 488,000 cubic meters per day. The total sum of 488,000 cubic meters per day comprises:

- Installed production capacity of the water plant was 288,000 cubic meters per day
- Additional production capacity was 200,000 cubic meters per day due to expansion of the water production plant and construction of the Booster Pump Station in the Liap Khlong Premprachakon road area on the Bulk Transition Main (BTM) between the water plant and the Rangsit water distribution station. Production details are as follows:

Average Quantity of Tap Water Produced by PTW during 2018 - 2020

Unit : Cubic meter per day

| Description | 2018 | 2019 | 2020 |
|-------------------------------|---------|---------|---------|
| Production Capacity | 488,000 | 488,000 | 488,000 |
| Average Water Sales Volume | 399,806 | 408,042 | 418,373 |
| Utilization of Production (%) | 82% | 84% | 86% |

In 2020, PTW had an average tap water supply volume of 418,373 cubic meters per day, equal to 86% of the total tap water production capacity at 488,000 cubic meters per day. Tap water distribution volume also increased by 2.5% as compared to total tap water distribution in 2019. Due to the increased demand for tap water from the household sector as a result of the expansion of Pathum Thani Province, as well as the support of increased tap water supply in other service areas of the Provincial Waterworks Authority.

(2) Production Process

PTW tap water production process has identical procedures as that of TTW.

3. Raw Material and Suppliers

(1) Raw Material used in the production of TTW

(a) Raw water that TTW uses for the production of tap water is from Tha Chin River which is pumped to the water treatment plant in Bang Ra Kum Sub-District, Banglen District, Nakhon Pathom Province without any cost, except for the 200 Baht/year concession fee. Payment must be made to the Ministry of Natural Resources and Environment as the concessionaire. Additionally, the Company must pay compensation to the concessionaire's inspector, paid in advance annually in the amount of 200 baht per year per concession. As TTW has received two concessions, therefore, TTW must pay compensation of 400 baht per year to the concessionaire's inspector.

(b) Main chemical substances used is Liquid alum, Potassium permanganate, Liquid chlorine, Polyelectrolyte, Lime

TTW purchases raw materials from a variety of suppliers, selecting those manufacturers that have standard product quality, whose products have been tested in the TTW chemical laboratories, who have the ability to deliver and keep reserve products according to the needs of TTW, and who offer said products at the lowest prices.

As the most important chemical substance required for the production of tap water, the total purchase of lime is the highest, compare with other chemical raw material, TTW buys alum from several domestic suppliers and since it is a raw material without strict specification, if the supply is not available by the regular suppliers, TTW could easily buy it from other suppliers.

(2) Raw Material Used in the production of PTW

(a) Raw water that PTW uses for the production of tap water is from Chao Phraya River which is pumped to the water treatment plant in Ban Pathum Sub-District, Sam Khok District, Pathum Thani Province. PTW pays 200 Baht/year concession fee.

(b) Main chemical substances used is Liquid alum, Liquid chlorine, Polyelectrolyte, Liquid Lime

PTW doesn't use potassium permanganate in the tap water production process because the nature of raw water from Chao Phraya River is different from the water from Tha Chin River. Raw water from Tha Chin River is composed of certain chemicals that cause the water to have color and potassium permanganate help remove that color.

Work Pending Delivery

- None -

Environment Impacts

1. TTW

TTW strongly recognizes the importance of environmental conservation. However, the tap water production process create sludge which is treated by the sludge dewatering process in which polyelectrolyte is used to create sludge before being discharged at the dumping area, prepared by TTW. The treated water acquired from the sludge dewatering process is recycled into the tap water treatment system through the "Zero Discharge". TTW examines the sludge regularly every year by laboratory with certified standard.

Regarding chemical waste generated by wash water from the laboratory, in the past, TTW hired a chemical treatment company on a case-by-case basis, about once or twice a year, without a long-term contract. This is because the amount of chemical waste needing treatment on a yearly basis is minimal, while the amount of tap water produced is likely to increase steadily, which means that waste created during the production process—tap water sludge—is increasing as well. Recognizing the importance of its social and environmental responsibility, TTW has joined hands with the Laem Phak Bia Environmental Research and Development Project under Royal Patronage, and with the Department of Environmental Science, Faculty of Environment, Kasetsart University, in conducting a study on the use of tap water sludge left over from the production process as a raw material for creating shared value (CSV) in nearby communities in the form of social development projects between the Organization and society/communities both now and in the future.

In 2020, TTW utilized a product that was the result of sludge research by Kasetsart University, including compost for social benefits by mixing the sludge with food waste in order to make compost for use within the Company's head office, and extending to Thairath Wittaya 4 School, Nakhon Pathom Province, which is a school with a shortage in the service area, to enhance the worthwhile use of resources for the community in order to have the resources to use as long so as to keep these resources in use for as long as possible, as per the principles of the Circular Economy.

TTW also strictly complies with environment-related laws, ISO 14001 and support the government and local environmental agencies such as the Environment Office Region 5, the Ministry of Natural Resources and Environment, Nakhon Pathom Province and the Love Tha Chin River Club to implement sustainable development and water conservation project in order to keep the quality of water in Tha Chin River in good condition, and adherence to good occupational health and safety principles. Thus far, TTW has had no disputes and/or lawsuits related to the environment.

2. PTW

PTW also recognizes the importance of environmental conservation. PTW uses Zero Discharge system in which no water is discharged back into raw water source. The Company recycle the treated water, left over from the sludge dewatering process back into the tap water production.

Analysis carried out at the end of 1999 by the General Environmental Conservation Public Company Limited (GENCO) found that sludge created in the production process does not contain toxic substances that cause environmental contamination. Thus far, PTW has provided said sludge, completely free of charge, to external parties and communities requiring sludge for land reclamation within the areas in which PTW operates.

In the past, PTW contracted GENCO on a year-by-year basis to eliminate chemical residues left over from the cleaning of storage tanks, chemical preparation tanks, and water from the laboratory. Said waste chemicals were sent to GENCO for treatment about once a year, at a volume of not more than 5 tons per year. However, since expiry of the last contract at the end of 2006, PTW has not continued its yearly contracts with GENCO, although said substances continue to be correctly disposed of according to relevant laws.

In 2020, PTW utilized a product that was the result of sludge research conducted in collaboration with the Center of Excellence on Hazardous Substance Management (HSM), Chulalongkorn University. The product in question was clay tiles. These were used to tile and renovate the school buildings of Wat Rat Thammaram School, Samut Sakhon Province, and Wat Sukwattanaram School, Nakhon Pathom Province, both for knowledge development and innovation promotion, as well as to raise awareness of the cost-effective use of resources so as to keep these resources in use for as long as possible, as per the principles of the Circular Economy.

The environmental stewardship information is disclosed in the 2020 Sustainability Report on the Company's website at www.ttwplc.com.

3. Satisfaction Surveys

The Company understands the importance of providing good services to customers (PWA) in its Samut Sakhon - Nakhon Pathom and Pathum Thani - Rangsit areas. The Company therefore conducts regular customer satisfaction surveys every 6 months and summarizes the results of these annually in order then to utilize said results to improve and develop the efficiency and quality of the products and services of the company. In 2020, the Company completed a customer satisfaction survey, the results of which can be summarized as follows:

| Customer satisfaction factors | Samut Sakhon - Nakhon Pathom areas (%) | Pathum Thani - Rangsit areas (%) |
|--------------------------------------|--|----------------------------------|
| Tap Water Pressure | 95 | 95 |
| Tap Water Cleanliness | 96 | 97 |
| Tap Water Supply Continuity | 97 | 94 |
| Information Accuracy | 98 | 98 |
| Information Speed | 98 | 98 |
| Documentation Completeness | 98 | 98 |
| Problem Solving Speed and Efficiency | 98 | 98 |
| Etiquette and Politeness | 99 | 99 |
| Communication Efficiency Levels | 99 | 98 |
| Support for PWA Activities | 99 | 96 |
| Appropriateness of Dress Code | 100 | 97 |
| Service Attentiveness | 100 | 98 |
| Average Satisfaction | 98 | 97 |



Business Development

1. Business Environment

The economic overview for Thailand in 2020 showed a trend of economic contraction, with the country's estimated GDP for the year falling by 6 percent, with a decrease of 7.5 percent in the value of merchandise exports, while private consumption and total investment declined by 0.9 percent and 3.2 percent respectively and the average headline inflation was at -0.9 percent. This was due to an important external factor, namely, the coronavirus disease 2019 (COVID-19), for which there was a special emphasis on economic management policies by government agencies, including for Covid-19 prevention within the country, care for affected economic sectors, the driving of government disbursement, and the driving of investment in both the public and private sectors, etc. Throughout 2020, TTW's business was affected by the Covid-19 pandemic, which resulted in a decrease of tap water users in both the industrial and commercial sectors. Household water consumption, however, increased due to the larger number of people working from home and significant urbanization and city expansion. As a result, TTW's business overall continued to operate normally and there was limited impact from the pandemic.

(1) Domestic Water Business Investment Direction

The direction for investment in the water business is in line with the 20-year Master Plan on Water Resource Management (2018-2037) of the Office of the National Water Resources (ONWR) and development plans for the special economic zones, such as the EEC Strategic Plan. Also key are trends toward adopting innovation and digital technology in the development of water resources management, thereby balancing economic progress and protecting the ecosystem, as well as adherence to principles for increasing resource efficiency and the reduction of emissions harmful to the environment (Eco-Efficiency) in order to maximize benefits while taking into account the interests of all sectors. TTW continues to place special focus on seeking out investment opportunities in the concessions business, including tap water and wastewater treatment, with

government agencies in Public-Private Partnership (PPP) projects, while considering business growth factors in conjunction with risk management factors for investment expansion.

(2) Energy Business Investment Direction

Thailand's Power Development Plan 2018 - 2037, Rev.1, aims to promote energy security for the economy and to reduce environmental impacts by supporting the increase of electricity production from renewable and alternative energy sources according to the fuel source potential of each area.

TTW has a policy to support the growth of its energy business both within the country and in the ASEAN region, relying upon financial strength for investment via its associated companies for sustainable growth.

(3) Law

(3.1) The Water Resources Act, B.E. 2561 (2018)

The Water Resources Act, B.E. 2561 (2018) is a set of laws for the management of national water resources, taking into account all relevant dimensions, with a view to achieving balanced and sustainable efficiency and effectiveness. At present, a subordinate legislation to the Water Resources Act, B.E. 2561 (2018) is in the drafting process, particularly for the provisions in Section 4 related to the issuance of ministerial regulations prescribing the rules, procedures, and conditions for obtaining a license and for the issuance of water usage licenses type 2 and type 3, which shall come into force after two years from the date on which this Act came into force.

(3.2) The Public-Private Partnership Act, B.E. 2562. (2019)

The Public-Private Partnership Act, B.E. 2562. (2019) is a set of laws that provides clear scope for focus on investment in infrastructure projects and public services, promoting partnerships between the public and private sectors, for which there must be fair risk and benefit management and appropriate measures to support joint investment in projects within the framework of fiscal discipline.



Risk Factors

TTW Public Company Limited conducts risk management in business operations so that organizational levels based-risks in each aspect can be managed to reach the acceptable levels, by the encouragement from the management that makes the operational plans to become practical and successful. This can be accomplished by having each operational sector propose operational plans and report the performances quarterly to the Risk Management Officer (RMO), and make a summary of risk management meetings in each quarter to report to Risk Management Committee (RMC). In case of political, economic and social changes, the company always makes a self-review in order to keep up with current situations and to make itself updated. Therefore, if the company is always prepared, it can adjust strategies or operational plans for many issues, resulting in good outcomes in the future. With good risk management, if any incident affecting the organization occurs, the impact in many aspects can be rectified or lessened and also crises can be turned into opportunities for the company.

In 2020, the Company reviewed the corporate risk register and updated the list of risks arising from both internal and external factors due to the constantly changing global environment. This year, Thailand and the entire world were greatly affected by the coronavirus disease 2019 (Covid-19) pandemic. The Company has measures in place to prevent possible impacts from such an epidemic on the production process, including measures relating to personnel operations, and in support of work in a variety of fields. The Company also added additional preventative measures that would enable the Company to continue to operate its business as specified. Employees are required to comply with these measures, as they are strictly defined by the Company in order to reduce any risk that could affect the production process or the tap water supply process. The Company also maintains policies for its production and operations in accordance with the recommendations of the World Health Organization (WHO) for the disinfection of tap water. In addition, a reserve of all necessary products for the production system and key machinery parts is kept for preventative purposes, so that in the event of unexpected delays, continuous production will remain ensured. By implementing corporate risk management in accordance with the risk management framework and strategies, risks

in each area are reduced from extremely high level risk to low level risk and, with continued risk reduction, these can become what is termed 'acceptable risk' for the Company. The Risk Management Framework is divided into three main areas: Strategic, Operating, and Financial. Under this framework, the Company has established a risk register that contains a list of risks and includes measures for risk control, management, and the monitoring of risk management performance in accordance with its continuously developing plan, with details as follows:

Strategic Risk

1. The water supply was not according to the business plan. There were 5 risk factors.

1.1 Support PWA to increase water sales volume into potential area or expand the service area under the contract.

1.2 Monitoring the other tap water producers both public and private sectors that would affect the water supply in the service area of the company at present and in the future.

1.3 Monitoring the management of Non-revenue water in the service area

1.4 Monitoring and analysis of abnormalities in the volume of water distribution of the company.

1.5 Manage the maintenance of machinery, main equipment and electrical systems, as well as formulate solutions and preventive measures.

Financial Risk

2. Adding new businesses in water, energy and the environment. There were 2 risk management measures

2.1 Tracking the information and the movement in business related to the company both domestically and internationally including changing in laws

2.2 Studies and develop the investment projects in infrastructure according to government policies and investment plans and seek allies.



Assets for Business Operations

1. Main Assets

As of December 31, 2020, the Company and its subsidiaries had main assets used in business operations, as follows:

| Assets | Net Value (million baht) | Nature of Ownership | Obligations |
|--|-----------------------------|---------------------|-------------|
| TTW | | | |
| Land Building and Equipment | 791.5 | Owner | N/A |
| Assets for production of treated water | 8,965.4 | Owner | N/A |
| Rights to produce and sell treated water and treat waste water | 1,081.6 | Own rights | N/A |
| Total | 10,838.5 | | |
| TWO | | | |
| Land Building and Equipment | 66.5 | Owner | N/A |
| Intangible assets | 12.0 | Own rights | N/A |
| Total | 78.5 | | |
| PTW | | | |
| Assets for production of treated water | 1,346.5 | Own rights | N/A |
| Equipment | 12.5 | Owner | N/A |
| Total | 1,359.0 | | |
| Grand Total | 12,276.0 | | |

In August 2009, the Company has acquired the rights to produce tap water and wastewater treatment in Bang Pa-in Industrial Estate, Phra Nakhon Si Ayutthaya Province from Bang Pa-in Land Development Company Limited for a period of 30 years with a production capacity of 48,000 cubic meters per day and a wastewater treatment capacity of 18,000 cubic meter per day. The implementation of the BIE program increases the income of the organization and also adds the skills, knowledge and experience of TTW personnel to become a direct service provider to customers.

2. Investment in Other Companies

The Company has a policy to invest in businesses related to water, energy and environment, in order to increase income in addition to revenue from the water supply business.

The management of such associated companies or subsidiaries, the company will appoint a representative of the company to be a director of that company to supervise the operations of subsidiaries company to be in appropriate direction. Currently the company invested in 2 subsidiaries and 1 associated company as follows :

1) Pathum Thani Water Co., Ltd. (PTW) operates the business of production and distribution of water to the PWA in the vicinity of Pathum Thani - Rangsit. As at December 31, 2020, the company's shareholding proportion in PTW represented 98 percent of the registered capital. The company, as a shareholder, assigned its 5 representatives as Ms. Walainut Trivisvavet, Mr. Phongsarit Tantisuvanitchkul, Dr. Sombat Kitjalaksana, Mr. Tanat Siricharoen and Mr. Somkiat Pattamamongkolchai to be a member of the Board of Directors of PTW.

2) Thai Water Operations Co., Ltd (TWO) operates the business of management and maintenance of tap water production system and wastewater treatment system for TTW, PTW, the Bangpa-in Industrial Estate, the Amata City Chonburi Industrial Estate, and the Amata City Rayong Industrial Estate. As at December 31, 2020, TTW and PTW shareholding proportion in TWO represented 68.5 and 31.5 percent of the registered capital respectively. The company, as a shareholder, assigned its 2 representatives as Ms. Walainut Trivisvavet and Mr. Tanat Siricharoen to be a member of the Board of Directors of TWO.

3) CK Power Public Company Limited (CKP) which is a listed company on the Stock Exchange operates the main business as holding company by holding shares in other companies operating the business of production and distribution of electricity. As at December 31, 2020, TTW's shareholding percentage in CKP represented 24.98 percent of the registered capital and assigned Mr. Chaiwat Utaiwan the Advisory of the Board of Director as representative to be a member of the Board of Directors of CKP.





General Information and Other significant information

1. General Information

(1) Information of the Company

| | |
|----------------------------|---|
| Company Issuing Securities | TTW Public Company Limited (TTW) |
| Business Operation | : Utilities business in the production and distribution of tap water |
| Registration Number | : 0107549000114 |
| Stock Sectors | : Energy and Utilities |
| Industry Group | : Resources |
| Registered Capital | : 3,990,000,000 Baht |
| Paid-up Capital | : 3,990,000,000 Baht |
| Par Value | : 1 Baht per share |
| Head Office Address | : 30/130 Moo 12, Buddha Monthon 5 Road, RaiKhing, Sampran, Nakhon Pathom 73210 |
| Website | : http://www.ttwplc.com |
| Telephone | : 0 2019 9490-3 , 0 2019 9484-9 |
| Fax | : 0 2420 6064 |
| Board of Directors | : Email Address : cg@ttwplc.com |
| Audit Committee | : Email Address : cg@ttwplc.com |
| Company Secretary | : 0 2019 9484-9 Ext. 1106 Email Address : cg@ttwplc.com |
| Investor Relations | : 0 2019 9484-9 Ext. 1108 Email Address : ir@ttwplc.com |

(2) Information of Legal Entities in which the Company Holds 10 Percent of Shares or More

| | |
|----------------------------|--|
| Company Issuing Securities | Pathum Thani Water Company Limited |
| Business category | : Water Producer and Distributor to PWA in Pathumthani-Rangsit Area |
| Registration Number | : 0105538063801 |
| Registered Capital | : 1,200,000,000 Baht |
| Paid-up Capital | : 1,200,000,000 Baht |
| Par Value | : 100 Baht per Share |
| Shareholding | : 11,759,733 Shares |
| Shareholding Percentage | : 98 percent |
| Head Office Address | : 43 Moo 3, Chiang Rak Noi - Bang Sai Road, Ban Pathum, Sam Khok, Pathumthani 12160 |
| Website | : http://www.ptw.co.th |
| Telephone | : 0 2019 9484 |
| Fax | : 0 2420 6064 |

| | |
|------------------------------------|---|
| Company Issuing Securities: | Thai Water Operations Company Limited |
| Business category | : Water Management/Production System Management/Water Distribution and Wastewater Treatment |
| Registration Number | : 0105553002426 |
| Registered Capital | : 60,000,000 Baht |
| Paid-up Capital | : 60,000,000 Baht |
| Par Value | : 100 Baht per Share |
| Shareholding | : 411,000 Shares |
| Shareholding Percentage | : 68.5 percent |
| Head Office Address | : 30/10 Moo 12 Phutthamonthon Sai 5 Rd., Raikhing, Samphran, Nakhonpathom 73210 |
| Website | : http://www.two.co.th |
| Telephone | : 0 2019 9480 |
| Fax | : 0 2420 6064 |

| | |
|-----------------------------------|---|
| Company Issuing Securities | CK Power Public Company Limited |
| Business category | : Holding shares of other companies (Holding Company) operating electricity generation and distribution businesses from different energy sources. |
| Registration Number | : 0105554074200 |
| Registered Capital | : 9,240,000,000 Baht |
| Paid-up Capital | : 8,129,382,039 Baht |
| Par Value | : 1 Baht per Share |
| Shareholding | : 2,030,759,929 Shares |
| Shareholding Percentage | : 24.98 percent |
| Head Office Address | : 587 Viriyathavorn Building floor 20 Sutthisan Road Dindaeng Dindaeng Bangkok 10400 |
| Website | : http://www.ckpower.co.th |
| Telephone | : 0 2691 9720 |
| Fax | : 0 2691 9723 |

(3) Reference

| | |
|----------------------|---|
| Securities Registrar | : Thailand Securities Depository Co., Ltd. Thailand Securities Depository Company Limited 93 Rachadapisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400 Telephone : 0 2009 9382 Fax : 0 2009 9476 |
| Auditor | : EY Company Limited 193/136-137, 33 rd Floor, Lake Ratchada Office Complex, Rachadapisek Road, Klongtoey, Bangkok 10110 Telephone : 0 2264 0777 Fax : 0 2264 0789 |

| | |
|----------------------|--|
| Legal Advisor | : Offices of N&K Ltd. 990 Abdulrahim Place, 9 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Telephone : 0 2636 1111 Fax : 0 2636 0000 |
| Debenture Registrars | : CIMB Thai Bank Public Company Limited 44 Langsuan Rd. Khwang Lumpini, Khet Pathumwan, Bangkok 10330 Telephone : 0 2626 7503 Fax : 0 2626 7543 |

2. Other Significant Information

Use of funds from the offering of debenture

| Use of funds | Amount (Million Baht) | Period | Details |
|--|--------------------------|------------------|--|
| 1. To repay a bills of exchange that are due from exercising the warrants to purchase the ordinary shares of CK Power Public Company Limited | 1,000 | 20 December 2019 | Debentures in the amount of 1,000 million baht, with a term of 7 years and 2 months, interest rate at 2.41 percent per annual, full payment due date 20 February 2027. |
| 2. To refinance the existing debentures to maturity | 1,000 | 1 February 2018 | Debentures in the amount of 1,000 million baht, with a term of 5 years, interest rate at 2.33 percent per annual, full payment due date 1 February 2023. |
| 3. To purchase additional shares of CK Power Public Company Limited | 1,400 | 21 May 2015 | Debenture in the amount of 1,400 million baht, with a term of 10 years, interest rate at 3.98 percent per annual, full payment due date 21 May 2025. |
| 4. To refinance the existing debentures to maturity | 2,000 | 22 February 2012 | Debenture in the amount of 2,000 million baht, with a term of 10 years, interest rate at 4.60 percent per annual, full payment due date 22 February 2022. |
| Total | 5,400 | | |



Management and Corporate Governance



Information on Securities and Shareholders

Information on Securities and Shareholders

1. Registered Capital and Paid-Up Capital

(1) As at December 31, 2020, the Company's registered capital amounted to 3,990,000,000 Baht, divided into 3,990,000,000 ordinary shares, at the par value of 1 Baht per share, which paid-up capital of 3,990,000,000 Baht.

(2) The Company has no other shares than ordinary shares.

2. Shareholders

(1) LIST OF MAJOR SHAREHOLDERS OF THE COMPANY

(a) Top 10 major shareholders as at December 30, 2020 which was the most recent closing date of the share register were listed as follows:

| No. | Name | Number of Shares | Shareholding Percentage |
|-----|---|----------------------|-------------------------|
| 1. | Mitsui Water Holdings (Thailand) Company Limited | 1,036,500,000 | 25.98 |
| 2. | CH.Karnchang Public Company Limited | 774,077,400 | 19.40 |
| 3. | Bangkok Expressway and Metro Public Company Limited | 736,900,000 | 18.47 |
| 4. | Thai NVDR Co., Ltd. | 234,211,818 | 5.87 |
| 5. | Bangkok Life Assurance Public Company Limited | 139,904,800 | 3.51 |
| 6. | Mr. Min Tienworn | 82,000,000 | 2.06 |
| 7. | AIA COMPANY LIMITED - EQDP-D FUND 1 | 65,742,100 | 1.65 |
| 8. | SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 41,775,513 | 1.05 |
| 9. | Mr. Paisarn Chartpitak | 35,000,000 | 0.88 |
| 10. | Dhipaya Insurance Public Company Limited | 24,360,700 | 0.61 |
| | Total | 3,170,472,331 | 79.46 |
| | Others | 819,527,669 | 20.54 |
| | Grand Total | 3,990,000,000 | 100.00 |

Note :

- Shareholder names are compiled by Thailand Securities Depository Company Limited, the Company's Registrar.
- Thai NVDR Company Limited is 99.99 percent owned by the Stock Exchange of Thailand. It issues NVDRs, which are tradable on the stock exchange. Owning NVDRs, the shareholders are entitled to financial gains like investing in Listed companies' common shares but without the voting right. (The interested can get more information from www.set.or.th/nvdr)
- As of 30 December 2020, the Company has 83 foreign shareholders from a total of 20,001 shareholders, Foreign shareholders hold a total of 190,847,755 shares or 4.78 percent of total issued shares.
- As of 30 December 2020, minority shareholders (free float) are numbered 19,989, holding 19.45 percent of total issued shares.

Direct and Indirect Shareholding by Directors and Executives until December 31, 2020

| Director / Executive | Position | TTW shares held as of December 31, 2019 | Increase/ (Decrease) in TTW shares held in 2020 | TTW shares held as of December 31, 2020 | Percentage of Shares held (%) |
|---|---|---|--|---|-------------------------------------|
| Dr. Thanong Bidaya Spouse and minor children | Independent Director and Chairman of the Board of Director | 342,500 - | - - | 342,500 - | 0.0085 - |
| Mr. Plew Trivisvavet Spouse and minor children | Vice Chairman of the Board of Director | 200,000 100,000 | - - | 200,000 100,000 | 0.0050 0.0025 |
| Mr. Phongsarit Tantisuvanitchkul Spouse and minor children | Chairman of the Executive Committee | - - | - - | - - | - - |
| Mr. Phairuch Mekarporn Spouse and minor children | Independent Director | - - | - - | - - | - - |
| Mr. Somnuk Chaidejsuriya Spouse and minor children | Independent Director | - - | - - | - - | - - |
| Dr. Sombat Kitjalaksana Spouse and minor children | Director | 1,000,100 - | - - | 1,000,100 - | 0.0250 - |
| Mr. Suvich Pungchareon Spouse and minor children | Director | - - | - - | - - | - - |
| Mrs. Payao Marittanaporn Spouse and minor children | Director | - 100 | - - | - 100 | - 0.000003 |
| Dr. Patarut Dardarananda Spouse and minor children | Independent Director | - - | - - | - - | - - |
| Mr. Kaoru Umehara Spouse and minor children | Director | - - | - - | - - | - - |
| Mr. Hideo Matsumoto Spouse and minor children | Director | - - | - - | - - | - - |
| Ms. Walainut Trivisvavet Spouse and minor children | Director / Managing Director | - - | - - | - - | - - |
| Mr. Tanat Siricharoen Spouse and minor children | Assistant Managing Director, Operations Group | - - | - - | - - | - - |
| Mr. Somkiat Pattamamongkolchai Spouse and minor children | Assistant Managing Director, Administration Group Acting Account and Finance Director | - - | - - | - - | - - |
| Ms. Sudarat Chiamchan Spouse and minor children | Corporate Affairs Director | - - | - - | - - | - - |
| Mr. Hongthong Artit Spouse and minor children | Business Development Director | 400 - | - - | 400 - | 0.00001 - |
| Mr. Pipat Katikul Spouse and minor children | Operations Director | - - | - - | - - | - - |
| Mr. Chatchawan Tienprasertkij Spouse and minor children | Acting Customer Relationship Management Director | - - | - - | - - | - - |
| Mrs. Busawan Pholprasert Spouse and minor children | Acting Human Resource and Administration Director | - - | - - | - - | - - |

(b) Major shareholders who had substantial influence on the Company's management policy or operations comprised:

| No. | Name | Number of Shares | Shareholding Percentage |
|-----|---|----------------------|-------------------------|
| 1. | Mitsui Water Holdings (Thailand) Company Limited | 1,036,500,000 | 25.98 |
| 2. | CH.Karnchang Public Company Limited | 774,077,400 | 19.40 |
| 3. | Bangkok Expressway and Metro Public Company Limited | 736,900,000 | 18.47 |
| | Total | 2,547,477,400 | 63.85 |

Note :

- Shareholders of Mitsui Water Holdings (Thailand) Company Limited comprised :

| No. | Name | Number of Shares | Shareholding Percentage |
|-----|---------------------------------------|------------------|-------------------------|
| 1. | Mitsui & Co. (Asia Pacific) Pte. Ltd. | 8,999,998 | 99.99 |
| 2. | Mitsiam International Limited | 1 | 0.00 |
| 3. | Mitsui & Co. (Thailand) Ltd. | 1 | 0.00 |
| | Total | 9,000,000 | 100.00 |

- Top 10 shareholders of CH.Karnchang Public Company Limited as at June 30, 2020 which was the closing date of the share register for the right to attend the Annual Ordinary of Shareholders Meeting comprised :

| No. | Name | Number of Shares | Shareholding Percentage |
|-----|---|--------------------|-------------------------|
| 1. | Mahasiri Siam Company Limited | 242,745,365 | 14.33 |
| 2. | CH.Karnchang Holding Company Limited | 181,787,530 | 10.73 |
| 3. | Thai NVDR Co., Ltd. | 117,743,888 | 6.95 |
| 4. | CK. Office Tower Company Limited | 86,048,212 | 5.08 |
| 5. | Bangkok Bank Public Company Limited | 38,950,000 | 2.30 |
| 6. | UOB KAY HIAN (HONG KONG) LIMITED - Client Account | 31,185,300 | 1.84 |
| 7. | SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 27,834,105 | 1.64 |
| 8. | CH.Karnchang Public Company Limited | 22,051,900 | 1.30 |
| 9. | SCB Dividend Stock 70/30 Long Term Equity Fund | 20,455,400 | 1.21 |
| 10. | Krungsri LTF Dividend Stock | 19,705,100 | 1.16 |
| | Total | 788,506,800 | 46.54 |

- Top 10 shareholders of Bangkok Expressway and Metro Public Company Limited as at June 26, 2020 which was the closing date of the share register for the right to attend the Annual Ordinary of Shareholders Meeting comprised :

| No. | Name | Number of Shares | Shareholding Percentage |
|-----|--|-----------------------|-------------------------|
| 1. | CH. Karnchang Public Company Limited | 4,787,121,829 | 31.32 |
| 2. | Mass Rapid Transit Authority of Thailand | 1,256,259,584 | 8.22 |
| 3. | Thai NVDR Co., Ltd. | 1,205,839,759 | 7.89 |
| 4. | Krung Thai Bank Public Company Limited | 815,356,075 | 5.33 |
| 5. | Social Security Office | 480,341,600 | 3.14 |
| 6. | Mr. Wichai Wachiraphong | 369,888,857 | 2.42 |
| 7. | STATE STREET EUROPE LIMITED | 305,512,331 | 2.00 |
| 8. | Bangkok Bank Public Company Limited | 303,448,709 | 1.99 |
| 9. | SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 290,696,674 | 1.90 |
| 10. | Mr. Min Tienworn | 200,000,000 | 1.31 |
| | Total | 10,014,465,418 | 65.52 |

(2) LIST OF SHAREHOLDERS OF SUBSIDIARIES OPERATING CORE BUSINESSES

(a) Pathum Thani Water Company Limited ("PTW")

| No. | Name | Number of Shares | Shareholding Percentage |
|-----|---------------------------------|-------------------|-------------------------|
| 1. | TTW Public Company Limited | 11,759,733 | 98.000 |
| 2. | Provincial Waterworks Authority | 240,262 | 2.000 |
| 3. | Capital Rice Company Limited | 1 | 0.000 |
| 4. | Mr. Prasert Marittanaporn | 1 | 0.000 |
| 5. | Mr. Vorapote Uchoepaiboonvong | 1 | 0.000 |
| 6. | Ms. Walainut Trivisvavet | 1 | 0.000 |
| 7. | Mr. Nopadol Intralib | 1 | 0.000 |
| | Total | 12,000,000 | 100.000 |

Note : Information as at December 31, 2020. In 2020 the shareholdings in PTW remained unchanged.

(b) Thai Water Operations Company Limited ("TWO")

| No. | Name | Number of Shares | Shareholding Percentage |
|-----|------------------------------------|------------------|-------------------------|
| 1. | TTW Public Company Limited | 411,000 | 68.500 |
| 2. | Pathum Thani Water Company Limited | 188,999 | 31.500 |
| 3. | Ms. Warisara Chaimongkol | 1 | 0.000 |
| | Total | 600,000 | 100.000 |

Note : Information as at December 31, 2020. In 2020 the shareholdings in TWO remained unchanged.

(3) Shareholders' agreement

As at December 31, 2020, the Company had no shareholders' agreement on any matter affecting the Company's issuance and offering for sale of securities or its management.

3. Issuance of Other Securities

(1) The Company has no convertible securities.

(2) The Company's outstanding debentures were as per the following details :

The Company's outstanding debenture as of December 31, 2020

| Debenture Symbol | Issue Date of Debentures | Total Value of Debentures (Million Baht) | Maturity | Maturity Date | Interest Rate per annum | Rating |
|------------------|--------------------------|--|---------------------|------------------|-------------------------|--------|
| TTW222A | 22 February 2012 | 2,000 | 10 years | 22 February 2022 | 4.60% | AA- |
| TTW255A | 21 May 2015 | 1,400 | 10 years | 21 May 2025 | 3.98% | AA- |
| TTW232A | 1 February 2018 | 1,000 | 5 years | 1 February 2023 | 2.33% | AA- |
| TTW272A | 21 December 2019 | 1,000 | 7 years 2 months | 20 February 2027 | 2.41% | AA- |
| Total | | 5,400 | | | | |

4. Policy on Dividend Payment

(1) TTW Dividend Payment Policy

The Board of Directors meeting on 18 March 2008 resolved to set a policy for dividends payment to shareholders, which will consider the demand for money according to the company's goals in the next 5 years, including maintaining the debt to equity ratio of the company to be at an appropriate level. If there is a possibility to pay dividend, the company will consider paying as high rate as possible. However, such rate shall not be less than 50% of its net profit after corporate income tax, statutory reserve, and other reserves required by terms of relevant agreements.

The Company's dividend payment in the previous year was as follows:

| Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|--------|-------|-------|-------|-------|
| Earning per share (Baht) | 0.60 | 0.68 | 0.67 | 0.72 | 0.71 |
| Dividend per share - First half (Baht) | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Dividend per share - Second half (Baht) | 0.30 | 0.30 | 0.30 | 0.30 | 0.30* |
| Dividend per share (Baht) | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| Dividend Payout Ratio (percent) | 100.00 | 88.67 | 89.76 | 83.86 | 83.99 |

Note : * The Dividend payment for the second half of 2020 will be approved at the 2021 Annual General Meeting of Shareholders.

(2) Dividend Payment Policy of the Subsidiaries

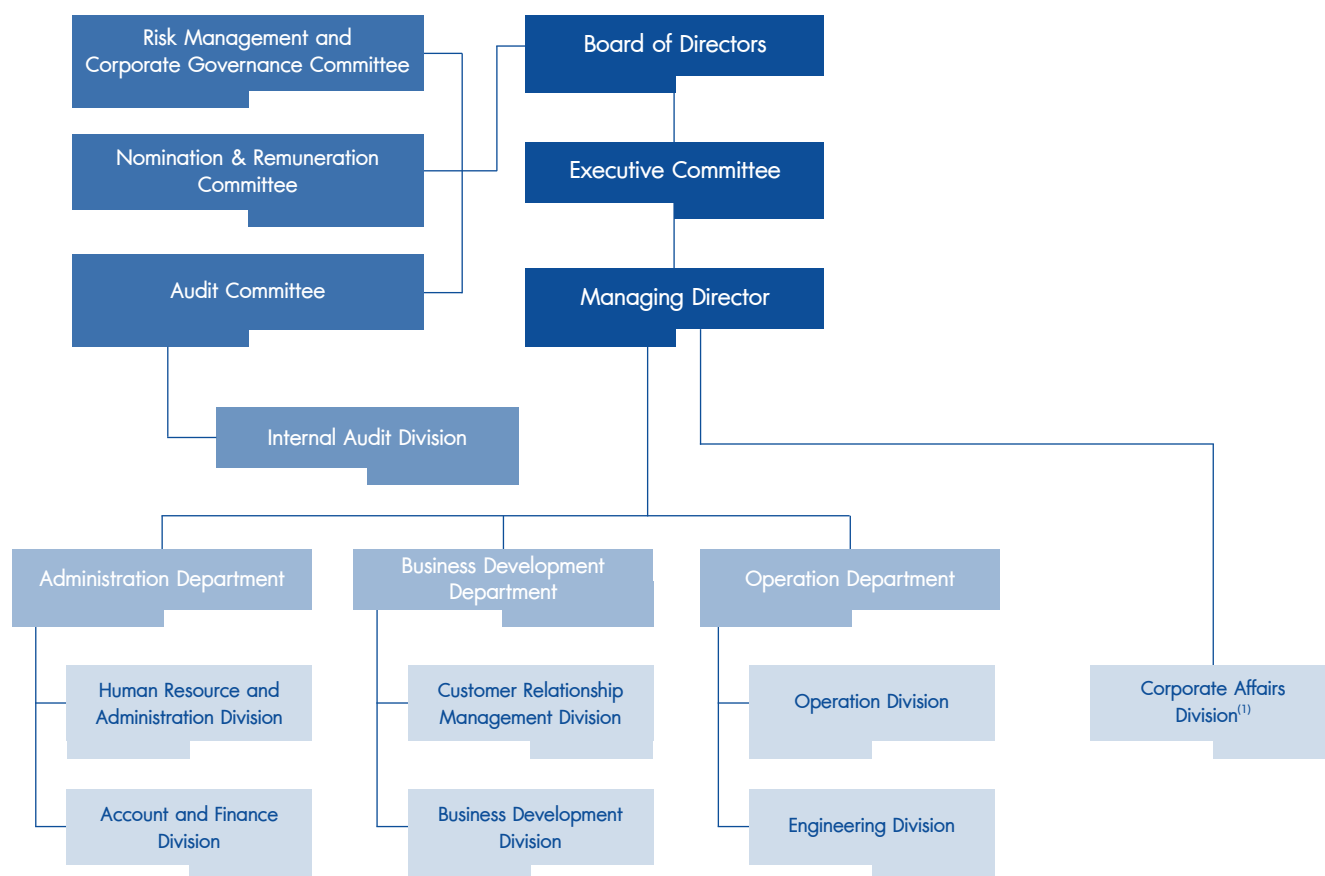
The Board of Directors of subsidiaries have the policy to pay dividend based on operating performance and with consideration of each company's financial position, cash flow and investment plan in accordance with the regulations of the subsidiaries in Chapter 6 dividends and reserves are as follows

- Announcement of any dividends (Except interim dividends) must be approved by the general meeting of shareholders only Notice of payment of dividends must be made in writing to all shareholders whose names appear in the shareholder registration book.
- Each dividend payment, the company must allocate a reserve fund of at least 1 in 20 of the profit until the reserve reaches 1 in 10 of the company's capital. The company's directors may propose to the general meeting of shareholders. Request to approve the allocation of other reserves more that is possible in the business management of the company
- The Board of Directors may pay interim dividends to shareholders from time to time, as the Board of Directors deems that the company has sufficient profits to do so.
- If the Company still has accumulated losses, payment of dividends is prohibited.



Management Structure

The Management Structure of TTW Public Company Limited, as at December 31, 2020



Remark: ⁽¹⁾ Legal and Compliance Department under the Corporate Affairs Division

In 2020, the Board of Directors has passed a resolution to restructure of the sub-committee from 5 committees to 4 committees in order to strengthen and facilitate management. The Company's management structure consists of the Board of Directors, four subcommittees (the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Risk Management and Corporate Governance Committee) and the management team

1. Board of Directors

(1) Structure of the Board of Directors

The Board of Directors ("Board") has main responsibility to conduct business in a way that will benefit TTW, shareholders and stakeholders including employees and communities where TTW operates its business. Additionally, the Board works with the Management in formulating TTW's vision and policy and approving corporate budget. The Board also monitors the Management's performance and suggests sound resolutions to problems, in accordance with the law, objectives and regulations of the company. As well as resolutions of the shareholders' meeting that are lawful by establishing a structure for the board of directors and management that can be adequately inspected and balanced

TTW's Board comprises not less than 5 members as stipulated in the Company's Articles of Association, and the company's directors must have qualifications as required by law, which comprises not less than 1 in 3 independent directors of the total director and not less than 3 person. As of December 31, 2019, TTW's Board comprises 12 directors as follows:

- 11 non-executive directors, 91.66% of total directors, comprising:
 - 4 independent directors, 33.33% of total directors,
 - 7 representative directors, 58.33% of total directors, and
- Managing Director, the only executive member, 8.33% of total directors.

| Director | Position | Date of Appointment | Number of meeting in 2020 |
|-------------------------------------|---|---------------------|---------------------------|
| 1. Dr. Thanong Bidaya | Independent Director and Chairman of the Board of Directors | 17 December 2008 | 6/6 |
| 2. Mr. Plew Trivisvavet | Director and Vice Chairman of the Board of Directors | 26 September 2006 | 6/6 |
| 3. Mr. Phongsarit Tantisuvanitchkul | Director, Chairman of the Executive Committee, and Nomination and Remuneration Committee | 25 February 2016 | 6/6 |
| 4. Mr. Phairuch Mekarporn | Independent Director, Chairman of the Audit Committee, and Risk Management and Corporate Governance Committee | 26 September 2006 | 6/6 |
| 5. Mr. Somnuk Chaidejsuriya | Independent Director, Chairman of the Risk Management and Corporate Governance Committee, Audit Committee and Nomination and Remuneration Committee | 26 September 2006 | 6/6 |
| 6. Dr. Sombat Kitjalaksana | Director and Executive Committee | 11 September 2000 | 6/6 |
| 7. Mr. Suvich Pungchareon | Director and Executive Committee | 26 September 2006 | 6/6 |
| 8. Mrs. Payao Marittanaporn | Director and Risk Management and Corporate Governance Committee | 17 February 2015 | 6/6 |
| 9. Dr. Patarut Dardarananda | Independent Director, Chairman of the Nomination and Remuneration Committee, and Audit Committee | 12 December 2018 | 6/6 |
| 10. Mr. Kaoru Umehara* | Director and Nomination and Remuneration Committee | 20 August 2020 | 2/2 |
| 11. Mr. Hideo Matsumoto | Director, Executive Committee, and Risk Management and Corporate Governance Committee | 21 December 2017 | 6/6 |
| 12. Ms. Walainut Trivisvavet | Director, Executive Committee, Risk Management and Corporate Governance Committee, and Managing Director | 1 March 2018 | 6/6 |

Remark : ^(*) Mr. Kaoru Umehara was appointed to be a Director and Nomination and Remuneration Committee as per the resolution of the Board of Directors meeting no.5/2020 held on August 20, 2020.

Ms. Sudarat Chiamchan, Corporate Affairs Director, as the Company Secretary

The composition is based on the diversity of gender, individual's skills and experiences that would contribute to the balance of board composition and benefit to Company's business as follows:

- Diversity of gender

| Gender | Number | Percentage |
|--------------|-----------|---------------|
| Male | 10 | 83.33 |
| Female | 2 | 16.67 |
| Total | 12 | 100.00 |

- Diversity of expertise and experiences

| Director | Water Business/ Energy Business/ Engineering | Accounting/ Finance/ Economics/ Business Administration | Law | Strategic/ Business Planning | Corporate Governance/ Internal Control | HR Development |
|-------------------------------------|--|---|----------|------------------------------------|--|-------------------|
| 1. Dr. Thanong Bidaya | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| 2. Mr. Plew Trivisvavet | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| 3. Mr. Phongsarit Tantisuvanitchkul | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| 4. Mr. Phairuch Mekarporn | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| 5. Mr. Somnuk Chaidejsuriya | ✓ | - | ✓ | ✓ | ✓ | ✓ |
| 6. Dr. Sombat Kitjalaksana | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| 7. Mr. Suvich Pungchareon | ✓ | - | ✓ | ✓ | ✓ | ✓ |
| 8. Mrs. Payao Marittanaporn | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| 9. Dr. Patarut Dardarananda | ✓ | - | ✓ | ✓ | ✓ | ✓ |
| 10. Mr. Kaoru Umehara | ✓ | - | ✓ | ✓ | ✓ | ✓ |
| 11. Mr. Hideo Matsumoto | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| 12. Ms. Walainut Trivisvavet | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Total | 12 | 8 | 5 | 12 | 12 | 12 |

(2) Authorized Directors

1. Any two of these six directors, Mr. Plew Trivisvavet, Mr. Phongsarit Tantisuvanitchkul, Dr. Sombat Kitjalaksana, Mrs. Payao Marittanaporn, Mr. Suvich Pungcharoen, and Ms. Walainut Trivisvavet jointly sign and affix the company's seal; or

2. Either Mr. Plew Trivisvavet or Mr. Phongsarit Tantisuvanitchkul or Dr. Sombat Kitjalaksana or Mrs. Payao Marittanaporn or Mr. Suvich Pungcharoen, and or Ms. Walainut Trivisvavet either Mr. Kaoru Umehara or Mr. Hideo Matsumoto, totaling two directors, jointly sign and affix the company's seal.

(3) Independent Directors

The Company has a policy to appoint independent director at least 1/3 of the total number of Board members and no fewer than 3 persons by the consideration of appointment of independent directors will consider the legal requirements, Notification of the Stock Exchange of Thailand and the Securities and Exchange Commission in Subject: Definition of Independent Directors As well as the Charter of the Board of Directors on the qualifications of the Board of Directors. The company has determined the qualifications of independent directors that more strict than the definition of independent directors of the SEC as follows.

1. Shall hold shares not exceeding 0.5% of the total number of voting shares of the Company, subsidiary, associate or juristic person that may be conflict;

2. Shall not be related to the management of the company, its subsidiaries and its associated companies, Moreover, shall not be a major shareholder, a temporary or full-time employees and an advisor regularly earning salaries from the company, its subsidiaries, its associated companies and its major shareholders;

3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child, of an executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary;

4. Shall not have any direct or indirect conflicts of interest against the management of the company and its subsidiaries, and its associated companies for the period of not less than one year prior to nomination except the Board of Director was attentively considered that such conflict of interest not affecting the operation and have independent decision-making of Independent directors;

5. Shall not be a director who has been appointed as representative of the company's director, major shareholder or shareholders who are related to the major shareholder;

6. Shall be independently perform the duties and give the opinion or report on the result of duties as assigned by the Board of Directors, uncontrolled by the management or major shareholders and related person or relative of such person;

7. Shall be able to attend meetings of the Board of Directors and make independent judgment;

8. Shall not operate any business which has the same nature as and is in significant competition with the business of the company or its subsidiaries, or not being a principal partner in any partnership, or not be an executive director, employee, staff, or advisor regularly earning the salaries; or holding shares not exceeding 0.5 percent of the total number of voting right of any other company operating business which has the same as and is in significant competition with the business of the company or its subsidiaries;

9. Shall not have any characteristics which make him/her incapable of expressing independent opinion with regard to the company's business affairs;

10. Shall be able to look after the interests of all shareholders equally;

11. Shall be able to prevent conflicts of interest;

12. Shall not have been convicted of violating security or stock exchange laws, financial institution laws, life insurance laws, general insurance laws, anti-money laundering laws or any other financial law of a similar nature, whether Thai or foreign, by an agency with authority under that certain law. Such wrongful acts include those involved with unfair trading in shares or perpetration of deception, fraud, or corruption.

As at December 31, 2020, the Company had four independent directors, who have the qualifications under the Notification of the Capital Market Supervisory Board, from a total of all 12 directors (one-third of all directors), as follows:

| Name | Position |
|--------------------------|--|
| Dr. Thanong Bidaya | Chairman of the Board of Directors |
| Mr. Phairuch Mekarporn | Chairman of the Audit Committee, and Risk Management and Corporate Governance Committee |
| Mr. Somnuk Chaidejsuriya | Chairman of the Risk Management and Corporate Governance Committee, Audit Committee, and Nomination and Remuneration Committee |
| Dr. Patarut Dardarananda | Chairman of the Nomination and Remuneration Committee |

During the year, the independent directors provided the independent judgment and recommendations when considering and making decision on significant issues such as investment projects, organization structure, and other issues related to the corporate governance, for the best interest of the Company. They also were concerned about all stakeholders and prevented any actions which caused conflicts of interest among the Company, executives, directors and major shareholders.

(4) Chairman

It is a policy of the Company that the Chairman of the Board of Directors and the Managing Director shall not be the same person and shall be independent directors, who have no interest in the Company's management, in order to clearly distinguish between the policy making, and the day-to-day management. The chairman has a leading role and controls the meeting of the board of directors to be efficient and effective by encouraging all directors to participate in meetings, help, advice, and supporting the business operations of the management through the Managing Director. In this regard, Dr. Thanong Bidaya, as an independent director and the Chairman of the Board of Directors, has knowledge and ability in line with the Company's business strategies, and also has acceptable experience, which can rest assured that he will be able to lead the Company to accomplish the Company's vision, mission and strategic plans for the company, shareholders, and stakeholders to achieve long term benefits, monitoring the management operations, arranging for preparation of financial statements and significant information presented to Board of Directors quarterly as well as encouraging the corporate governance policy, social and environmental responsibilities of the company.

Administrative Responsibilities

- Supervising overview of company's strategies and policies to constitute justice as well as supervising company's customer with equality
- Emphasis on business operations by conforming with the law in terms of regulatory agencies and corporate governance as well as to the resolutions of shareholders' meetings

Board of Directors Meetings

Presiding over as Chairman of the meeting and attending every meeting to constitute Board of Directors Meetings efficiently as well as encouraging all directors to express their opinions by delegating administrative authority to the management appropriately, supervising and arranging all directors to receive correct, on-time and clear information to be used for decision-making which shall lead to achievement of the organization efficiently, providing time management sufficiently for Board of Directors to consult and express opinions widely in related issues during the important agenda. Chairman of the Board utilizes the policy of enhancing good relations between Executive Directors and Non-executive Directors.

Development and Evaluation of Work Efficiency

- a) Providing Orientation Program and operation visit for all new directors which can assist new directors to understand and adapt themselves to the organization rapidly
- b) Support and promoting all directors to attend skills development training, various fields of knowledge which are beneficial for performing directors duties in well-known and recognized institutes such as Thai Institute of Directors (IOD) and Stock Exchange of Thailand (SET) etc.
- c) Support and promoting all directors working as a team which constitutes efficiency and effectiveness in working, arranging evaluation of the Board's operations both self-evaluation, cross evaluation and group evaluation and taking such evaluation outcome used to improve and develop the Board's operations
- d) Providing monitoring system and assessment of the organization's operations being consistent to policy regularly and continuously

Relationship between Shareholders

Supervising and arranging communications between shareholders of the company and providing opportunities for shareholders to communicate with the Board for exchanging opinions

Shareholders Meeting

Presiding over as Chairman of every Shareholders meeting and a responsible is assigned to supervise correctly as defined by law and related regulations as well as making sure that all directors are notified to attend the meeting. It is an opportunity for shareholders to exercise their rights openly in attending the meeting and voting in Shareholders Meeting, asking questions and additional explanation, acknowledgement of the annual report, approval Financial Statements, approving appropriation of profits and dividends, director appointment and compensation paid to directors, auditor election and proposing remuneration of auditors and approval of Company's Memorandum of Association amendment.

Other Roles of Chairman of Board of Directors

Performing duties with honesty, supervising structure of the Board appropriately, supervising in taking policies and the Board's decisions for operating effectively, promoting corporate governance, and social and environmental responsibility activities in all levels ranging from directors, top management to employees by operating in accordance with guidelines of the Board's structure to promote corporate governance of the company.

(5) Appointment, Resignation and Retirement from Directorship

The shareholders' meeting appoints directors who have the qualifications and do not have any prohibited characteristic as specified by law, and do not have any characteristic indicating a lack of appropriateness in respect of trustworthiness in management of a business whose shares are held by public shareholders as specified by the SEC Office. That is, the Board of Directors shall be composed of at least five directors, and at least one-third of all such directors must be independent directors, and at least half of all such directors must reside in Thailand. In case of a vacancy on the directorship position otherwise than retirement by rotation, the Board of Directors may select any person who is qualified as a replacement director at the

following meeting with the votes of three-fourths of the remaining number of directors. The replacement director will hold office only for the remaining term of the director whom he or she replaces. In each annual ordinary general meeting of shareholders, one-third of the total number of directors shall vacate their office, whereby those directors to vacate their office shall be the directors who have been in office for the longest term. Upon expiration of the term of office, a vacating director may be re-appointed under the resolution of the shareholders' meeting.

(6) Scope of powers, duties and responsibilities of the Board of Directors

(1) Supervising the company's operations to ensure compliance with laws, objectives and the Company's Articles of Association, as well as resolutions of the shareholders' meetings, and protecting the company's interests based on the good corporate governance principles

(2) Determining policies and directions of the company's operations and supervising the management to take actions to ensure compliance with the policy with efficiency and effectiveness so as to result in the optimum economic value to the business and great prosperity to the shareholders

(3) Approving vision, missions, corporate values as anticipated by the Company, and the business ethics

(4) Arranging for and supervising the administration in compliance with the good corporate governance principles

(5) Considering approval for budget for investment and budget for the company's annual business operations, including monitoring the use of the company's resources

(6) Providing complete, correct and sufficient reports on financial information, data and general information which are important to shareholders, and affirming the certification of the reported information

(7) Arranging for the company to have an efficient internal control and audit system as well as appropriate and adequate risk management measures, including following on such matters on a regular basis

(8) The Board has also formulated a charter for the Executive Committee, the Risk Management Committee and Nomination and Remuneration Committee as a guideline for their duties

(9) Supervising the Executive Committee, Sub-committees and the management to comply with the specified policy

(10) Considering performance evaluation, determination of salaries, wages, welfare, bonuses, allowances and other remuneration, including expenses and facilities of the Managing Directors, as well as determining backup plan for nominating personnel to hold major office of the management should the management become unable to perform the duties.

(11) Considering revision of the scope of authorization, duties, responsibilities and roles of the Executive Committee, Subcommittees and the management as appropriate

(7) Subcommittees

The Board of Directors appoints subcommittee to perform the duty to conduct the company's management based on the powers under the Board of Directors' Charter. The Board of Director meeting no.3/2020 held on 30 July 2020 has passed a resolution to restructure of the sub-committee from 5 committees to 4 committees in order to strengthen and facilitate management by combined the Risk Management Committee and the Corporate Governance Committee to the Risk Management and Corporate Governance Committee with an independent director serving as the chairman of every committee, except the executive committee. The details of 4 subcommittees as follows:

1. Executive Committee

As at December 31, 2020, the Executive Committee comprises five members, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-------------------------------------|--|----------------------------|
| 1. Mr. Phongsarit Tantisuvanitchkul | Chairman of the Executive Committee | 4/4 |
| 2. Dr. Sombat Kitjalaksana | Executive Committee | 4/4 |
| 3. Mr. Suvich Pungchareon | Executive Committee | 4/4 |
| 4. Mr. Hideo Matsumoto | Executive Committee | 4/4 |
| 5. Ms. Walainut Trivisvavet | Executive Committee and Secretary to the Executive Committee | 4/4 |

Remark : The Executive Committee has the scope of powers and duties per the details in the section of Corporate Governance.

2. Audit Committee

As at December 31, 2020, the Audit Committee comprises three independent directors, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-----------------------------|---------------------------------|----------------------------|
| 1. Mr. Phairuch Mekarporn | Chairman of the Audit Committee | 3/4 |
| 2. Mr. Somnuk Chaidejsuriya | Audit Committee | 4/4 |
| 3. Dr. Patarut Dardarananda | Audit Committee | 4/4 |

Remark : The Audit Committee has the scope of powers and duties per the details in the section of Corporate Governance.

The Internal Audit Manager is the secretary to the Audit Committee

3. Risk Management Committee (Ended 30 July 2020)

As at 1 January - 30 July 2020, the Risk Management Committee comprises one independent director, two non-executive directors, and one executive director, totaling four persons, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-----------------------------|--|----------------------------|
| 1. Mrs. Payao Marittanaporn | Chairman of the Risk Management Committee | 2/2 |
| 2. Dr. Patarut Dardarananda | Risk Management Committee | 2/2 |
| 3. Mr. Hideo Matsumoto | Risk Management Committee | 2/2 |
| 4. Ms. Walainut Trivisvavet | Risk Management Committee and Secretary to the Risk Management Committee | 2/2 |

Remark : The Board of Director meeting no.3/2020 held on 30 July 2020 has passed a resolution to restructure the subcommittee by combined the Risk Management Committee and the Corporate Governance Committee to the Risk Management and Corporate Governance Committee.

4. Corporate Governance Committee (Ended 30 July 2020)

As at 1 January - 30 July 2020, the Corporate Governance Committee comprises three independent directors and one executive director, totaling four persons, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-----------------------------|--|----------------------------|
| 1. Mr. Somnuk Chaidejsuriya | Chairman of the Corporate Governance Committee | 1/1 |
| 2. Mr. Phairuch Mekarporn | Corporate Governance Committee | 1/1 |
| 3. Dr. Patarut Dardarananda | Corporate Governance Committee | 1/1 |
| 4. Ms. Walainut Trivisvavet | Corporate Governance Committee and Secretary to the Corporate Governance Committee | 1/1 |

Remark : The Board of Director meeting no.3/2020 held on 30 July 2020 has passed a resolution to restructure the subcommittee by combined the Risk Management Committee and the Corporate Governance Committee to the Risk Management and Corporate Governance Committee.

5. Risk Management and Corporate Governance Committee

As at December 31, 2020, the Risk Management and Corporate Governance Committee comprises 2 independent directors and 2 non-executive directors and 1 executive director, totaling 5 persons, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-----------------------------|--|----------------------------|
| 1. Mr. Somnuk Chaidejsuriya | Chairman of the Risk Management and Corporate Governance Committee | 2/2 |
| 2. Mrs. Payao Marittanaporn | Risk Management and Corporate Governance Committee | 2/2 |
| 3. Mr. Phairuch Mekarporn | Risk Management and Corporate Governance Committee | 2/2 |
| 4. Mr. Hideo Matsumoto | Risk Management and Corporate Governance Committee | 2/2 |
| 5. Ms. Walainut Trivisvavet | Risk Management and Corporate Governance Committee and Secretary to the Risk Management and Corporate Governance Committee | 2/2 |

Remark : The Risk Management and Corporate Governance Committee has the scope of powers and duties per the details in the section of Corporate Governance.

The Board of Director meeting no.3/2020 held on 30 July 2020 has passed a resolution to restructure the subcommittee by combined the Risk Management Committee and the Corporate Governance Committee to the Risk Management and Corporate Governance Committee.

6. Nomination and Remuneration Committee

As at December 31, 2020, the Nomination and Remuneration Committee comprises two independent directors and two non-executive directors, totaling 4 persons, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-------------------------------------|---|----------------------------|
| 1. Dr. Patarut Dardarananda | Chairman of the Nomination and Remuneration Committee | 2/2 ⁽¹⁾ |
| 2. Mr. Phongsarit Tantisuvanitchkul | Nomination and Remuneration Committee | 2/2 ⁽²⁾ |
| 3. Mr. Somnuk Chaidejsuriya | Nomination and Remuneration Committee | 3/3 |
| 4. Mr. Kaoru Umehara | Nomination and Remuneration Committee | 1/1 ⁽³⁾ |

Remark : ^{(1),(2)} was appointed to be the Nomination and Remuneration Committee as per the resolution of the Board of Directors meeting no.4/2020 held on 30 July 2020.

⁽³⁾ was appointed to be the Nomination and Remuneration Committee as per the resolution of the Board of Directors meeting no.5/2020 held on 20 August 2020.

The Nomination and Remuneration Committee has the scope of powers and duties per the details in the section of Corporate Governance. The Assistant Managing Director, Administration Group is the secretary to the Nomination and Remuneration Committee

(8) Board of Directors of Subsidiaries

The Company had its subsidiaries, namely, Pathum Thani Water Company Limited and Thai Water Operations Company Limited. The Management Structures, Lists of Directors and Authorized Directors of Subsidiaries as at December 31, 2020 was as follows:

1. Pathum Thani Water Company Limited (PTW)

PTW's Board of Directors consisted of 6 directors, per names and number of their meeting attendance listed below:

| Name | Position | Number of Meetings in 2020 |
|--|---|----------------------------|
| 1. Mr. Phongsarit Tantisuvanitchkul ⁽¹⁾ | Chairman of the Board of Directors | 2/2 |
| 2. Mr. Luckchai Pattanacharoen ⁽⁵⁾ | Vice Chairman of the Board of Directors | 1/1 |
| 3. Dr. Sombat Kitjalaksana ⁽²⁾ | Director | 2/2 |
| 4. Mr. Tanat Siricharoen ⁽³⁾ | Director | 1/1 |
| 5. Mr. Somkiat Pattamamongkolchai ⁽⁴⁾ | Director | 1/1 |
| 6. Ms. Walainut Trivisvavet | Director, Managing Director and Secretary | 5/5 |

Remark: ^{(1),(2)} was appointed as the director as per the resolution of the Board of Directors meeting no.3/2020 held on 11 August 2020

^{(3),(4)} was appointed as the director as per the resolution of the Board of Directors meeting no.4/2020 held on 1 October 2020

⁽⁵⁾ was appointed as the director as per the resolution of the Board of Directors meeting no.5/2020 held on 14 December 2020

PTW's Authorized Directors

Either Mr. Phongsarit Tantisuvanitchkul or Dr. Sombat Kitjalaksana either Mr. Luckchai Pattanacharoen or Ms. Walainut Trivisvavet or Mr. Tanat Siricharoen or Mr. Somkiat Pattamamongkolchai, totaling two directors, jointly sign and affix the company's seal.

2. Thai Water Operations Company Limited (TWO)

TWO's Board of Directors consisted of 3 directors, per names and number of their meeting attendance listed below:

| Name | Position | Number of Meeting in 2020 |
|-----------------------------|---|---------------------------|
| 1. Mr. Ratn Santaannop | Chairman of the Board of Directors | 5/5 |
| 2. Ms. Walainut Trivisvavet | Director | 5/5 |
| 3. Mr. Tanat Siricharoen | Director, Managing Director and Secretary | 5/5 |

TWO's Authorized Directors

Any two of these three directors, Mr. Ratn Santaannop, Mr. Tanat Siricharoen, and Ms. Walainut Trivisvavet jointly sign and affix the company's seal.

2. Management

The Board of Directors clearly separates roles, duties and responsibilities between the Board of Directors and Management, in order to clearly distinguish between the policy making, and the day-to-day management of the company in accordance with the policies, plans, goals, regulations and company rules, including to comply with the resolutions of the Board of Directors' meeting with a budget that has been strictly approved, honestly, and to protect the interests of the company and the shareholders to the best, according to the principles of good corporate governance by reporting progress from operations in accordance with resolutions and significant matters to the Board of Directors meeting every quarter

(1) The Company's Management Structure

As at December 31, 2020, the Company had a total of 8 executives as follows:

| Name | Position |
|-----------------------------------|--|
| 1. Ms. Walainut Trivisvavet | Managing Director |
| 2. Mr. Tanat Siricharoen | Assistant Managing Director, Operations Group Acting Engineering Director |
| 3. Mr. Somkiat Pattamamongkolchai | Assistant Managing Director, Administration Group Acting Account and Finance Director |
| 4. Ms. Sudarat Chiamchan | Corporate Affairs Director and Company Secretary |
| 5. Mr. Hongthong Artit | Business Development Director |

| Name | Position |
|----------------------------------|---|
| 6. Mr. Pipat Katikul | Operations Director |
| 7. Mr. Chatchawan Tienprasertkij | Acting Customer Relationship Management Director, Customer Relationship Manager |
| 8. Mrs. Busawan Pholprasert | Acting Human Resource and Administrative Director, Human Resource development Manager |

Remark : Information on qualification of persons holding position as the Company's executives appears in Attachment 1 - the Company's Annual Registration Statement for the year 2020 (Form 56-1)

(2) Scope of powers, duties and responsibilities of the Managing Director

At the Board of Directors Meeting, resolutions were made to designate the scope of authorized and duties of the Managing Director as follows:

1. Having authorized to approve execution of any juristic acts which would have binding effect upon the Company within an amount of not exceeding Baht 5,000,000 (Five Million Baht only)
2. Having authorized to issue, amend, and adjust the Company's work rules, orders and regulations, e.g., employment, appointment, demotion, discipline of staff and employees, determination of salaries and other payments, including welfare and benefits
3. Having authorized to delegate authority to the Company's executive staff, such as Assistant Managing Director to perform duties on behalf of the Managing Director in particular matters such as purchasing, employment, payment instruction as deemed appropriate
4. Having authorized to appoint any person or group of persons to operate the business of the Company under the supervision of the Managing Director, or authorizing such person to take actions as the Managing Director deems appropriate, and also having authorized to change, amend, cancel or revoke such authorization
5. Having authorized for adjustment, transfer, closure and merger or expansion of the organization structure at such levels lower.
6. Having authorized to determine salary rates and other remuneration, including expenses and facilities of Division Director or equivalent and higher to seek approval of the from the Executive Committee
7. Having authorized to determine the structure of salary rates and other remunerations of staff at such levels lower than Division Director or equivalent provided that the salary rates (excluding other remunerations and benefits)
8. Having authorized to employ, appoint, impose disciplinary action, terminate, dismiss, remove, determine salaries, bonuses, welfare and other remunerations, including expenses and facilities of the Company's staff who receive salaries at the rate (only the salary rate, excluding any other benefits received) of not exceeding 200,000 Baht/month and/or the Company the Company's staff in such positions lower than Division Director or equivalent. Apart from those mentioned, the Managing Director shall seek approval of the Executive Committee. In this regard, the authority to take the following actions may be delegated, either in whole or in part to workgroups, the Board of Directors, the management, group of persons or any director, as appropriate
9. Having duty to supervise all businesses of the Company to ensure compliance with resolutions and policies of the Board of Directors
10. Having duty to submit balance sheets, financial statements and income statements of the Company to the Board of Directors for approval

11. Having duty to propose significant issues to the Board of Directors or the shareholders' meetings for consideration and approval or for any other purposes as appropriate

12. Having duty to conduct feasibility studies on new projects and having authorized to approve such projects, as delegated by the Executive Committee

13. In case the Managing Director is unable to perform duties, the Managing Director shall appoint a Division Director or another person to act for and on behalf of the Managing Director from time to time whereby such person shall have the authorized and duties equivalent to the Managing Director

14. Performing other duties as delegated by the Board of Directors from time to time

However, the Managing Director and the person authorized by the Managing Director has no authorized to approve any matters or transactions in which the Managing Director or persons who may have conflict, have interests or may have conflict of interests in any other manners, would enter into with the Company or its subsidiaries, as defined by the Securities and Exchange Commission and Stock Exchange of Thailand.

3. Company Secretary, the Person Taking the Highest Responsibility in Finance and Accounting, and the Person Supervising Accounting

1) Company Secretary

The Board of Directors' Meeting No.3/2012 on July 26, 2012, resolved to approve the appointment of Ms. Sudarat Chiamchan, Corporate Affairs Director, to hold offices as Company Secretary, with the duties and responsibility as prescribed in the Securities and Exchange Act (No. 4) B.E. 2551, Section 89/5 and Section 89/16. She was also appointed as Board's secretary to support Board activities such as Board Meetings, Board Orientation, including

provide important information, rules, regulations to the Board as well as to coordinate subsequent actions under the Board's resolution, details of duties and responsibilities as follows :

(1) Giving advice primarily to Board of Directors about regulations, rules and requirements of the Company and follow up with correct and regular practices, including reporting changes with significance to Board of Directors

(2) Organizing the Shareholders meetings and Board of Directors meetings according to the Company's Articles of Association and codes of conduct

(3) Recording reports of AGM of shareholders and Board of Directors meetings as well as making a follow-up with practices in compliance with the resolutions of AGM of shareholders and Board of Directors meetings

(4) Supervising disclosure and reporting of information for the responsible parts in accordance with the regulations and requirements of The Securities Exchange of Thailand and The Securities and Exchange Commission

(5) Contacting and communicating with general shareholders so that they are informed of the rights of shareholders and information of the Company

(6) Supervising and coordinating in activities of Board of Directors, including the orientation of directors

(7) Keeping the Company's important documents, such as register of directors, invitational letters of Board of Directors meetings, reports of Board of Directors meetings, Annual Report, invitational letters of shareholders meetings, reports of shareholders meetings and reports of interests of directors or executives

In 2020, the Corporate Secretary has attended training seminars and discussions in various topics, arranged by regulators which oversee listed companies and the Thai Institute of Directors Association (IOD), in order to improve and increase efficiency of the Corporate Secretary's performance and corporate governance.

The details of qualifications of the person who holds the position of Company Secretary are described in Attachment 1 - the Company's Annual Registration Statement for year 2020 (Form 56-1).

2) The Person Taking the Highest Responsibility in Finance and Accounting

The Board of Directors appointed Mr. Somkiat Pattamamongkolchai, who had knowledge and abilities in the fields of accounting and finance, to serve as the Assistant Managing Director, Administration Group and Acting Account and Finance Director, holding the position of top management in accounting and finance, with the duties and responsibilities of planning financial strategies and communicate the organization's significant financial information to enhance the understanding and trust of investors

In 2020, Mr. Somkiat Pattamamongkolchai, the Assistant Managing Director, Administration Group, and Acting Account and Finance Director, received training in the course of Public Private Partnership (PPP) for a Digital World from the Fiscal Policy Research Institute Foundation (FPRI) for 32 hours.

3) The Person Supervising Accounting

Per the Organizational chart of the Company, there was appointed the management is Mr. Prem Liemsakul, who had knowledge and understanding the accounting system of the company, to hold the position of Account Manager, as the person supervising accounting, with duties and responsibilities by overseeing preparation of accounts and inspecting close of accounts of the company in each period to ensure that they are made by properly and in accordance with the specified practices, overseeing and inspecting preparation of financial statements, balance sheet, income statement, and accounting reports, overseeing the company's budgeting and inspecting to ensure that the budget is utilized properly and in accordance with the budget plan as specified, and overseeing the preparation of relevant tax reports for submission to relevant government authorities.

In 2020, Mr. Prem Liemsakul, the Account Manager, received training in the course of Feasibility Study from Thammasat Business School, Thammasat University for 24 hours and the course of Caution for submission of 2020

Financial Statement and preparation for submission of 2021 financial statement from Dharmniti Seminar and Training Co.,Ltd for 6 hours

4. Compensation Paid to the Board of Directors, Management and Employees

The Company has the criteria for determination of remuneration for its directors and subcommittee member for submission to the shareholders' meeting for consideration and approval, and the policy on determination of appropriate remuneration for its executive in line with their duties and responsibilities, as follows:

(1) Compensation of the Board of Directors

The remuneration of the Board of Directors was consider from the duties and responsibilities of the Board of Directors approved by the shareholders. The Nomination and Remuneration Committee shall consider the type of remuneration guidelines and payment methods compensation and other benefits for the Board of Directors, subcommittee and executive managements to be appropriate with the responsibilities consistent with the company's performance including market conditions and propose to the shareholders meeting for approval the remuneration, both monetary and non-monetary of the Board of Directors by individual basis each year, The Nomination and Remuneration Committee must consider the responsibilities, the intention of the directors, type and size of the business of the company, markets and competitors, the remuneration must be at the appropriate with the responsibilities.

Compensation Criteria

The company has criteria for consideration of remuneration by taking into account the appropriateness of the

assigned responsibilities and can be compared to listed companies in the Stock Exchange of Thailand that were in similar industries. The remuneration of directors is sufficient to motivate the directors to have quality and able to perform their duties to achieve the goal according to the business direction of the company. Which defines the composition of compensation in two parts as follows

a. Monetary remuneration

Part 1 Annual Fee consist of

- Retainer fee is the remuneration paid to directors on a monthly basis Whether or not there are meetings by considering the operating results and the ability to operate according to goals
- Attendance Fee is the remuneration paid to each director attending the meeting which is paid only to directors who attend the meeting.

Part 2 Incentive Fee / Bonus is a special remuneration paid to directors once a year by linking with the value created for shareholders such as the company's profits or dividends paid to shareholders.

In 2020, the company paid the compensations to directors totally 26,147,066 Baht, which comprised 6,200,666,Baht as the Retainer Fee, 1,526,400 Baht as the Attendance Fee, and 18,420,000 Baht as the Bonus for year 2019.

Compensation paid to each directors in 2020

(Unit : Baht)

| Director Name | Position | Retainer Fee | Attendance Fee | Total | Bonus (2019) | Total |
|--|--|--------------|----------------|---------|--------------|-----------|
| 1. Dr. Thanong Bidaya | Independent Director, and Chairman of the Board of Directors | 785,600 | 196,400 | 982,000 | 2,292,000 | 3,274,000 |
| 2. Mr. Plew Trivisvavet | Director, and Vice Chairman of the Board of Directors | 643,200 | 160,800 | 804,000 | 1,873,000 | 2,677,000 |
| 3. Mr. Phongsarit Tantisuvanitchkul ⁽²⁾ | Director, Chairman of the Executive Committee, and Nomination and Remuneration Committee | 550,467 | 139,100 | 689,567 | 1,518,000 | 2,207,567 |
| 4. Mr. Phairuch Mekarpon | Independent Director, Chairman of the Audit Committee, and Risk Management and Corporate Governance Committee | 584,000 | 133,000 | 717,000 | 1,858,000 | 2,575,000 |
| 5. Mr. Somnuk Chaidejsuriya ⁽³⁾ | Independent Director, Chairman of the Risk Management and Corporate Governance Committee, Audit Committee, and Nomination and Remuneration Committee | 572,800 | 143,200 | 716,000 | 1,672,000 | 2,388,000 |
| 6. Dr. Patarut Dardarananda ⁽¹⁾ | Independent Director, Chairman of the Nomination and Remuneration Committee, and Audit Committee | 511,866 | 127,600 | 639,466 | 1,515,000 | 2,154,466 |

| Director Name | Position | Retainer Fee | Attendance Fee | Total | Bonus (2019) | Total |
|---------------------------------------|--|------------------|------------------|------------------|-------------------|-------------------|
| 7. Dr. Sombat Kitjalaksana | Director, and Executive Committee | 401,600 | 100,400 | 502,000 | 1,171,000 | 1,673,000 |
| 8. Mr. Suvich Pungchareon | Director, and Executive Committee | 401,600 | 100,400 | 502,000 | 1,171,000 | 1,673,000 |
| 9. Mrs. Payao Marittanaporn | Director, and Risk Management and Corporate Governance Committee | 417,600 | 94,000 | 511,600 | 1,372,000 | 1,883,600 |
| 10. Mr. Shunsuke Murai ⁽⁴⁾ | Director, and Nomination and Remuneration Committee | 220,184 | 64,650 | 284,834 | 1,007,000 | 1,291,834 |
| 11. Mr. Kaoru Umehara ⁽⁵⁾ | Director, and Nomination and Remuneration Committee | 124,616 | 21,550 | 146,166 | - | 146,166 |
| 12. Mr. Hideo Matsumoto | Director, Executive Committee, and Risk Management and Corporate Governance Committee | 472,800 | 118,200 | 591,000 | 1,381,000 | 1,972,000 |
| 13. Ms. Walainut Trivisvavet | Director, Executive Committee, Risk Management and Corporate Governance Committee, and Managing Director | 514,333 | 127,100 | 641,433 | 1,590,000 | 2,231,433 |
| Total | | 6,200,666 | 1,526,400 | 7,727,066 | 18,420,000 | 26,147,066 |

Remark

1. Dr. Patarut Dardarananda was appointed as the Chairman of the Nomination and Remuneration Committee since 1 August 2020
2. Mr. Phongsarit Tantisuvanitchkul was appointed as the Nomination and Remuneration Committee since 1 August 2020
3. Mr. Somnuk Chaidejsuriya was appointed as the Chairman of the Risk Management and Corporate Governance Committee since 1 August 2020
4. Mr. Shinsuke Murai resigned from the Board of Directors on 20 August 2020
5. Mr. Kaoru Umehara was appointed as the director on 21 August 2020

Comparison of Compensations paid to Directors in 2020, 2019 and 2018

| Description | 2020 | | 2019 | | 2018 | |
|-----------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | No. of Directors | Amount (Baht) | No. of Directors | Amount (Baht) | No. of Directors | Amount (Baht) |
| Retainer Fee | 13 | 6,200,666 | 12 | 6,312,000 | 15 | 5,427,687 |
| Attendance Fee | 13 | 1,526,400 | 12 | 1,554,450 | 14 | 2,348,625 |
| Incentive Fee / Bonus | 13 | 18,420,000 | 15 | 18,115,016 | 13 | 18,420,000 |
| Total | - | 26,147,066 | - | 25,981,466 | - | 26,196,312 |

b. Other remuneration and benefits

- None -

(2) Compensation for Executives

The Company has the criteria and policy on remuneration for executives of the company as reasonable and in line with the company's operational results, duties and responsibilities of executives according to performance. The Nomination and Remuneration Committee shall consider determining remuneration for the Managing Director for submission to the Board of Directors meeting for consideration and approval. For the positions of Assistant Managing Director downward, their remuneration shall be considered by the Managing Director propose the company's annual salary increment to the Executive Committee for consideration and approval. In this regard, such remuneration increment shall be in accordance with the criteria specified by the Company. The company has policy on consideration of remuneration as follows:

a. **Monetary remuneration** : consisting of salary and bonus, of which the Company's policy on consideration is as follow;

- **Managing Director's remuneration** shall be considered every year based on remuneration policy specified by the Nomination and Remuneration Committee both short term and long term such as salary, bonus and long-term incentive compensation which must be consistent with the financial performance, long-term strategic and executive development including the business growth and profits of the company
- **Executives's remuneration at all level** shall be based on Key Performance Indicator (KPIs), consisting of performance appraisal and management competency, as jointly specified by the Executive Committee and the Managing Director, whereby there are performance indicators for executives in each position in line with his/her roles.

b. **Other remuneration and benefits** : the Company provides for a provident fund for saving of all executives and staff, whereby executives and staff can choose to contribute savings at a rate from 5 to 15 percent of their respective salaries and the company will then make the contribution at the rate of 5 to 10 percent to the fund.

Comparison of Compensations paid to Executives in 2020, 2019 and 2018

| Description | 2020 | | 2019 | | 2018 | |
|----------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | No. of Executives | Amount (Baht) | No. of Executives | Amount (Baht) | No. of Executives | Amount (Baht) |
| Compensation | 8 | 19,645,200 | 8 | 18,623,664 | 9 | 18,624,088 |
| Bonus | 8 | 4,149,650 | 8 | 6,337,352 | 8 | 5,912,360 |
| Provident Fund | 8 | 1,704,180 | 8 | 1,608,360 | 9 | 1,561,753 |
| Total | - | 25,499,030 | - | 26,569,376 | - | 26,098,201 |

(3) Remuneration for directors and Executives of subsidiaries

In 2019, the subsidiaries paid remuneration to its directors and executives as follows;

1. Pathum Thani Water Company Limited

a. Directors's remuneration

1) Monetary remuneration

| Director Name | Position | Retainer Fee | Attendance Fee | Total | Bonus (2019) | Total |
|-------------------------------------|--|------------------|----------------|------------------|------------------|------------------|
| 1. Mr. Phairuch Mekarporn | Former Chairman of the Board of Directors | 174,620 | 17,850 | 192,470 | 892,500 | 1,084,970 |
| 2. Mr. Phongsarit Tantisuvanitchkul | Chairman of the Board of Directors | 110,980 | 35,700 | 146,680 | - | 146,680 |
| 3. Mr. Chayodom Kanchanomai | Former Vice Chairman of the Board of Directors | 271,630 | 53,550 | 325,180 | 892,500 | 1,217,680 |
| 4. Mr. Luckchai Pattamacharoen | Vice Chairman of the Board of Directors | 13,970 | 17,850 | 31,820 | - | 31,820 |
| 5. Dr. Patarut Dardarananda | Former Director | 116,413 | 23,800 | 140,213 | 510,233 | 650,446 |
| 6. Dr. Sombat Kitjalaksana | Director | 73,987 | 23,800 | 97,787 | - | 97,787 |
| 7. Mr. Chaiwat Utaiwan | Former Director | 142,800 | 23,800 | 166,600 | 595,000 | 761,600 |
| 8. Mr. Tanat Siricharoen | Director | 47,600 | 11,900 | 59,500 | - | 59,500 |
| 9. Mr. Hideo Matsumoto | Former Director | 142,800 | 35,700 | 178,500 | 595,000 | 773,500 |
| 10. Mr. Somkiat Pattamamongkolchai | Director | 47,600 | 11,900 | 59,500 | - | 59,500 |
| 11. Ms. Walainut Trivisvavet | Director, and Managing Director | 190,400 | 47,600 | 238,000 | 595,000 | 833,000 |
| Total | | 1,332,800 | 303,450 | 1,636,250 | 4,080,233 | 5,716,483 |

Remark

1. Mr. Phairuch Mekarporn resigned from the Board of Directors on 10 August 2020
2. Mr. Phongsarit Tantisuvanitchkul was appointed as a director on 11 August 2020
3. Mr. Chayodom Kanchanomai resigned from the Board of Directors on 13 December 2020
4. Mr. Luckchai Patanacharoen was appointed as a director on 14 December 2020
5. Dr. Patarut Dardarananda was appointed as the director since 22 February 2019 to 10 August 2020
6. Dr. Sombat Kitjalaksana was appointed as a director on 11 August 2020
7. Mr. Chaiwat Utaiwan resigned from the Board of Directors on 30 September 2020
8. Mr. Tanat Siricharoen was appointed as a director on 1 October 2020
9. Mr. Hideo Matsumoto resigned from the Board of Directors on 30 September 2020
10. Mr. Somkiat Pattamamongkolchai was appointed as a director on 1 October 2020

Comparison of Compensations paid to PTW's Directors in 2020, 2019 and 2018

| Description | 2020 | | 2019 | | 2018 | |
|----------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | No. of Executives | Amount (Baht) | No. of Executives | Amount (Baht) | No. of Executives | Amount (Baht) |
| Compensation | 11 | 1,332,800 | 6 | 1,305,298 | 6 | 1,207,850 |
| Bonus | 11 | 303,450 | 6 | 290,624 | 6 | 458,150 |
| Provident Fund | 6 | 4,080,233 | 6 | 4,039,479 | 8 | 4,076,973 |
| Total | - | 5,716,483 | - | 5,635,401 | - | 5,742,973 |

2) Other remuneration and benefits

- None -

b. Executive's remuneration and other benefits

- None -

2. Thai Water Operations Company Limited

a. Directors's remuneration

1) Monetary remuneration

| Director Name | Position | Retainer Fee | Attendance Fee | Total | Bonus (2019) | Total |
|-----------------------------|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| 1. Mr. Ratn Santaannop | Chairman of the Board of Directors | 90,000 | - | 90,000 | 270,000 | 360,000 |
| 2. Mr. Chaiwat Utaiwan | Director | 60,000 | - | 60,000 | 100,000 | 160,000 |
| 3. Ms. Walainut Trivisvavet | Director | 60,000 | - | 60,000 | 100,000 | 160,000 |
| 4. Mr. Tanat Siricharoen | Director and Managing Director | 60,000 | - | 60,000 | 100,000 | 160,000 |
| Total | | 270,000 | - | 270,000 | 570,000 | 840,000 |

Remark

Mr. Chaiwat Utaiwan resigned from the Board of Directors on 25 September 2020

Comparison of Compensations paid to TWO's Directors in 2020, 2019 and 2018

| Description | 2020 | | 2019 | | 2018 | |
|----------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | No. of Executives | Amount (Baht) | No. of Executives | Amount (Baht) | No. of Executives | Amount (Baht) |
| Compensation | 4 | 270,000 | 4 | 540,000 | 4 | 540,000 |
| Bonus | - | - | - | - | - | - |
| Provident Fund | 4 | 570,000 | 4 | 570,000 | 4 | 570,000 |
| Total | - | 840,000 | - | 1,110,000 | - | 1,110,000 |

2) Other remuneration and benefits

- None -

b. Executive's remuneration and other benefits

- None -

5. Personnel

(1) Number of Personnel of the Company and its Subsidiaries

As at December 31, 2020, the company and its subsidiaries had a total of Executives and Employee as follows :

| | | |
|---------------------------------------|-----|---------|
| TTW Public Company Limited | 134 | persons |
| Pathum Thani Water Company Limited | 29 | persons |
| Thai Water Operations Company Limited | 165 | persons |
| Total | 328 | persons |

Number of Executives and Employees of the company and its subsidiaries divided by company's structure as follows :

| Company's Structure | TTW | PTW | TWO | Total |
|---|-----|-----|-----|-------|
| Managing Director | 1 | - | - | 1 |
| Internal Audit Division | 2 | - | - | 2 |
| Corporate Affairs Division | 8 | - | - | 8 |
| Administration Group | 1 | - | - | 1 |
| Human Resources and Administrative Division | 25 | 2 | - | 27 |
| Account and Finance Division | 12 | - | - | 12 |

| Company's Structure | TTW | PTW | TWO | Total |
|---|------------|-----------|------------|------------|
| Business Development Group | - | - | - | - |
| Customer Relationship Management Division | 9 | - | - | 9 |
| Business Development Division | 8 | - | - | 8 |
| Operations Group | 1 | - | - | 1 |
| Operations Division | 67 | 27 | 165 | 259 |
| Engineering Division | - | - | - | - |
| Total | 134 | 29 | 165 | 328 |

In 2020, the company and its subsidiaries had no significant changes in the number of personnel and the company had no labor dispute throughout the period from which the company was incorporated. In this regard, the company has set out the work rules for acknowledgment and compliance by the staff of the company and its subsidiaries which contain significant details comprising employment, recruitment, appointment, staff transfer, salary and wage, welfare and fringe benefits, discipline, disciplinary actions, submission of a appeal and grievance, etc.

(2) Personnel Development Policy

The company and its subsidiaries is committed to developing all staff continuously by developing knowledge, skills, competencies and cultivating corporate culture to increase knowledges, skills and expertise including the work efficiency of employees for corporate growth and progress sustainably. Every new employee will receive an orientation to acknowledge the practices, corporate policies, business knowledge, Good corporate governance principles, and development of environmental potential, anti-Corruption including learning an overview of company's business through a visit water treatment plant. While working with the company all employees will be developed and promoted by learning in different ways according to job characteristics and job levels by training both internal and external courses, etc. The company also encourages employees to learn by themselves by providing an Edutainment room consisting of books, magazines and entertainment media. In addition,

the company has a policy to send employees to study abroad and supporting personnel in various fields as follows:

- Knowledge Development
- Skill Development
- Ability Development

Knowledge and Skill Development

1. Activities that provide knowledge, experience and improve attitudes, Training, Job Instruction & Coaching
2. Transferring, Job Rotation, Under study, Acting, Study Tour/ Visit, Job Enrichment and Job Enlargement, Special Assignment
3. Knowledge seeking activities on duty - Afford handout on the job, Sending report the minutes, Representative to the meeting.

Ability Development to be in accordance with the strategic management plan through the process as follows

1. Review various events that occurred in the past as a lesson
2. Analyze the organization's environment both inside and outside
3. Create a new vision and be ready to make changes to new working styles.
4. Executives have to change the attitude that people have seen as personnel assets as Human Capitals
5. Adjust the strategy of human resource management in accordance with the organization's strategy
6. Change the new role from the previous order Hold strict regulations to become a change agent. Focus on building flexibility, working systematically.

7. Bring the above 6 approaches to integrate and create new models to occur within the organization. From 7 strategic management tasks

Competency Development

The Company and its subsidiaries encourage their staff to attend the internal and external seminar and training courses to enhance staff's knowledge and skills in work performance. The Human Resources and Administrative Division together with the executives in each line of command shall select the internal training course in fields which personnel intend to develop, and invited speakers from outside to train and give knowledge and skills to employees to become proficient in their job. In addition, the company has opened up an opportunity for its staff to propose training courses that they want to train with outside institute for the competency development. The following is the training courses and seminars which staff attended in 2020:

Staff

- **Internal Courses** such as, Sustainable Risk Management with Workshop and Implementation course, PLC operation and maintenance course, Underground Electrical Infrastructure : Technology, Design, Construction, Installation, Test and Project Management Course, Chlorine Leakage with KIT-B and basic maintenance course, Occupational safety on hazardous chemicals and the use of personal protective equipment course, and Energy conservation consciousness curriculum and energy saving approach for building/factory course, etc., for a total of 2,433 average hours of training and seminars.
- **External Courses** such as, Preparing of Personal Data Protection Act (PDPA) 2019 and Personnel Management Practice Course, Analytical Thinking in the Internal Audit Process, Confined space worker course, Occupational Safety and Health and Environment Committee Course, Deferred Income Tax 2020 and Accounting Relief Measure from COVID-19, and Problem Solving and Decision

Making in Action (Simulation-Based Learning), etc., for a total of 743 average hours of training and seminars.

Executive

- **External Courses** such as, TDPG 2.0 the Practice of Personal Data Protection Class 4, Financial Advisor Course, Feasibility Study Course, Smart city & Data Center : Concept, Design, Management and Case Studies, IT Governance and IT Risk Management 4.0 era, etc.

In addition, the company also supports its own employees to attend any training courses relating to environment issues such as, Internal energy management audit course, Energy conservation consciousness curriculum and energy saving approach for building/factory course, Greenhouse Gas Reduction Policy : Opportunities, Challenges and Assessment Methods, Course of Reduction-Global-Warming in COVID-19 situation with Care the Bear, etc.

The Company adopts a policy to support and encourage the directors, the executives and the Company Secretary to attend training courses, seminars, and make site visits to enhance their knowledge and capability in work operations. In 2020, the directors and executives attended the following training and seminars:

Director

- Following and study visit the implementation of the Xayaburi Hydroelectric Power Project at Lao People's Democratic Republic between 16-18 January 2020
- Seminar on Director Forum : Board's Role in Strategy for Business Sustainability" by Thai Institute of Directors (IOD), for Ms. Walainut Trivisvavet
- Seminar on "Strengthening Good Corporate Governance by Audit Committee and Independent Director : Experiences from Fraud Cases" by the Securities and Exchange Commission (SEC), for Mr. Phairuch Mekarporn, Mr. Somnuk Chaidejsuriya, and Dr. Patarut Dardarananda

- Seminar on Chairman Forum : “Leading Boardroom Through Disruption : What Directors should know?” by Thai Institute of Directors (IOD), for Ms. Walainut Trivisvavet

Company Secretary

- Seminar on IOD Open House for Company Secretary : the Role of the Company Secretary in promoting good corporate governance for the organization, by Thai Institute of Directors (IOD)
- Seminar on Director Forum : Board’s Role in Strategy for Business Sustainability” by Thai Institute of Directors (IOD)
- Seminar on “Strengthening Good Corporate Governance by Audit Committee and Independent Director : Experiences from Fraud Cases” by the Securities and Exchange Commission (SEC)
- Seminar on IOD Company Secretary Forum : Virtual Board Meeting & the Evolving Role of Company Secretary by Thai Institute of Directors (IOD)

(3) Staff Remuneration and Benefits

Policy on Consideration of Staff Remuneration

The company and its subsidiaries has the criteria and policy on remuneration for staff by considering the appropriateness, fairness according to knowledge and ability including each employee's performance and correspond to the average of the same industry. The company has determined to increase the salary rate for executives and employees once a year using Key Performance Indicator: KPI, which includes current performance (short-term) and long-term strategic performance, such assessment results in the compensation of executives and employees in line with the company's performance. In addition, the company has set a special bonus payment that is linked to the operating results for each year, and linked to the performance of employees to motivate employees to work according to the organization's goals in that year

Staff Remuneration

For Monetary remuneration such as, salary including other incomes and professional fees. In addition, the company has stipulated a special bonus linked to the operating results of each year and the performance of employees in order to motivate employees to perform according to the organization's goals.

Comparison of Compensations paid to Employees in 2020, 2019 and 2018

Unit : million Baht

| Company | 2020 | 2019 | 2018 |
|--------------|---------------|---------------|---------------|
| TTW | 78.97 | 79.62 | 74.46 |
| PTW | 11.43 | 11.55 | 10.42 |
| TWO | 59.54 | 58.25 | 55.15 |
| Total | 149.94 | 149.42 | 140.03 |

Staff Benefits

The company provides welfare higher than what is required by laws, in order to reduce the expense burden for the employees, promoting the well-being which will benefit the operations and the living of the employees. These benefits have been communicated to all employees to be informed of their rights through company regulations on employee benefits since the orientation on the first day of joining the company. The welfare can be divided into following categories:

Health insurance and Life insurance such as, medical expense, annual physical examinations by providing an inspection program for employees of each age and gender appropriately, health insurance, life insurance and accident insurance programs in addition to the government's social security program. In 2020, the company has made the Coronavirus (COVID-19) insurance coverage as additional insurance for employees.

Financial aid such as, scholarships for children, Financial support for employee's wedding, Maternity expense, Spouse or children of lawful employees or the parents of the employee died and grants in the event of an employee experiencing a fire, flood, or windstorm

Provident Fund for its employees, to provide benefits to members in the event of retirement, resignation, termination, disability or death by accumulating money from part of member's income and the company contributed to other parts in accordance with the conditions specified in the provident fund regulations by appointed Kasikorn Asset Management Company as the fund manager.

Other benefits such as, uniform, first aid room, fitness room and vaccination against 4 strains of influenza in accordance with the standards of the World Health Organization (WHO). Additionally, throughout 2020 and the entire coronavirus disease 2020 (Covid-19) pandemic, the Company provided sufficient alcohol sanitizing gel and facemasks to employees, and also carried out disinfectant spray sterilization to sanitize workplaces and water production plants to ensure workers were safe from the spread of Covid-19.

(4) Evaluation of work performance and career advancement opportunities

Employees in all levels who receive remuneration on a monthly basis are subject to a work performance evaluation at the end of each year. The goals and key performance indicators (KPIs) will be developed individually for each employee based on expected achievement of works, competency and development. The results of the evaluation in three areas (including core competency, managerial competency and functional competency in accordance with the regular development scheme of the company) will be used to set up a priority and the goals of the development. Individual development plan for each employee emphasizes the learning and development from hand-on experience, interpersonal relationship and formal training.

(5) Determination of Succession Plan

The Board of Directors realizes the significance of the succession of senior management, especially the position of managing director by assigning the Nomination and Remuneration Committee to conduct the managing director succession plan details appear in the Nomination and Remuneration Committee Charter.

For the Executives positions, the company has established a succession plan by specifying the person to act on its behalf. In the case that there is no person can support immediately, there is a secondary development system to prepare including external selection, in order to maintain trust with shareholders, as well as employees that the company's operations will be carried on in a timely manner.

(6) Work Safety

The company has formulated policies and managerial structure for occupational safety, health and environment in accordance with the standards, stipulated in the Occupational Safety, Health and Environment Act B.E. 2554 and other work safety-related laws. We use these as basic practical guidelines to help our employees to ensure safety standard in their works ISO 9001 and ISO 14001 and a work safety management system by focusing on the participation of personnel. In addition, there are rules for working safety, Committee for Safety, Occupational Health and Working Environment in order to consider the policy Operation plan and work safety training plans

Occupational Health and Safety

TTW realizes that occupational safety and health program is an integral part of the business operation and is directly related to both qualitative and quantitative productivity. Its implementation also leads to a sustainable coexistence with the surrounding communities. The company therefore focuses the efforts on creating knowledge, understanding, realization and conscience on occupational safety and health in all departments and among all levels of staffs, including senior executives and operational-leveled staff.

The company has formulated policies and managerial structure for occupational safety, health and environment in accordance with the standards, stipulated in the Occupational Safety, Health and Environment Act B.E. 2554 and other work safety-related laws. We use these as basic practical guidelines to help our employees to ensure safety standard in their works.

Environmental Quality, Occupational Safety and Health Policies

TTW is determined to implement the environment quality, occupational safety and health activities by emphasizing on the participation of our personnel in order to ensure continuing development as follows.

1. Producing running water with quality that is responsive to the needs of customers.
2. Ensuring maximum satisfaction from direct and indirect customers.
3. Improving and developing knowledge, ability, skill and expertise of our employees on continuing basis to ensure that they have consciousness on environment quality and occupational safety and health.
4. Complying with the laws and requirements on the nature and problems relating to environment and work safety of the company.
5. Preventing pollution from the company's business activities that may affect natural environment, including the efficient use of energy and resources.
6. Preventing and mitigating accidents, danger and illness that occurred to our employees and those who involve with the operation of the company while performing the duties.

7. Preparing for any possible emergency incident and working to ensure that such incidents would not affect personnel and properties that are inside and outside of the company

The management was responsible to support on budget, manpower, time sufficiently and appropriately to drive quality, environment, occupational health and safety to be in accordance with the policies, objectives and goals set

Occupational Safety in the Company Group

For the supervision and inspection of operations, to ensure safety standards are being met and that any accidents that could cause damage to a person or to property while working with the Company are prevented or their effects minimized, the following occupational safety guidelines and rules have been established:

1. Clothing must be well-fitted and suitable for safe operation.
2. Personal protective equipment (PPE) must be worn in all specified work areas or job types.
3. The use of drugs, alcohol, or intoxicants is prohibited anywhere in the factory area. If intoxicated, do not enter the factory premises.
4. No smoking in the factory premises, except for in designated areas only.
5. No sparks allowed on factory premises without prior permission from responsible parties.
6. Do not use company machinery and/or equipment without receiving prior permission from the responsible parties.
7. Every time machinery is being repaired or cleaned, said machine must first be turned off completely and a "Danger. Do not start the machine." sign must be placed visibly on the machine.
8. Do not hang, swing, or climb on forklifts. These are not for passenger transportation.
9. Do not tease, joke, and/or take any action which may cause danger to oneself or others or Company property.
10. Do not use air that is part of the operations of machinery or equipment to dry your body, clothes, personal belongings, or anything else.
11. Any areas marked with "No entry without permission" signs are strictly prohibited from entry by any non-related parties.
12. Work permits are required before starting any high-risk operation as stipulated by the Company.
13. Do not work or operate alone in any job that specifies more than one person is required.
14. Do not pull or press the fire alarm without due cause.

15. Report to a supervisor in any case whatsoever of a fire, accident, or near-accident.

All employees and stakeholders in the TTW Public Company Limited group must strictly comply in the event that an investigation identifies any violation with cause for punishment according to personnel management rules and regulations for employees and/or the manual for safe work procedures.

Occupational Safety, health and Environment Committee

TTW has elected and appointed the Occupational Safety, Health and Environment Committee to perform the duties that include the formulation of policies, action plans and training on occupational safety in order to prevent and decrease the number of occupational accidents, injury, illness, suffering or unsafety. The Committee's duties also include the submission of reports and recommendations on measures or guidelines to improve or correct the occupational safety standard so that they are in compliance with the occupational safety-related laws and occupational safety standard to the management. This is to ensure occupational safety for employees, contractors and third parties who perform their works or use the services of the company, including the survey on occupational safety performance, the reviewing of injury statistics, the setting of occupational safety reporting system. The company requires that employees at all level comply with the guidelines under the supervision of the Occupational Safety, Health and Environment Committee as follows;



Occupational Health, Safety and Environment Committee

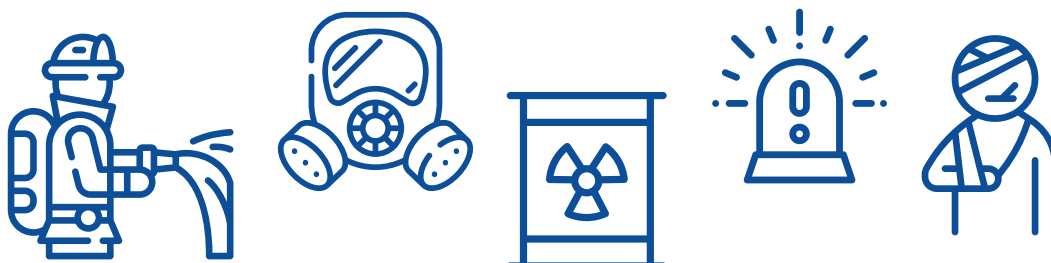
| Name | Position | Position in OHSEC |
|--------------------------------|--|-------------------------|
| 1. Mr. Prem Liemsakul | Employer representatives, Executive level | Chairman of OHSEC |
| 2. Mrs. Benjawan Rattalerngsak | Employer representatives, Commanding level | Committee |
| 3. Mr. Tanet Srisoontornthai | Employee representative Operational level | Committee |
| 4. Mr. Phonlakit Asawawarakul | Employee representative Operational level | Committee |
| 5. Mr. Nopadol Tangsuwan | Employer representatives, Commanding level | Committee and Secretary |

Accident statistics

| Year | Number of accidents (times) | Injury Frequency Rate (IFR) | Injury Severity Rate (ISR) |
|------|-----------------------------|-----------------------------|----------------------------|
| 2016 | 0 | 0 | 0 |
| 2017 | 0 | 0 | 0 |
| 2018 | 3 | 1.12 | 6,747.00 |
| 2019 | 0 | 0 | 0 |
| 2020 | 0 | 0 | 0 |
| 2021 | 0 | 0 | 0 |

Remark ⁽¹⁾ IFR is Injury Frequency Rate

⁽²⁾ ISR is Injury Severity Rate





Corporate Governance

Business management with good corporate governance is an important factor, which demonstrates the management system that is efficient, fairness, transparency, accountability, and ensures responsibility towards the community, society, and environment, to build trust and confidence of shareholders, investors, and all stakeholders

The Board of Directors has assigned the Risk Management and Corporate Governance Committee to review, promote, supervise, and monitor the Company's good corporate governance practices. The corporate governance policy is reviewed regularly and updated so that it remains current and timely, as well as in compliance with international standards, laws, rules, statutes, regulations, and the requirements of relevant agencies. It is also in accordance with the Corporate Governance Code for Listed Companies 2017 (CG Code 2017) of the Securities and Exchange Commission (SEC), the principles of the Corporate Governance Report of Thai Listed Companies (CGR) 2019 of the Thai Institute of Directors Association (IOD), the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), and all related best practices of the Stock Exchange of Thailand (SET), etc., to enable the Company to achieve its vision and mission with both stability and sustainability.

1. Corporate Governance Policy

The Board of Directors recognizes the importance of good corporate governance, and has therefore established a corporate governance policy in written form to serve as a guideline for the Board of Directors, executives and employees of the company to adhere to so that management of the Organization may be carried out with fairness, transparency, accountability and efficiency. This corporate governance policy covers all key matters in accordance with all 5 categories of the Stock Exchange's principles of good corporate governance, including the rights of shareholders, equitable treatment of shareholders, the role of stakeholders, information disclosure and transparency, and the responsibilities of the board, enabling all members of the

Board of Directors, executives and employees to put its principles into practice in all work and operations as follows:

1. The Board of Directors strives to create more value for the company in the long run by supervising and operating with care and be careful according to the capacity for the maximum benefit of shareholders while taking care to prevent conflicts by taking responsibility for decisions and actions as directors of the Board of Directors.
2. The Board of Directors will treat the shareholders and the all parties equally.
3. The Board of Directors will operate with sincerity and can be checked by disclosing information to all concerned parties accurately, completely and in time.
4. The Board of Directors will always regard to the risk that could be occurred in the business. It will be controlled and manage the risk appropriately.
5. The Board of Directors will provide an Ethics of working for directors, executives and employees. The Board of Directors must be an example of Ethics, and being a good role model for executives and employees according to the corporate governance principles of the company.
6. The Board of Directors must have an annual self-evaluation on a regular basis to be used as a framework to monitor the performance of the committee of the company.

The Board of Directors is aware of compliance with the CG Code by the Office of the SEC and thus has adapted said principles to be in line with the Company's operations. The corporate governance policy is reviewed annually and the criteria are adjusted based on the foundational principles of good corporate governance and in accordance with the changing environment.



Communication of and Compliance with the Corporate Governance Policy

In 2020, the Company reviewed its Subcommittee Charters, good corporate governance practices, related risk management practices, promotion of employee awareness in regard to the implementation of good corporate governance, and its anti-corruption policies. This also included follow-up, evaluation, and reporting on compliance with good corporate governance practices, also communicates and disseminates the details of the corporate governance policy to all directors, executives and employees at all levels of the Company, as well as to all interested parties via the Company's website at www.ttwplc.com in order to create awareness and understanding and to ensure correct practices, thus boosting confidence among stakeholders.

Additionally, the Company has prepared a corporate governance and business ethics manual to set forth principles and guidelines for directors, executives and employees alike, and has also provided media and a variety of activities to help enhance employee understanding of good corporate governance throughout the Company. In the past year, major activities in this regard were as follows:

- The Risk Management and Corporate Governance Committee has been appointed to evaluate, approve, promote, and supervise policies, strategies, goals, practices and plans for corporate governance and risk management, with performance monitoring plans and reports presented to the Board of Directors. The Committee is also responsible for the supervision of policy and regulatory compliance related to anti-corruption.
- Dissemination of information and good corporate governance practices to directors Management and staff for acknowledged by internal communicating within the news boards, meetings between employees, Executives and managing directors, which organized monthly and through the company intranet such as, disseminating letters for cooperation to refrain from trading or changing possession of Company's security via electronic mail, and corporate communication on the "CG Corner" to communicate information and provide knowledge about good corporate governance and anti-corruption to employees.
- Training about good corporate governance principles to employees such as lectures on the topic of good corporate governance policy and anti-corruption practices in the orientation for new employees, and provide a test of knowledge before and after the lecture.

In 2020, the Board of Directors considered the CG code, regulations and criteria of regulatory agencies, CGR's criteria which the Company had yet to accomplish as well as explained reasons and alternative practice guidelines as follows:

| Unaccomplished Items | Reasons |
|--|--|
| 1. The Board of Directors should determine that independent directors can continually assume director positions for not longer than 9 years since the date of the first appointment. | The Board of Directors has not determined the period of office for an independent director, director, and sub-committee to assume, as it is believed by the Board of Directors that every director has knowledge, ability, experience and an understanding in the business operations, with independence in expressing opinions deemed beneficial for the company. |
| 2. The Board of Directors should determine the maximum length that directors and members of committees can assume their positions. | |

Monitoring of Compliance with the Corporate Governance Policy

In the past year, the Company's Board of Directors and all employees consistently complied with good corporate governance policies. As a result of this commitment, in 2020, the Company received a number of awards and accreditations for its good corporate governance as follows:

1. The Thai Institute of Directors (IOD) announced the results of their Corporate Governance Report of Thai Listed Companies for 2020 (CGR), with TTW receiving a rating of "excellent".
2. TTW was ranked as 1 in 100 companies listed on the Stock Exchange of Thailand as being outstanding in Environmental Social Governance or ESG100 in the 2020 Resources Group.
3. TTW was selected for the Thailand Sustainability Investment (THSI) listing for the year 2020 in the SET market capitalization of THB 30 billion - THB 100 billion category.
4. The Thai Investors Association (TIA) announced that TTW received a 99 points from 100 in the quality assessment by the 2020 Annual General Meeting of Shareholders.

In 2020, the Thai Institute of Directors (IOD) conducted an annual corporate governance survey to monitor the development of corporate governance among listed companies. The Company prepared a data form for presentation in accordance with the criteria for Corporate Governance Reports of Thai Listed Companies (CGR) in order to review implementation and compliance with the 5 aspects of good corporate governance, summarized as follows:

Section 1 Rights of Shareholders

The Company recognizes the importance and equality of all shareholders, both minor shareholders and institutional investors, and therefore encourages shareholders to exercise their basic legal rights in all aspects, including share of business profits, trading or transferring of shares, receiving sufficient information about the business, shareholder meeting attendance to exercise voting rights in appointing and/or removing directors, determination of director remunerations, appointment of auditors and determination of audit fees, and all matters affecting the Company. In addition, the Company supports and treats shareholders equally in all matters, such as providing important and up-to-date information via the Company website, providing opportunities for shareholders to propose items for the agenda and nominate candidates for directorship, arranging Company visits for shareholders, and providing opportunities to participate in social responsibility activities of the Company. The Company refrains from taking any action that would violate or infringe upon the rights of shareholders in any way.

1. Basic Rights of Shareholders

- The right to buy, sell, transfer shares and the right to receive share certificates
- The right to receive correct, adequate and timely information in a format suitable for decision making
- The right to receive a share of the profit of the business
- The right to attend and vote in shareholders' meetings to jointly decide on important policy changes of the company
- The right to elect and remove directors including the determination of the remuneration for the board of directors
- The right to give approval to appoint an auditor and set the audit fee
- The right to purchase shares in proportion to the pre-existing shares

2. Shareholders' Meeting

The Board of Directors considers the Annual General Meeting of Shareholders (AGM) a very important event. AGM is held within 4 months from the Company's closing date of accounting period to accommodate shareholders' participation in monitoring the Company's performance. An extraordinary general meeting of shareholders can be held by the Board of Directors on a case by case basis to consider a special agenda that affects or involves the shareholders' interests and requires the shareholders' approval. TTW's AGM was arranged in accordance with AGM checklist issued by the Thai Investors Association, Listed Companies Association and SEC.

Due to the coronavirus disease 2019 (Covid-19) pandemic which began in early 2020, the government released a variety of measures throughout the year. These included orders forbidding large gatherings and the closure of various locations, along with hotels normally used for the general meeting of shareholders. As a result, the Company had to postpone its general meeting of shareholders to be held in July of 2020, at which time the spread of Covid-19 was still continuing. The Company therefore set measures for screening and prevention of the risk of Covid-19 infection in accordance with the measures of the Department of Disease Control. Details are as follows:

Before the Shareholders' Meeting Date

TTW provided shareholders with complete meeting documents in advance to support their decision making. Shareholders were encouraged to attend the meeting and TTW strived to facilitate shareholders' exercise of voting rights, in case they could not attend the meeting as follows:

- Meeting schedule and agenda were distributed via SET portal and TTW's website on June 11, 2020 before delivering the meeting documents by post, 48 days prior to the AGM date. The record date for the rights to attend the meeting and receive dividends was also detailed in the meeting notice.
- Meeting notice and agenda, in both Thai and English, were sent to shareholders by clearly separating each agenda item as prescribed in Chapter 4 of TTW's Articles of Association: Shareholders' Meeting. The appointment of directors and consideration of directors' remuneration were under separate agenda items. Each agenda item consisted of background, objective and rationale,

Board's opinions, number of votes needed, policy and criteria of determination of remuneration, policy and criteria of director nomination, profiles of nominated directors, details of previous minutes, conditions and procedures of attending the meeting, 3 proxy forms (form A, B and C), as required by the Department of Business Development, Ministry of Commerce and an annual report, which were delivered to shareholders on June 29, 2020, 30 days before the AGM date. Notice and supporting documents were published for 3 consecutive days in newspapers to notify shareholders in advance, so that they could have adequate information before attending the meeting. Also, other relevant details were published on TTW's website before sending hard copies to shareholders in order to allow them to have enough time to review such information. Meeting notices were delivered to shareholders by post on July 8, 2020, 21 days prior to the AGM date. Contact numbers were also provided for further inquiries and for proposing additional information relating to the appointment of directors, as in compliance with the best practice guidelines by SEC and SET.

- To encourage the institutional investors' attendance, the Investor Relations Unit coordinated with the institutional investors on their submission of registration documents to TTW 7-14 days in advance for document checking in order to facilitate the administrative procedures on the actual meeting day.
- To facilitate the shareholders including institutional investors can exercise their rights conveniently, The Company has set up the meeting venue which is convenient for traveling and attaches a map showing the meeting venue in the invitation letter to the shareholders' meeting. The registration service points are set appropriately and sufficient for the number of shareholders attending the meeting.
- Provide an opportunity for shareholders and institutional investors to submit questions related to the agenda to the Board of Directors at least 10 days prior to the shareholders' meeting date via the Company's website, or by email of the company secretary at cg@ttwplc.com or

fax number 02-4206064 through the news system of the Stock Exchange of Thailand, along with the dissemination of the invitation letter for the annual general meeting of shareholders by determined the criteria for sending questions in advance on the company website www.ttwplc.com to ensure the shareholders' utmost benefits and legal rights.

- Provide a live broadcasting system via online channels (AGM Private Live Streaming), through the Company's website, which all shareholders can access and watch the meeting.

On the Shareholders' Meeting Date

TTW strongly encouraged shareholders to exercise their rights by attending and voting at the shareholders' meeting. The meeting was conducted in a transparent, correct, and accountable manner ranging from the registration, vote counting to result announcement, in order not to violate or deprive of the shareholders' rights. Shareholders' inquiries and opinions were welcomed and taken into consideration as follows:

- The 2020 Annual General Meeting of Shareholders held during the outbreak of coronavirus 2019 (COVID-19), the Company is therefore introducing screening and preventive actions against COVID-19 to support the measures of the Department of Disease Control.
- Shareholders unable to attend the meeting by themselves can exercise their voting rights by appointing an independent directors to vote on his or her behalf.
- All attendees must go through the detector at the health screening point before entering. Attendees who have body temperature of 37.5 degrees Celsius or higher will not be allowed to attend the meeting, and arranged to maintain a one-meter distance between each seat.
- The company has made a video record shareholder meetings throughout the duration of the meeting, publish on website www.ttwplc.com through the AGM Private Live Streaming system for shareholders who could not be present to attend the meeting able to access and follow up on events during the meeting, and if the shareholders have any question, can type questions sent during the meeting. The company

has provided staff to collect questions and send to the chairman of the meeting to answer all questions.

- Directors, executives and external auditors from EY Office Limited (EY) attended the AGM altogether in order to answer shareholders' questions and acknowledge their opinions. For the AGM 2019, 12 directors including the Chairman and directors attended the meeting which accounted for 100 percent of the total number of the Board members (Mr. Shunsuke Murai attended the meeting via VDO Conference from Singapore as per the minutes of 2020 AGM). The Chairman of the Board, the Chairmen of all subcommittees and the President together with senior executives also attended the meeting and explained details of information regarding agenda items and answered shareholders' questions.
- TTW identified the names of directors having conflicts of interest in respect to any agenda item in the meeting notice. Those directors were not present in the meeting while any given agenda item was being considered.
- Provide personnel to provide full details of the Company's business operations to shareholders. Shareholders' inquiries were warmly welcomed and clarified by the executives, Investor Relations Unit, Corporate Affairs Division, Account and Finance Division, Business Development Division, Operations Division and Engineering Division.
- One volunteer shareholder was invited to observe the vote counting process. Representatives from the Thai Investors Association also observed the meeting.
- Provide auditors who do not perform the audit duties of the company and lawyers who are not corporate counsel Witness the meeting
- Shareholders, who registered after the meeting had already started, were allowed to vote for the ongoing and the remaining agenda items.
- The shareholders' meeting was convened according to the sequence of the agenda. Each agenda presentation included the background, supporting rationale and recommendation. The significant information and details were included in the meeting notice delivered to shareholders, without any ad hoc agenda during the meeting.

- Shareholders were equitably treated and were allowed to raise questions and opinions. All questions were addressed and clarified by the Chairman and completely recorded in the minutes of the meeting.
- Offices of N & K Co., Ltd. was hired as an inspector to audit shareholders' or their representatives' registration documents, meeting quorum, compliance of the voting and vote counting procedures with the Company's Articles of Association, as well as to inspect shareholders' ballot collection and voting results. In this regard, the inspector reported that the meeting and the voting procedures were transparent and in compliance with the Company's Articles of Association, relevant laws and SET's best practices of good governance. In addition, the inspector reported that TTW highly respected the rights of its shareholders to actively participate in the meeting and voice out their opinions as well as efficiently facilitated shareholders in all matters.

For the AGM 2020, there were 473 shareholders attending the meeting, which 111 shareholders attending the meeting in persons and 362 shareholders by proxies, representing 3,078,725,898 shares which accounted for 77.16% of the total issued shares, decrease from the year 2019 due to the outbreak of COVID-19 accounted for 4.35% which the 2019 were 971 shareholders attending the meeting in person and by proxies, representing 3,252,370,957 shares which accounted for 81.51% of the total issued shares.

After the Shareholders' Meeting Date

- After the AGM, TTW concluded resolutions for each agenda item to shareholders and SET via SET Portal according to SET's criteria of information disclosure. In 2020, meeting resolutions were notified on July 30, 2020, immediately after the meeting.
- TTW prepared minutes of the meeting which recorded name list of directors and executives together with their titles, auditors and meeting inspector attending the meeting, voting and vote counting procedures, voting card instructions, the Board's recommendations, inquiries and recommendations of shareholders and clarifications from the management. Details on the number of approvals, disapprovals, abstentions and voided ballots, and resolutions of each agenda item were also included and published on the company's website: www.ttwplc.com on August 10, 2020 which occurred within 14 days after the meeting date as required by SET's criteria.
- TTW disseminated images and sounds recorded in the meeting on its website for absent shareholders' acknowledgement.
- The shareholders' meeting approved the dividend payment, the company notified the meeting resolution including details of dividend payment to shareholders through the SET Portal and coordinated with the TSD and announced the dividend payment on Newspaper to ensures that shareholders receive the complete and accurate dividend rights

3. Company Visit and Knowledge Enhancement for Shareholders and Investors

Because of the Covid-19 pandemic, the Company exercised caution in the organization of its meeting to provide information to investors, analysts, shareholders, and other interested parties. The Company therefore chose to communicate said information via other channels, including by phone, email, and conference calls, using such platforms as ZOOM Meeting and MS-Teams. This allowed the Company to continue to communicate and to disclose accurate and complete information consistently with transparency and efficiency.

Section 2 Equitable Treatment of Shareholders

1. Equal Treatment

The Board of Directors recognizes the importance of ensuring fairness and equality in the interests and treatment of all shareholders, foreign shareholders, and institutional investors, and, to this end, has set forth a policy regarding the equitable treatment of shareholders in the good corporate governance policy of the Company. In addition to those practices prescribed by law, the policy includes the following practices:

- The right to vote at the meeting is in accordance with the number of shares held by the shareholders. One share is equal to one vote.
- Provide opportunity for shareholders to propose items for the agenda for the annual general meeting of shareholders and to nominate in advance candidates for director positions from September 1, 2020, to December 31, 2020, with all rules and procedures disclosed on the Company website and notification sent to shareholders via the SET Portal system of the SET.
- The Company has a policy to protect the rights of all shareholders, that is, that no agenda point may be added to the meeting agenda without advance notification of all other shareholders. This is to provide shareholders with the opportunity to study meeting agenda information ahead of time before voting. All shareholders of the Company have the right to vote according to their number of shares. Each share equals one vote. No shares have any special privileges that would restrict or limit the rights of any other shareholders.
- Ballots were employed in vote counting for all agenda items for transparency and accountability. The appointment of individual director was done by shareholders. Offices of N & K Co., Ltd. was invited as an inspector to ensure that the shareholders' meeting was conducted transparently and in compliance with the laws and the Company's Articles of Association. Shareholders, who were unable to attend the AGM in person, could vote through proxy. The 3 proxy forms as introduced by the Department of

Business Development, Ministry of Commerce were provided and 2 Company's independent directors who did not have conflicts of interest with the AGM agenda could be alternatively appointed as volunteer proxies. The proxy forms were made available for shareholders on TTW's website.

- Since most shareholders attending the AGM were Thai, the meeting was, therefore, conducted in Thai. However, in order to facilitate foreign shareholders, TTW prepared the meeting notice and supporting documents in both Thai and English versions.
- Ballots were employed in vote counting for all agenda items, especially in the appointment of individual director was done by shareholders, the votes equaled the number of shares held for the election of one director.
- The policy stipulates that any directors who have an interest in any matter being considered shall forfeit their right to vote on said matter and must not be present at the meeting regarding said agenda point.
- The Board of Directors has established measures to prevent the use of inside information (insider trading) by any involved persons, including the Board of Directors and other executive management of the Company, as well as any employees in agencies with access to said information (including the spouse and minor children of said persons). Key principles of such are detailed in the guidelines for prevention of use of inside information.

2. Prevention of Internal Information Usage

The Company has stipulated, in writing, guidelines for the prevention of internal information usage and has shared said guidelines with all Directors, executives and employees, all of whom are well informed and comply strictly with these and other important principles on the topic of supervision of the use of internal information.

3. Prevention of Conflicts of Interest

The Board of Directors has a policy to prevent conflicts between personal interests and the interests of the company, which has been stipulated in the code of conduct for directors and employees as follows:

1. Ensure the compliance with rules, procedures and disclosure of connected transaction information as strictly required by laws or regulatory agencies and according to the company's regulations.
2. Avoid doing transactions that are connected to oneself or related persons / juristic persons, which may cause a conflict of interest with the company.
3. In the case of a connected transaction which does not comply with general trading conditions in accordance with the principles approved by the Board of Directors, or the nature and size of the transaction is not within the discretion of the management must pass a review and provide comments from the audit committee before proposing for approval from the board of directors or shareholders.
4. In the case that it is necessary to make a connected transaction such transactions must comply with general commercial conditions in accordance with the principles approved by the Board of Directors, with transparency and fairness like doing transactions with third parties and taking into account the best interests of the company.
5. Stakeholders must not be involved in the consideration of transactions that have a conflict of interest.

Section 3 Role of Stakeholders

1. Rights of Stakeholders

In addition to protecting the rights of shareholders, the Board has a policy to protect the rights of all stakeholders, which emphasized the issues that might affect business operation directly, and matters considered as duties which should be done to the society as a whole. Therefore, in good corporate governance policy and the code of ethics for business, the Board had clearly provided the guidelines for fulfilling the needs of stakeholders in each group, for the directors, executives and staff adhered to could be summarized as follows;

Shareholders

The Company is committed to representing shareholders in conducting business in a transparent manner with regard to the long-term growth of the Company's value, have good returns, provide information to all parties equally.

Employees

The Company and its subsidiaries have established employee policies and have provided a manual of such policies so that all employees are clearly aware of the policies and the welfare practices that employees deserve, including fair and equal treatment of all employees without exception regardless of birthplace, race, religion, gender,

marital status, language, or position. The Company does not use or support the use of child labor, human trafficking, or any form of fraud or corruption. The Company also offers opportunities for employment for persons with disabilities. The Company has in place policies and guidelines regarding fair employee compensation and welfare at a level comparable to other businesses in the same industry.

The Company also provides a variety of benefits in addition to those prescribed by law, such as the establishment of a provident fund at suitable rates according to length of employment, annual health checkups, medical expenses, health insurance, life insurance, accident insurance, etc. The Company provides office cars for executive management, allowing them to have greater flexibility and convenience in performing their jobs. The Company also promotes various activities for employees, such as the establishment of the TTW Running Club and participation in running events organized by external agencies, and has provided a first aid room, a gym and exercise equipment, in order to promote good health among employees.

The Company places great importance on long-term human resource development and has put in place policies and practices regarding the development and creation of opportunities for employees in terms of learning and

development of potential. The Company believes that its personnel are its most valuable resource in driving the Organization as a whole towards a common goal and, therefore, is determined to develop its personnel and provide them with appropriate knowledge, abilities, and a good quality of life. To this end, the Company has adopted a professional management system in human resource management in order to maximize employee potential and capacity and therefore to benefit employees. The Company has also organized appropriate learning programs, beginning on the day employees first start work with the Company until the day they retire, and encourages employees at all levels to further their education and to add new skills by attending seminars and workshops with leading institutions. Additionally, the Company continues to develop employee participation across the board by the employee satisfaction survey, the employee engagement survey, the employee participation in welfare management occupational health and safety, which the company has specified as policies and guidelines about workplace safety and hygiene through the Occupational Safety and Health Committee to ensure safety for life as well as property of employees and the company. The company considers safety both for the operation of the employees and to the utility users by providing training to a team of technicians and engineers, as well as employees who work regularly in the water supply process so that they can perform their duties efficiently and safely, due diligence in the care of its employees.

Throughout 2020 and during the coronavirus disease 2019 (Covid-19) pandemic, the Company provided preventive measures in the workplace, such as temperature monitoring before entering the workplace, social distancing, mask-wearing at all times while at work, etc. The Company also provided sufficient alcohol sanitizing gel and facemasks to employees, and also carried out disinfectant spray sterilization to sanitize workplaces and water production plants, ensuring workers were safe from the spread of Covid-19.

Throughout the year 2020, the Company and its subsidiaries had no disputes, litigation, or complaints between the Company and its employees. This also includes no accidents requiring time off work. Annual statistics of occupational accidents and sickness rates are disclosed in the Sustainable Development Report.

Customer

The company adheres to its obligations with customers as a manufacturer and distributor of tap water by adhering to the principles of treating every customer by delivering goods and services that are clean, sufficient, continuous on the basis of fairness, can be verified, free from bribery and corruption, and to build lasting relationships between each other. The company has set out policies and guidelines with customers. Regarding actions and responsibility to customers in concrete.

1. Provide accurate information, sufficient and up to date for customers about the products and services without saying exceeding the truth that causes customers misunderstand about the quality, quantity or any conditions of that product or service.

2. Comply with various conditions strictly for customers. In case that any conditions cannot be met, customers must be notified to find the solutions to solve the problems.

3. Contact with customers politely, effective and should be reliable for customers.

4. Provide systems and processes for customers to make complaints about the quality, quantity, and safety of products and services, including the speed of response or delivery and to take the utmost action in order to provide customers with quick response.

5. Maintain the confidentiality of customers and not use it for the benefit of themselves or those involved wrongfully.

6. Do not request or accept or pay any benefits, which indicates actions that are dishonest to customers

In the year 2020, there is no dispute between the company and the customer. In the tap water production and distribution business, TTW can produce tap water for customers according to the contract. Overall, the availability of tap water is higher than the criteria specified in the tap water purchase contract, and able to produce tap water in accordance with the World Health Organization (WHO) standards, and from the satisfaction survey, customers are satisfied with the operations of the company with a total average of 98 percent.

Creditors

TTW observes the obligated commitment it has for all creditors by strictly conforming to terms and conditions of loan contracts without concealing actual financial status, and by providing financial information to creditors periodically. TTW operates its business based on solid principles and in a disciplinary manner. The company manages its capital in line with the proportion of the debts. TTW has defined the policy and practice guidelines on how to deal with creditors properly, so as to establish the confidence and reliability in the eyes of creditors. The company adheres to the principles of practice as below.

1. The company shall make the repayment of all debts, loans and interests; and fulfill the responsibilities for all collaterals. The company shall strictly comply with the terms and conditions of contracts and agreements.

2. In a case that TTW cannot fulfill the conditions set in agreements, TTW shall notify the creditors in advance in order to mutually find a solution.

In 2020, TTW and its subsidiary companies were able to completely fulfill all the terms and conditions that had been agreed with creditors; and never committed any defaults on loans.

Business Counterparts

The major stakeholders of TTW are business counterparts from outside (external service providers). TTW selects its counterparts by considering whether their business strategies are consistent with that of TTW, which may involve competitiveness, continuity of business, customer protection and service, and risk management methods. TTW has formulated the policies for dealing with counterparts properly which emphasize fair treatment to them, as overseen and directed by the company in accordance with its bylaws. Counterpart Selection Criteria of TTW as follows:

1. Follow the quality policies, environment, sanitation health and safety of the company.
2. Complying strictly with the regulations in order to work safety of the contractor.
3. Do not use child labor under the age of eighteen years to work.
4. In the case of business partners using foreign workers in the workplace, documents or permits must be obtained from the relevant government agencies to show to

the company. They should have received permission or approval from the company and / or those of the company assign only.

5. Treat their workers with equality and must not violate human rights or good humanitarian principles

6. Act or take care of their labor as appropriate and in accordance with the Labor Protection Act that was enforced at that time.

With these areas of selection criteria, TTW has been able to maintain the excellent quality of tap water manufacturing and distribution, free from any potential risks upon customers.

In 2020, no dispute occurred between TTW or its subsidiary companies and business counterparts or contractual counterparties for resist bribery and corruption.

Competitors

TTW treats business competitors within a frame of proper competition and does not take advantage over the competitors through an illegal method. TTW has defined rules, criteria and standards that are favorable for working together with the competitors. For example, TTW shall not search for business information of counterparts and competitors in a wrongful way; and shall not destroy the reputation of competitors by making a negative accusation towards them. TTW has adopted a concrete policy about how to treat the competitors fairly and responsibly.

1. Do not participate in the agreement between the company and its competitors.

2. Do not make agreements with competitors that restrict inappropriate competition, such as discussions about costs or pricing with competitors.

3. Be careful in participating in research, exchanging information or participating in any activities with competitors if they wish to use any information to use from the public sources first

4. Do not make any agreements which limit business opportunities without unfair treatment to business partners, dealer or other person.

5. In the event that the company will join the business overseas by joint investment, merger or acquisition of other operators the responsible agency must check the laws and regulations about the prevention of non-discrimination or trade competition of that country.

6. Do not discriminate in any actions of the company to stakeholders to be affected by that operation.

In 2020, no dispute occurred between TTW or its subsidiary companies and the competitors.

Business Competitor

Competitors are third parties that the company must compete in accordance with their business practices. Competition must proceed fairly, not distorting fraudulent information or using any other method that is not correct according to the good competitive environment. The company is the largest tap water supplier and distributor in Thailand by producing and supplying water to the Provincial Waterworks Authority that is a partner without direct competitors. However, the company also stipulates a policy and practice regarding competitors.

1. Treat competitors within the framework of fair and fair competition etiquette.
2. Conduct within the framework of good competition.
3. Do not destroy the reputation of business competitors by malicious and without false information.
4. Do not seek confidential information of business competitors by dishonest methods or by using inappropriate methods.
5. Do not take any action that is an infringement of intellectual property and the copyrighted work of others or competitors.

Conflict of interest

The Board of Directors has a policy to prevent conflicts between personal interests and the interests of the company. As defined in the Code of Conduct for directors and employees as follows:

1. Take care of the company compliance with the rules, procedures and disclosure of connected transactions as strictly required by law or regulatory agency and according to the company's regulations.
2. Avoid making transactions that are related to oneself or related persons / juristic persons. That may cause conflicts of interest with the company.
3. In the case of a transaction that is a connected transaction that does not comply with general trading conditions according to the principles approved by the Board of Directors or the nature and size of the transaction is not within the authority of the management must be reviewed and commented by the Audit Committee before proposing for approval from the Board of Directors or shareholders.

4. In the event that it is necessary to make a connected transaction the transaction must be in accordance with general trading conditions according to the principles approved by the Board of Directors. With transparency and fairness as if doing transactions with third parties and taking into account the maximum benefits of the company.

5. Stakeholders must not take part in considering the items that they have a conflict of interest.

Community and Society

TTW operates its business with a cautious concern about communities and society, especially the communities where TTW has an operation in. It has been included in the mission of TTW that the company shall be a good member of society and extend attentiveness towards communities. Therefore, this has been a part of duties and responsibilities to be performed and taken by the management and all employees, starting from providing true and update information, living with communities peacefully by paying respect to their cultures and traditions, taking part in developing good quality of life for community people, and cooperating with communities in developing lively environment of localities, which would lead to sustainable development for society as a whole. As well as participation the development a quality of life and Co-operate with local creative communities and social for sustainability.

Development "Quality of community life" in the area around the Water Treatment Plant and Environmental Implementation

The Company is committed to being an organization that drives the economy and infrastructure of the country to thrive in line with the civilized country, through building quality utilities according to international standards, along with social responsibility and balance stewardship of the environment.

The company gives importance to communities around the company's water supply regularly by supporting initiatives and develop various projects that covers both education occupational hygiene, as well as environmental care for better quality of life for people in the community by carrying out social work in 3 dimensions as follows:

1. Human Resource Development

With the development of children and youth as an important force in the progress of the country through the granting of scholarships to students who qualify through

“good studies” or “good behavior” in service areas, and with the support of sludge research for the development of products by master’s degree students at Kasetsart University and other universities.

2. Promotion of Good Quality of Life in Communities

With a focus on providing knowledge and expertise in tap water production to create a good quality of life for communities. This includes promoting access to quality tap water according to international standards by supporting projects for the Provincial Waterworks Authority (customer), installing drinking water filtration systems for underprivileged schools in service areas, and hiring community-based bottled water producers to distribute in CSR activities of stakeholders.

3. Conservation and Restoration of Natural Resources and the Environment

By building cooperation with external agencies and raising awareness for the conservation of natural resources and for resource efficiency through a collaborative sludge research project for the development of a product with Kasetsart University, the Center of Excellence on Hazardous Substance Management (HSM), and the Royally Initiated Laem Phak Bia Environmental Research and Development Project (the Royal LERD Project). In this project, building material products were created and used in the building of school buildings for the Wat Rat Thammaram School, Samut Sakhon Province, and the renovation of school buildings for the Wat Sukwattanaram School, Nakhon Pathom Province. The project supported training and education on water saving and the preservation of Tha Chin water resources for youths and communities living in that area, and was organized in conjunction with the “We Love Tha Chin River Club”, Nakhon Pathom, and the Regional Environmental Office 5. It includes monitoring the growth of trees planted under the “1 Million Seedlings for Upstream Reforestation Project”, which was completed with the Department of National Parks, Wildlife and Plant Conservation.

Community and Society information is disclosed in the 2020 Sustainability Report and on the Company’s website www.ttwplc.com

2. **Observation of Human Rights**

TTW supports the conduct in compliance with “Universal Declaration of Human Rights” and other international standards of human rights by refraining from formulating any policies that would violate the human rights;

and by operating its business in line with international standards of human rights. TTW also organized training for new employees regarding the code of ethics and human rights policy of the company. In 2016, TTW announced a whistle blower policy as the channel for employees to submit the complaints about corruption, the violation of rules and regulations, or unfair treatment, to related work units. The activities defined by TTW in relation to human rights indicates very well that TTW gives a serious concern on transparency and the compliance with good corporate governance principles.

In 2020, TTW did not receive any complaints regarding the violation of human rights from employees, business counterparts and local people in TTW’s operating areas. So, there is a certain level of confidence that TTW operation has not imposed (or does not have a potential to cause) any effects on local communities. The policies defined by the Board of Directors for all the management and all employees to refrain from violating the human rights, and to comply with Universal Declaration of Human Rights, are as follows:

- Give priority to basic human rights to promote respect for rights and freedoms by not discriminating against or with views on race, color, religion, sex, nationality, age, education, disability or any other status that is considered international human rights.
- Equally treat every process of employment, from recruitment to compensation including working hours and holidays, performance evaluation, training and development progress planning and others aspects without discrimination.
- The company does not use forced labor, child labor and/or illegal foreign workers including punishment that is physical and psychological abuse of employees regardless of whether it is threatening, detaining or any form of abuse or violence.
- The company will treat all employees with equality, provide equal opportunities to work under the rules and regulations of work laws and make announcements from the company which are lawful including allowing employees to express opinions, complaints, rights to access the process of hearing; and clarification before disciplinary action within the organization.

- The company encourages employees to exercise their rights as citizens by constitutionality. And other laws associated and will not violate human rights of any stakeholders related to the company when there is a conflict or political instability.
- The company and all employees do not support corruption related to any business of partners, customers or other stakeholders which violates International Human Rights' principles and/or corruption.

The Company has established penalties for offenders in said matters at the highest level and has provided channels for whistleblowing through the Human Resources Department or the Company Secretary. All said complaints shall be kept confidential.

3. Non-infringement of Intellectual Property and Copyright

TTW has adopted the policies and practice guidelines regarding the non-infringement of intellectual property or copyright. TTW has a team of risk management officers chaired by the Managing Director. This team shall submit the report on the implementation of this matter to Risk Management Committee for review, which covers the mandatory requirement for all employees to sign their names in an agreement that they shall not commit any crimes related to computer use, and any infringement of intellectual property. TTW has adopted a policy regarding the use of information technology system of TTW Group and subsidiary companies. The work applications or software programs of employees are inspected to prevent the use of infringed or non-work-related software.

1. Comply with the laws related to intellectual property of Thailand and all countries where the company goes into business which is considered the basic norm.
2. Reveal which work, invention and any knowledge caused by the performance of duties or support promoted by the company and let the supervisor know correctly, completely and immediately.
3. Maintain, protect and protect the intellectual property rights of the company both inside and outside the country including respecting and not violating the intellectual property rights of others.
4. Maintain important documents trade secrets and any other information that is confidential to the company, business partners and stakeholders in a safe place. There

are appropriate and standardized access methods that are not disclosed to other unrelated persons. This duty continues to be in effect even after being out of the status of being an executive or employee of the company.

5. Do not use intellectual property and confidential information of the company, partners and stakeholders to reproduce, modify or use in any way, for personal benefits or other persons without permission.

6. Report to the supervisor when seeing an action that is a violation of intellectual property, or may lead to a violation of intellectual property or actions that may cause any disputes about the company's intellectual property or another person.

7. Support cooperation in intellectual property with external agencies, both government and private sectors.

4. Anti-corruption and Bribery

TTW has adopted zero tolerance policy regarding the corruption and bribery disclosed on the Company website. Board of Directors, executive management, supervisors, employees in all levels, or any related persons are prohibited from involving in all forms of corruptions in any business transactions; and they shall comply with rules, regulations and laws of any countries that TTW has been dealing a business with. This policy shall be reviewed on a regular basis to identify a necessary revision for catching up with the new amendments of rules, regulations, standards and laws; and with the changes in business. TTW has adopted a policy on anti-corruption and bribery, and has defined the principles in the code of business ethics prohibiting the employees from requesting or receiving any benefits or assets that may motivate them to perform their duties in a wrongful way, omit the performance of some duties, or cause the company to lose a rightful benefit. Employees are also prohibited from offering or presenting benefits or assets to outsiders to motivate such persons to commit a wrongful action or illegally omit an action in favor of a malpractice in his/her position.

Risk assessment

In 2020, the Risk Management Committee assessed the potential for corruption. By assessing the risk of corruption, separated from other risks In particular, and reporting risks to the Board of Directors with an internal audit unit to supervise the implementation of the risk assessment report.

Training and Communication

In 2020, the Company communicated and organized training to educate employees regarding anti-corruption policies and practices and all related policies. This included publication of anti-corruption articles and guidelines, articles outlining good practices for employees at all levels, lectures regarding anti-corruption practices during orientation for new employees and tests on said lectures, and access to anti-corruption policies and other various policies for employees at all levels via the Company's intranet system, the Company website, and news boards within the Company.

Additionally, in 2020 the Company supported the efforts of the Anti-Corruption Foundation, which conducts projects to support and promote activities that cultivate values, morality, and ethics on a national level, especially teaching the youth to be good, honest individuals with loyalty to the nation, religion, and monarchy. The Foundation also promotes research and development of anti-corruption personnel for the prevention and suppression of corruption and promotes and supports anti-corruption activities.

Guidelines for prevention and monitoring of fraud and corruption risks

1. Require executive management and employees to carry out regular self-assessment of their performance in regard to compliance with the Good Corporate Governance Handbook and the Company's Code of Business Conduct, which includes the Company's good corporate governance policy and guidelines for prevention of any and all forms of corruption, as well as the Code of Ethics/Conduct for all employees.

2. Establish and organize examination of internal control system, risk management, and corporate governance by the internal audit department, and provide continuous feedback and recommendations accordingly. Carry out audits in accordance with the annual audit plan approved by the audit committee and report significant audit results and recommendations to the audit committee.

3. Assign the internal audit department to be responsible for ongoing testing and evaluation of fraud and corruption risk in order to implement anti-fraud and anti-corruption measures effectively, as well as to carry out follow-up, review, and improvement of anti-corruption measures on a regular basis. Assessment results must be presented in a timely and consistent manner to the Risk Management Committee and to the Board of Directors respectively.

4. If investigation finds any information or a complaint contains evidence with sufficient and reasonable grounds for the possibility of misconduct or for any action that may have a significant impact on the Company's financial position or performance, including any violation or action that is against the law or code of business ethics or anti-corruption measures of the Company, or if there are any doubts in regard to financial reports or the internal control system, the Audit Committee will report said issues to the Board of Directors so that actions can be taken and improvements made within a timeframe deemed appropriate by the Audit Committee.

The company provides communication guidelines for prevention of involvement in corruption. By publishing on various channels such as the intranet of the group and on the company's website in order for the management and all employees acknowledge and abide by

Complaint and clue measures

TTW has provided measures for complaints and clues by disseminating such measures in the Principles of Corporate Governance. And on the website of the company and reviewed this measure in order to ensure that complaints received are effective and complete. And also helps in tracking supervise and monitor the performance of directors, executives and employees of the TTW Group to comply with laws, regulations, principles of corporate governance Business ethics and not taking any action that may indicate fraud.

Channels for reporting clues or complaints

The Board of Directors has set up measures to report clues or complaints of unlawful conduct or behavior that may indicate corruption or misconduct of individuals in the organization, both from employees and other stakeholders including incorrect financial reports or defective internal control system and has a mechanism to protect employees and informants of clues by creating a secret database system that is only accessible to related parties to allow stakeholders to participate in monitoring the interests of the company more efficiently. Issues that can and should be reported:

- Any practices that are against the law or relevant regulations, including the code of conduct/ethics
- Corruption or fraud
- Suspicious actions relating to money laundering, accounting, finance, or control and monitoring practices

In the case of any complaint of possible offense, a committee will be appointed to investigate the matter and take action in accordance with applicable regulations. Said committee will be made up of representatives from departments having no interest in the matter under investigation. Whistle-blowers may raise their concerns with the Audit Committee, the Board of Directors, or the Corporate Governance Department via 2 separate channels as follows:

- by email at : cg@ttwplc.com
- by post addressing one of the committees at the following address :
TTW Public Company Limited
30/130 Moo 12 Buddha Monthon 5 Road, Raikhing,
Sampran, Nakhon Pathom 73210

Providing protection to those who report complaints or whistleblowers and related persons

Complainants or whistleblowers, violations or non-compliance with laws will receive appropriate and fair protection from TTW, for example, without changing job positions Job description, workplace, suspend, threaten, disrupt work practice, dismissal or any other action. That is not fair to those who report the complaint or the informant for information about the complaint TTW will keep it confidential. not disclosed to unrelated people except those that need to be disclosed in accordance with the law must keep the information confidential and not disclose to other people except as required by law if there is a deliberate violation of the information released TTW will proceed with punishment according to TTW regulations and / or take legal action as the case may be.

Action when receiving complaints

1. The independent director will appoint the working group to collect the complaint.
 2. Working group assigned will consider screening information to propose steps and proper management methods
 3. The working group that has been assigned to present the measures that have violated or not complying with the code of conduct, policies for the Board of Directors to consider with regard to total damage
 4. Chairman of the Audit Committee or independent director or company secretary report to the Board of Directors for acknowledgment and report to the stakeholders who are the complainants if the complainant discloses himself
- In 2020, there were no complaints from stakeholders.

5. Social and Environmental Responsibility

The Company places great importance on sustainable business practices and operations. As the Company's mission is clearly stated; "To grow on a firm, continuous and sustainable basis in order to accomplish our vision through the balance of interests among customers, employees, business partners, shareholders, communities and environments". The Company is therefore as committed to the protection and preservation of the environment as it is to the business operations of the Company.

The Company understands that compliance with regulations alone is not enough to protect and conserve the environment and that there are a wide variety of important factors that must be observed and practiced in addition to following established rules and guidelines. This includes the development of internal plans to support emergency situations and good quality control systems, as well as the continued search for modern technological advances that can help to reduce environmental impact. In compliance with regulations regarding emergency situations and quality control systems, the Company has adopted a policy for business conduct in accordance with environmental and safety standards in waste management and noise per the International Standard System ISO 14001.

In addition, the company has educated and trained employees on environmental management in order to truly understand employees. The operation results and various environmental and safety quality tests will be stored systematically, and has been regularly monitored by the safety inspection department, including the treatment of stakeholders as well as participation in social and community development in the areas where the company operates by conducting business with good governance as a basis for the management system to be efficient, fair, transparent and accountable, to build confidence for shareholders stakeholders and all parties involved will lead to sustainable business growth and increase the capability of long-term competitiveness for the organization as well. In this regard, the report on the social and environmental responsibility performance of the company is detailed in the Sustainability Report of the year 2020.

Environmental Education and Training for Employees

The majority of environmental management issues arise from genuine misunderstandings and, as such, the Company has therefore prescribed guidelines for educating and raising awareness, both directly and indirectly, among its employees by encouraging attendance of various training courses related to environmental preservation. In 2020, the following training and courses were provided: Internal energy management audit course, Energy conservation consciousness curriculum and energy saving approach for building/factory course, Greenhouse Gas Reduction Policy : Opportunities, Challenges and Assessment Methods, Course of Reduction-Global-Warming in COVID-19 situation with Care the Bear, etc.

Efficient Use Resources

TTW supports the recycling of materials through a promoting campaign for efficient use of resources, such as using both sides of the paper, turning off air-conditioners and electricity during an office break or during a long absence of executive management from their rooms, and using a car pool for a same operation or direction. The implementation of these projects may not yield a clear result in term of reduction in energy costs or expenditures; however, it would help develop personal awareness that employees. TTW has established policies and guidelines as follows:

1. To operate and develop energy management system appropriately. It is regarded as a part of TTW's business operation and has to be implemented in accordance with laws and other relevant regulations.
2. To continuously improve the energy efficiency which is appropriate to business nature, technology and to follow the best practice
3. To set TTW's annual plan and goal for the energy conservation appropriately in each year and communicate to all employees for accurate understanding and compliance
4. TTW regards that energy conservation is responsibility of all executives and employees at all levels to cooperate and follow the measure in order to accomplish its goals
5. To support human resources, budget, time as well as training courses, and encourage all employees' participation through presenting their opinions that are valuable to energy management.
6. The Management and Green Committee will review and revise the energy conservation policy, goal and energy management plan to ensure their appropriateness and consistency with current situation on an annual basis.

6. Company Contact Channels

Stakeholders may contact the company to express opinions, suggestions, or any complaints that are not fraud or corruption-related via the following channels:

| Channels | Electronic mails | Telephone numbers |
|--|------------------|--|
| Board of Directors And Company Secretary Department | cg@ttwplc.com | 02 019 9490 - 3 , 02 019 9484 - 9 Ext. 1103, 1106 |
| Investor Relations | ir@ttwplc.com | 02 019 9490 - 3 , 02 019 9484 - 9 Ext. 1108, 1110 |

The mailing address is :

TTW Public Company Limited, 30/130 Moo 12 Buddha Monthon 5 Road, Raikhing, Sampran, Nakhon Pathom
73210

Section 4 Disclosure and Transparency

The Company recognizes the importance of disclosing financial information, non-financial information, and other important information in an accurate, comprehensive, timely, and transparent manner and via equal, easy-to-access channels, according to the rules and regulations set forth by regulatory agencies, the principles of good corporate governance of the SEC, and the criteria for the evaluation of good corporate governance, in a manner that is suitable to the changing environment and that responds to the role of online media technology. Disclosure of Company information includes written information in both Thai and English and non-written information covering all methods of communication, allowing shareholders and stakeholders to be thoroughly informed via the dissemination of various types of information through communication channels such as in-person meetings, telephone conferencing, interviews, and various online media such as websites, Facebook, etc.

1. Information Disclosure Channels

TTW constantly updates significant information via the following channels:

- Regulatory agencies : SET's website (www.set.or.th) and SEC's website (www.sec.or.th)
- TTW's website at www.ttwplc.com
- Annual Report and Form 56-1
- Management Discussion and Analysis (MD & A)
- TTW's Online Media
- Mass media: PR News, Newspaper, advertising media, journals and television
- Shareholders, individual investors, securities analysts and institutional investors
 - Press conference to investors and analysts (Analyst Meeting)
 - Providing information for investors and analysts via phone
 - Company Visit
 - Delivery of meeting notice by post

2. Responsible Units and Persons for Information Disclosure

- Responsible Units for information disclosure
 - Company Secretary Department :
To SEC, SET, and major shareholders

- Investor Relations Department :
To minor shareholders, securities analysts,
- institutional investors and individual investors
- Responsible Persons for information disclosure
 - Managing Director
 - Senior executives assigned by the Managing Director

3. Information Disclosure of Concerned Units

Company Secretary Department

The Corporate Secretary Division is responsible for disclosing information as required by SET and SEC in a correct, complete and transparent manner and proceeded through procedures. In 2020, 32 notifications were submitted to SET.

All information published by the Company is comprehensive, accurate, and complete. For efficient disclosure of said information, the Company ensures information on its website is up-to-date and complete, allowing shareholders and investors to search quickly for any publicly available information. Said information is presented on the Company website in both Thai and English. Key information available is as follows:

- Company Profile, Vision and Mission, Organization Structure, and Company's subsidiaries data.
- Corporate Governance consisting of the principles of good corporate governance, corporate governance policy, and risk management policy.
- Board of Director and Sub-Committee, Executives, Board's Charter, Responsibility and Term of Office of Board of Director.
- Information for investors consisting of significant financial information, structure of shareholders, and major shareholders
- Meeting notice, an invitation to attend the Annual General Meeting of Shareholders and Extra General Meeting of Shareholders, Form 56-1, and Annual Report
- News and movements of the organization consisting of news about the business operation and CSR activities

- Investor Relations and Company Secretary's contact
- Providing information to analysts or investors who visit and consult with TTW executive management.
- Provide an on-site presentation to investors.
- Organize an Analysts Meeting
- Providing information via public media such as newspapers, magazines, journals and televisions.

Investor Relations

The Investor Relations Department is responsible for communicating with institutional investors, shareholders, and analysts, according to the fundamental principles of accuracy, adequacy, timeliness, equality, fairness, integrity, honesty and compliance with the company's good corporate governance policy and principles, including has established an annual investor relations plan continuously. Due to TTW's emphasis on caution in disclosing information and equally treat all stakeholders. By determining the "Silent Period" that is, a period during which the investor relations do not conduct any direct investor relations activities, including meetings or calls with any investor or analyst two weeks before results announcements. In the event that an analyst meeting will be conducted after the financial statements are disclosed.

To ensure adherence to Principle 7: Ensure Disclosure and Financial Integrity of SEC's CG Code, the Board assigned the Investor Relations Department to develop a Code of Conduct for TTW's Investor Relations practitioners. The significant issues were as follows:

1. Accurate, adequate and timely disclosure of essential and necessary information for investment decisions.
2. Retention of inside information.
3. Equal and fair disclosure of information by means of access and inquiry by all parties concerned.
4. Performance of duties with integrity in the profession on the basis of equal treatment without any discrimination and commission as personal incentives for personal gains other than for the benefit of the Company and relevant stakeholders.

TTW also emphasizes information disclosure via investor relations activities. The executive's management has participated in the activities by presenting and meeting with investors to create a good understanding of the company's management, foster good relationships with investors as well as encouraging the continuous exchange of opinions. In 2020, during the spread of coronavirus disease 2019 (COVID-19), the company has stopped organizing activities or accepting appointments outside the venue since March 2020, other ongoing activities as follows:

| Activities | Times |
|--|------------------|
| Analyst Meeting | 1 |
| Opportunity Day | 2 |
| Conference Call | 6 |
| Seminars and meetings with investors and securities analysts. | 4 |
| Communicate information to investors and securities analysts Via online media (Social Media) including Facebook Fanpage, Instagram, Youtube Channel, LinkedIn. | 1-2 times / week |
| Communication Via emails and phones | 3 times / Day |

Financial Statement Preparation

TTW is responsible for preparing financial reports that are accurate, complete and transparent and protecting the Company's assets against loss or utilization of unauthorized persons, and preventing corruption and unusual operations to be in line with Thailand's generally accepted accounting standards, and regular implementation of appropriate accounting

policy, as well as considering the reasonability and prudence in the preparation of the company's financial statements to enhancing stakeholders' confidence in financial reports. The Board has then assigned the Audit Committee to oversee preparation of TTW's financial reports which must be correct, complete and in compliance with relevant laws and notifications, and regular implementation of appropriate accounting policy. The Board also prepares a report on the Board's responsibility towards the financial reports which covers significant matters according to the SET Code of Best Practice for Directors of Listed Companies as shown in the auditor's report in the annual report.

In 2020, the Company allowed the auditor from EY Office Company Limited to be the auditor of the Company, knowledgeable professional expertise is independent. And received approval from the SEC by the financial statements of the company certified without conditions and correct as it should be in essence according to generally accepted accounting principles and approved by the Audit Committee / the Board of Directors before disclosing to the shareholders.

The Company has prepared a Management Discussion and Analysis (MD&A) report to provide an in-depth, analytical disclosure of financial status, performance factors affecting financial status, and any significant financial changes to shareholders and investors on a quarterly basis. Said report is disclosed via the SET portal system of the SET along with financial statements. It is also disclosed on the Company's website to facilitate access by any other interested parties. Thus far, the Company has disclosed such information by quarterly and annual financial statements in advance before the due date. In addition, there has never been any history of amendment of said disclosed financial statements in any way.

In this regard, the Board of Directors carries out a review of internal control system efficiency via the Audit Committee in order to reasonably ensure that all recording of financial and accounting data is accurate, complete, and sufficient for maintaining assets and identifying any weaknesses so as to prevent any significant fraud or unusual operations.

4. Securities Trading or Changing by Directors and Executives

The Company requires directors and executives to report trading of the Company's securities in order to prevent the buying or selling of securities using inside information

and to avoid any grievances regarding the appropriateness of insider trading. As such, directors and executives are prohibited from buying, selling, or making any changes to their holdings in Company securities for a period of 1 month before the disclosure of financial statements, financial status, business status or any other important data of the Company to investors. Additionally, directors and executives are required to report any changes in their interests in the Company. Said information is updated every year and is kept for internal use only in compliance with the Notification of the Capital Market Supervisory Board No. Tor Chor 2/2552 regarding the reporting of interests of directors, executives, and related parties.

Guidelines

- The Company shall send a letter to directors and executives, including spouses and minor children, requesting cooperation in refraining from trading or making any changes to holdings in Company securities and to provide reports to the Corporate Governance Committee and Board of Directors on a quarterly basis.
- The Company shall require employees who have access to important Company information that could affect the movement of stock prices to refrain from trading any Company securities or wait until the public has received said information and has the time to evaluate it before doing so in order to comply with the Company's internal information protection policy.
- The Company shall require directors or executives to report to the corporate secretary department when trading or making changes to securities holdings in the Company in order to prepare a proper and comprehensive report to regulatory agencies within the timeframe specified by law, consisting of the Report of Securities Holding Form (Form 59-1) and the Report of Changes in Securities and Derivatives Holding Form (Form 59-2).
- The Company shall require directors and executives to report any changes in their interests in the Company each and every time there is a change of information. Said information must be updated annually.

Section 5 Board Responsibilities

The Board of Directors recognizes and places great importance on its duties toward shareholders as Company business owners who have appointed directors to act and be responsible for the supervision of business administration in the best interests of the shareholders. As such, its Fiduciary Duty comprises 4 important duties: Duty of Care—performing duties responsibly; Duty of Loyalty—performing duties with integrity to protect the interests of the Company and the shareholders; Duty of Obedience—compliance with laws, objectives, regulations, board resolutions, and shareholders' meeting resolutions; and Duty of Disclosure—accurate, complete, transparent, and timely disclosure of information to shareholders. The roles, duties, and responsibilities of the Board of Directors can be summarized as follows:

1. Duties of the Board of Directors

- The Board of Directors is responsible for overseeing the operations of the Company; ensuring compliance with the law, the objectives and regulations of the Company, and the resolutions of shareholders' meetings. All members of the board shall perform their duties with honesty and integrity and carefully protect the interests of the Company, in compliance with the principles and regulations prescribed by the SET and SEC.
- The Board of Directors is responsible for determining the vision, mission, strategies, policies, direction and operational goals of the Company, as well as for providing supervision, ensuring that management has implemented said strategies and policies for the efficient achievement of the Company's objectives and goals. In 2020, the Board of Directors reviewed the vision, mission, strategies, direction and business operation objectives of the Company, as well as its key policies, to ensure these are appropriate and are in line with current economic and environmental conditions and in accordance with the principles of good corporate governance. The Board of Directors also monitored and ensured that the strategies of the Company were being implemented, reporting business and operational results to the Board of Directors on a quarterly basis, particularly for the purpose of ensuring that the financial and operational goals were on target with the strategic plans of the Company.
- The Board of Directors is responsible for determining investment budgets and annual budgets, as well as for overseeing management operations, in order to achieve said budgets and maximize the benefits of the Company, its shareholders, and general stakeholders.
- The Board of Directors is responsible for providing financial reports and general information important to shareholders in an adequate, complete, correct, and timely manner, and for providing a regulatory system and an effective internal control and audit system with appropriate risk management measures in place and ensuring regular follow-up on such matters. The Board of Directors has also established confidentiality agreements with consultants and other service providers and ensures verification of said parties in accordance with the policies and systems they will be operating under before access to any confidential information is allowed.
- The roles and responsibilities of the Board of Directors, sub-committees, and executive management are clearly separated and defined and the roles, duties, and responsibilities of each are clearly communicated to the Board of Directors, subcommittees, management, and employees of the Company on a regular basis.
- The Board of Directors is responsible to all shareholders for the Company's business operations. Oversight of all business operations is carried out in accordance with policies, guidelines and objectives that will bring maximum benefit to shareholders and all stakeholder groups.

- The Board of Directors is responsible for the assessment and approval of human resource management strategies, the executive development plan, corporate structure, and compensation structure, as well as the supervision of criteria and procedures for the recruitment, removal, and termination of directors and executive management.
- The Board of Directors is responsible for overseeing the performance evaluation process of executive management, ensuring it is effective and correlates with the common goals of the Company.
- The Board of Directors is responsible for the communication of the vision, goals, and performance of the Company, ensuring the directors, executives, and employees throughout the organization have a clear knowledge and understanding of such. This also includes the monitoring of the progress, efficiency, and successful implementation of strategies in correlation with the Company's short-term goals.

2. Structure of the Board of Directors

The Board of Directors plays a vital role in corporate governance for the best interests of the Company. The Board of directors consists of at least 5 members as stipulated in the Articles of Association. Said persons must have the proper qualifications as specified by law. No less than 3 persons and at least 1 in 3 of the total number of directors must be independent directors. Any changes to the number of directors must receive the approval of the shareholders through a majority vote of not less than two-thirds of shareholders in attendance at the meeting and who are eligible to vote.

As of December 31, 2020, TTW's Board comprises 12 directors as follows:

- 11 non-executive directors, 91.66% of total directors, comprising:
 - 4 independent directors, 33.33% of total directors,
 - 7 representative directors, 58.33% of total directors, and
- Managing Director, the only executive member, 8.33% of total directors.

The Nomination and Remuneration Committee is responsible for screening all candidates for director positions, whether for positions as representatives of shareholders or for positions as independent directors. The Committee shall consider the suitability of said candidates based on the appropriateness of their skills and experience necessary for enhancing the strength of the Board in overseeing the business operations of the Company. The Committee also reviews the candidates' work history for transparency, ethics and morality, responsibility, maturity, and professionalism. The structure of the Board of Directors is reviewed annually. As of 2020, the current board structure consists of 10 male directors and 2 female directors. Said directors are experts in the areas of engineering, accounting, finance, economics, business administration, and law. The Board comprises a variety of professions and expertise essential and beneficial to the business of the Company and its subsidiaries, and provides an appropriate check and balance system within the Board structure that will in turn benefit the Company and its shareholders.

3. Policy and Procedures for Directors and Executives Holding Director's Positions in Other Companies

The Board of Directors recognizes the importance of efficiency in the positions of managing directors. In order for the directors to be able to fully devote their time to overseeing the Company's business, therefore, Company policy stipulates a limitation on the number of listed companies in which directors and executives may hold board positions. Non-executive directors may hold positions on the board of no more than 5 other listed companies. Executive directors may hold positions on the board of no more than 2 other listed companies. At present, there are no directors on the board of the Company who hold more than the number of positions specified above.

4. Subcommittees

In order to study and examine the information on important issues, the Board of Directors has appointed the members with appropriate knowledge and expertise as a subcommittee to increase the efficiency in corporate governance. The Board of Directors meeting no.3/2020 held on 30 July 2020 resolved to approve the restructure of subcommittee from 5 committees to 4 committees in order to strengthen and facilitate management by combined the Risk Management Committee with the Corporate Governance Committee to the Risk Management and Corporate Governance Committee, the committee member as follows:

Position in Subcommittees

| Name of Directors | Subcommittees | | | | Remark |
|-------------------------------------|---------------------|-----------------|---------------------------------------|--|------------------------|
| | Executive Committee | Audit Committee | Nomination and Remuneration Committee | Risk Management and Corporate Governance Committee | |
| 1. Mr. Phongsarit Tantisuvanitchkul | Chairman | - | Director | - | Non-executive director |
| 2. Dr. Sombat Kitjalaksana | Director | - | - | - | Non-executive director |
| 3. Mr. Hideo Matsumoto | Director | - | - | Director | Non-executive director |
| 4. Mr. Suvich Pungchareon | Director | - | - | - | Non-executive director |
| 5. Ms. Walainut Trivisvavet | Director | - | - | Director | Managing Director |
| 6. Mr. Phairuch Mekarporn | - | Chairman | | Director | Independent Director |
| 7. Mr. Somnuk Chaidejsuriya | - | Director | Director | Chairman | Independent Director |
| 8. Mrs. Payao Marittanaporn | - | - | - | Director | Non-executive director |
| 9. Dr. Patarut Dardarananda | - | Director | Chairman | - | Independent Director |
| 10. Mr. Kaoru Umehara | - | - | Director | - | Non-executive director |

In this regard, the sub-committee structure, the duties and responsibilities under the charter of all 4 sub-committees are disclosed in Section 9.2 Sub-committee.

5. The Board of Directors' Meeting

To ensure its responsibility towards the shareholders, the Board has reviewed significant business policies and corporate calendar and come to a mutual agreement to hold a Quarterly meeting. An extra meeting can be organized if there is any major unplanned event. The Board can authorize subcommittees to screen or approve the management's activities within the delegated authority. The Board has included business performance report as one of the meeting agenda items for the Board meeting in order that the Board can follow up with the business progress and provide their recommendations in case of any deviation from the approved plan or budget.

Company policy stipulates that for the minimum quorum at the time that the Board of Directors is to pass a resolution in the meeting of the board, at least two-thirds of the total number of directors must be present. Additionally, any directors who may have involvement or interests in any meeting agenda items must refrain from commenting on and must abstain from voting on said items.

The Board of Directors determines its meeting schedule for the year in advance and each director is notified of such, excluding any special meetings. During the final board meeting of 2019, the schedule of the Board of Directors' meetings for 2020 was defined and decided in advance (meeting schedule may be changed), excluding any special meetings, as follows:

| Meeting | No. 1 | No. 2 | No. 3 | No. 4 |
|---------------------------------------|------------------|------------------|----------------|------------------|
| Board of Directors | 25 February 2020 | 11 June 2020 | 20 August 2020 | 26 November 2020 |
| Executive Committee | 14 February 2020 | 12 May 2020 | 11 August 2020 | 13 November 2020 |
| Audit Committee | 20 February 2020 | 12 May 2020 | 11 August 2020 | 10 November 2020 |
| Nomination and Remuneration Committee | 25 February 2020 | 26 November 2020 | - | - |
| Corporate Governance Committee | 20 February 2020 | 11 August 2020 | - | - |
| Risk Management Committee | 20 February 2020 | 11 June 2020 | 20 August 2020 | 10 November 2020 |

The company secretary shall be responsible for organizing all meetings, including shareholder meetings, Board of director meetings, and subcommittee meetings, and shall provide advice regarding legal matters and compliance with policies, regulations and rules set forth by the SET and the SEC regarding board meetings.

In each meeting, the meeting agenda will be clearly specified in advance and a meeting invitation letter shall be sent to the attendees along with the agenda at least 10 days before the meeting. Any supporting documents will be submitted at least 7 days in advance so that the Board of Directors has sufficient time to study all related information before attending the meeting.

In addition, the Board of Directors has stipulated that non-executive directors hold a meeting as appropriate without the participation of any executive directors or management in said meeting. This is in order to provide the opportunity to discuss various issues related to the business of the Company, including management issues or other items of interest. In 2020, there was one non-executive meeting held without any other management present; this was Board Meeting no. 6/2020 held on December 17, 2020. In summary, throughout 2020, a total of 23 Board of Directors and Subcommittee meetings were held as follows:

Attendance / Total Number of Meeting in 2020

| Name of Directors | Attendance in 2020 (Times) | | | | | | | | Attendance (%) |
|-------------------------------------|----------------------------|--------------------|---------------------|-----------------|---------------------------------------|--------------------------------|---------------------------|--|----------------|
| | AGM | Board of Directors | Executive Committee | Audit Committee | Nomination and Remuneration Committee | Corporate Governance Committee | Risk Management Committee | Risk Management and Corporate Governance | |
| 1. Dr. Thanong Bidaya | 1/1 | 6/6 | - | - | - | - | - | - | 100 |
| 2. Mr. Plew Trivisvavet | 1/1 | 6/6 | - | - | - | - | - | - | 100 |
| 3. Mr. Phongsarit Tantisuvanitchkul | 1/1 | 6/6 | 4/4 | - | 2/2 | - | - | - | 100 |
| 4. Mr. Phairuch Mekaporn | 1/1 | 6/6 | - | 3/4 | 1/1 | 1/1 | - | 2/2 | 93 |
| 5. Mr. Somnuk Chaidejsuriya | 1/1 | 6/6 | - | 4/4 | 3/3 | 1/1 | - | 2/2 | 100 |
| 6. Dr. Sombat Kitjalaksana | 1/1 | 6/6 | 4/4 | - | - | - | - | - | 100 |

| Name of Directors | Attendance in 2020 (Times) | | | | | | | | |
|------------------------------|----------------------------|--------------------|---------------------|-----------------|---------------------------------------|--------------------------------|---------------------------|--|----------------|
| | AGM | Board of Directors | Executive Committee | Audit Committee | Nomination and Remuneration Committee | Corporate Governance Committee | Risk Management Committee | Risk Management and Corporate Governance | Attendance (%) |
| 7. Mr. Suvich Pungchareon | 1/1 | 6/6 | 4/4 | - | - | - | - | - | 100 |
| 8. Mrs. Payao Marittanaporn | 1/1 | 6/6 | - | - | 1/1 | - | 1/2 | 2/2 | 92 |
| 9. Dr. Patarut Dardarananda | 1/1 | 6/6 | - | 4/4 | 2/2 | 1/1 | 2/2 | - | 100 |
| 10. Mr. Shunsuke Murai | 1/1 | 4/4 | - | - | 1/1 | - | - | - | 100 |
| 11. Mr. Kaoru Umehara(*) | - | 2/2 | - | - | 2/2 | - | - | - | 100 |
| 12. Mr. Hideo Matsumoto | 1/1 | 6/6 | 4/4 | - | - | - | 2/2 | 2/2 | 100 |
| 13. Ms. Walainut Trivisvavet | 1/1 | 6/6 | 4/4 | - | - | 1/1 | 2/2 | 2/2 | 100 |

Remark : The Board of Directors Meeting No. 5/2020 held on 20 August 2020 resolved to approve Mr. Kaoru Umehara to be the Director and Nomination and Remuneration Committee.

In the year 2020, the Company held 23 meetings of the Board of Directors, with the average attendance of the entire Board of Directors meeting attendance at 99% and the average attendance ratio of the Individual Directors meeting at 99% of the total number of meetings.

6. Self-assessment of the Board of Directors

The Company has specified in the corporate governance policy and the principles of good corporate governance of the Company that the Board of Directors must carry out an annual performance assessment of the entire Board. This assessment is divided into 6 main topics according to the guidelines of the SET, including (1) the structure and qualifications of directors; (2) the roles, duties and responsibilities of the Board; (3) board meetings; (4) the duties of the directors; (5) relationship with management; and (6) the self-development of directors and development of executives. This assessment is to be used as a framework for evaluating the performance of the Board and as an opportunity to jointly consider performance and other issues in order to improve the overall performance of the Board of Directors. The Board has agreed upon the Board Assessment Form, which has also been reviewed by the Corporate Governance Committee. The evaluation process is as follows:

1. The Board of Directors assesses the performance evaluation forms of the Board and Subcommittees.
2. The Company Secretary is responsible for delivering the assessment forms to all directors for evaluation of performance and to return to the Company for analysis and evaluation of the results which shall then be prepared, summarized, and presented to the Nomination and Compensation Committee for consideration of the evaluation results and the development of guidelines for improving operational efficiency.
3. The Nomination and Remuneration Committee shall present said evaluation results and guidelines for the development and improvement of operational efficiency to the Board of Directors for their information and in order to work together to find ways to further support the Board's performance and operations.

In 2020, the Board of Directors has approved the evaluation form for the whole board by giving importance to the duties and responsibilities of the Board of Directors, and Good Corporate Governance. The assessment form covers the duties of the Board of Directors in all aspects and consistent with the attribute and environmental, including having a business ethics of the company. The assessment form is divided into 3 types, consisting of Self-Assessment of the board of directors as a whole, Self-Assessment of committee as a whole, and Self-Assessment of the board of directors and of committee member on an individual basis which has the evaluation criteria as follows:

- 0 : Strongly disagree or No action was taken on that matter
- 1 : Disagreement or the slight action on that matter.

- 2 : Agreement or Proceeding on that matter.
- 3 : Agreement quite a lot or well done on that matter
- 4 : High Agreement or Execute on that matter excellent

The Board of Directors meeting no.6/2020 on December 17, 2020, resolved to acknowledge the self-assessment of the Board of Directors and Subcommittee for the year 2020 consisting of 6 topics as follows

Self-Assessment of the board of directors as a whole

| Descriptions | Full Score | Avg. Evaluated Score | |
|--|------------|----------------------|-------------|
| | | 2020 | 2019 |
| 1. Board structure and qualifications | 4 | 3.9 | 3.9 |
| 2. Roles, duties and responsibilities of the board | 4 | 3.8 | 3.9 |
| 3. The Board meeting | 4 | 3.8 | 3.9 |
| 4. Duties of directors | 4 | 3.9 | 4.0 |
| 5. Relationship with management | 4 | 3.8 | 3.9 |
| 6. Director's self-improvement and management training | 4 | 3.8 | 3.8 |
| Overall Assessment | 4 | 3.84 | 3.90 |

Self-Assessment of committee as a whole

| Descriptions | Full Score | Avg. Evaluated Score | |
|---|------------|----------------------|-------------|
| | | 2020 | 2019 |
| 1. Board structure and qualifications | 4 | 3.8 | 3.9 |
| 2. The committee meeting | 4 | 3.8 | 3.9 |
| 3. In line with the duties and responsibilities of particular committee, the member give priority and devotes sufficient time | | | |
| 3.1 Executive committee | 4 | 3.7 | 3.9 |
| 3.2 Audit committee | 4 | 3.8 | 3.9 |
| 3.3 Nomination and remuneration committee | 4 | 3.6 | 3.9 |
| x.x Corporate governance committee | 4 | - | 3.9 |
| x.x Risk management committee | 4 | - | 3.9 |
| 3.4 Risk Management and Corporate Governance committee | 4 | 3.7 | - |
| Overall Assessment | 4 | 3.73 | 3.90 |

Remark : The Board of Directors meeting no.4/2020 has passed a resolution to restructure of the subcommittee by combined the Risk Management Committee and the Corporate Governance Committee to the Risk Management and Corporate Governance Committee

Self-Assessment of the board of directors and of committee member on an individual basis

| Descriptions | Full Score | Avg. Evaluated Score | |
|--|------------|----------------------|------------|
| | | 2020 | 2019 |
| 1. Board structure and qualifications | 4 | 3.9 | 3.9 |
| 2. The committee meeting | 4 | 3.8 | 3.9 |
| 3. Roles, duties and responsibilities of the board | 4 | 3.8 | 3.9 |
| Overall Assessment | 4 | 3.84 | 3.9 |

Self-assessment of the entire board in the overall standard with an average score of 3.84 out of 4 points, self-assessment of sub-committees, the average score is 3.73 out of 4 points and the self-assessment of the Board of Directors with an average score of self-evaluation of each director is 3.84 out of 4 points.

Performance Evaluation of the Managing Director

In order to comply with good corporate governance principles, the Company carries out an annual performance evaluation of the Managing Director. For the year 2020, this evaluation occurred at the meeting of the Board of Directors no. 6/2020, on December 17, 2020, whereby all were made aware of the performance evaluation of the Managing Director. Evaluation was carried out by non-executive directors. The performance evaluation of the Managing Director is as follows:

| Descriptions | Full Score | Avg. Evaluated Score | |
|--|------------|----------------------|-------------|
| | | 2020 | 2019 |
| 1. Set up & Deployed Strategy | 5 | 4.6 | 4.6 |
| 2. Management & Decision Making | 5 | 4.4 | 4.5 |
| 3. Communication & Relation with Stakeholder | 5 | 5.0 | 4.8 |
| 4. Competency in Finance & Accounting | 5 | 4.7 | 4.7 |
| 5. Performance compare with planning and targets | 5 | 4.6 | 4.8 |
| 6. Self-Learning& Development | 5 | 4.7 | 4.7 |
| Overall Assessment | 5 | 4.67 | 4.68 |

7. Development of Directors

The Company encourages the members of the Board of Directors to develop their knowledge and experience by attending educational and observational trips, training, and seminars covering a variety of courses that will aid in enhancing their knowledge and understanding of the role of a director, and any other matters related to the performance of the Board of Directors and for effective management in accordance with the principles of good corporate governance. The Company also promotes membership in the Thai Institute of Directors (IOD) for its directors for the benefit of receiving important news and information from the IOD.

In 2020, the Company encouraged its Directors and Company Secretaries to attend the following IOD training courses:

- Seminar on Director Forum : Board's Role in Strategy for Business Sustainability"
- Seminar on Chairman Forum : "Leading Boardroom Through Disruption : What Directors should know?"
- Seminar on IOD Open House for Company Secretary : the Role of the Company Secretary in promoting good corporate governance for the organization

- Seminar on Director Forum : Board's Role in Strategy for Business Sustainability"
- Seminar on IOD Company Secretary Forum : Virtual Board Meeting & the Evolving Role of Company Secretary

Training courses for directors organized by the Thai Institute of Directors (IOD)

| Courses | Director Accreditation Program (DAP) | Director Certification Program (DCP) | Finance for Non-Finance Director (FND) | Risk Management Program for Corporate Leaders (RCL) | Advanced Audit Committee Program (AACP) | Role of the Compensation Committee (RCC) |
|-------------------------------------|--------------------------------------|--------------------------------------|--|---|---|--|
| 1. Dr. Thanong Bidaya | DAP 25/2004 | | | | | |
| 2. Mr. Plew Trivisvavet | DAP 18/2004 | DCP 50/2004 | FND 13/2004 | | | |
| 3. Mr. Phongsarit Tantisuvanitchkul | | DCP 155/2012 | FND 35/2007 | | | |
| 4. Mr. Phairuch Mekarporn | | DCP 81/2006 | | | AACP 17/2007 | |
| 5. Mr. Somnuk Chaidejsuriya | DAP 9/2004 | DCP 46/2004 | | | AACP 9/2005 | |
| 6. Dr. Sombat Kitjalaksana | DAP 36/2005 | DCP 81/2006 | | | | |
| 7. Mr. Suvich Pungchareon | | DCP 37/2003 | | | | |
| 8. Mrs. Payao Marittanaporn | | DCP 48/2004 | | | | RCC 9/2009 |
| 9. Dr. Patarut Dardarananda | | DCP 271/2019 | | RCL 18/2019 | AACP 34/2019 | |
| 10. Mr. Shunsuke Murai | | | | | | |
| 11. Mr. Hideo Matsumoto | | DCP 256/2018 | | | | |
| 12. Ms. Walainut Trivisvavet | | DCP 201/2015 | | | AACP 20/2015 | |

In 2020, the company has promoted additional training and important experience development for directors and company secretaries in addition to the director's seminars as follows:

- Following and study visit the implementation of the XAYAburi Hydroelectric Power Project at Lao People's Democratic Republic between 16-18 January 2020.
- Seminar on "Strengthening Good Corporate Governance by Audit Committee and Independent Director : Experiences from Fraud Cases" by the Securities and Exchange Commission (SEC), for Mr. Phairuch Mekarporn, Mr. Somnuk Chaidejsuriya, and Dr. Patarut Dardarananda, and Company Secretary

8. Orientation for New Directors

The Board of Directors provides orientation for every new director in order to create a clear understanding of the business and operations of the Company and to ensure directors are well-prepared to perform their duties, in terms of corporate governance, business management, technology, and new innovations, so as to support the efficient performance of their duties, with the Company Secretary as coordinator in various matters, as follows:

1. Business structure, board structure, scope of authority, and related laws
2. Business strategies, including on-site visit to view the production process

3. Arrangement of a meeting with the Chairman of the Board to facilitate inquiry regarding more in-depth information about the Company's business operations

In 2020, one new director, Mr. Kaoru Umehara has been appointed as a director per the Board of Directors Meeting No.5/2020 held on 20 August 2020. Under the situation of the Coronavirus 2019 (COVID-19) epidemic, the company organized a new director orientation through online channels with the Microsoft Team program.

2. Subcommittees

The Board of Directors Meeting No.4/2020 held on 30 July 2020 has passed a resolution to restructure of the subcommittee from 5 committees to 4 committees in order to strengthen and facilitate management by combined the Risk Management Committee and Corporate Governance Committee to the Risk Management and Corporate Governance Committee to increase the efficiency of corporate governance as the following 4 subcommittees (1) Executive Committee, (2) Audit Committee, (3) Nomination and Remuneration Committee, (4) Risk Management and Corporate Governance Committee, the committee member as follows:

1. Executive Committee

As at December 31, 2020, the Executive Committee comprises five members, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-------------------------------------|--|----------------------------|
| 1. Mr. Phongsarit Tantisuvanitchkul | Chairman of the Executive Committee | 4/4 |
| 2. Dr. Sombat Kitjalaksana | Executive Committee | 4/4 |
| 3. Mr. Suvich Pungchareon | Executive Committee | 4/4 |
| 4. Mr. Hideo Matsumoto | Executive Committee | 4/4 |
| 5. Ms. Walainut Trivisvavet | Executive Committee and Secretary to the Executive Committee | 4/4 |

Scope of Authorized and duties of the Executive Committee

At the Board of Directors Meeting, a resolution was made to designate the scope of Authorized and duties of Executive Committee as follows:

(1) Supervising the Managing Directors' performances to ensure compliance with resolutions, policies and strategies as determined by the Board of Directors, as well as providing advice and suggestions to the managing Directors

(2) Supervising the conduct of feasibility studies on new projects, and approving implementation of projects as it deems appropriate within the amount under (3)

(3) Having authorized to approve execution of any juristic acts which would have a binding effect upon the company within an amount of not exceeding Baht 50 (Fifty) Million provided that such approval shall involve neither any transactions giving rise to any conflict of interest against the company or its subsidiaries according to Declaration of Office of the Securities and Exchange Commission and Stock Exchange of Thailand

(4) Having authorized to consider, approve and/or determine policies on administration and business operations of the company or any actions which would have a binding effect upon the company, subject to the scope of policies and strategies as determined by the board of Directors

(5) Having authorized to employ, appoint, impose disciplinary actions, terminate, dismiss, remove, determine salaries, bonuses, benefits and other remunerations, including expenses and facilities of the company's officers or staff in the position of Division Director or equivalent and higher, but excluding the Managing Director

(6) Having authorized to appoint, determine authorities and duties, delegate directions of the supervision policy, and determine remuneration, allowances, expenses and facilities for special workgroups for carrying out specific works, including to approve proposals of special workgroups within the amount under (3)

(7) Having authorized to appoint chairman of the advisors, advisors and/or advisory board to the Executive Committee as appropriate whereby remunerations, allowances, expenses and facilities for the chairman of the advisors, advisors and/or advisory board as mentioned shall be determined by the Nomination and Remuneration Committee

(8) Performing other duties as delegated from time to time by the Board of Directors

The Executive Committee and the person authorized by the Executive Committee has no authorized to approve any matters or transactions in which the Executive Committee or persons who may have conflict, have interests or may have conflict of interests in any other manners, would enter into with the company or its subsidiaries, as defined by the Securities and Exchange Commission and Stock Exchange of Thailand.

2. Audit Committee

As at December 31, 2020, the Audit Committee comprises three independent directors, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-----------------------------|---------------------------------|----------------------------|
| 1. Mr. Phairuch Mekarporn | Chairman of the Audit Committee | 3/4 |
| 2. Mr. Somnuk Chaidejsuriya | Audit Committee | 4/4 |
| 3. Dr. Patarut Dardarananda | Audit Committee | 4/4 |

The Internal Audit Manager is the secretary to the Audit Committee

The Audit Committee is knowledgeable and experienced in finance, accounting, management and financial statements review of the Company, Mr. Phairuch Mekarporn as the Chairman of the Audit Committee, is responsible for reviewing the company's financial statements, and the Internal Audit Manager as the Secretary of the Audit Committee.

Scope of authorized and duties of the Audit Committee

At the Board of Directors' Meeting, a resolution was made to designate the scope of authorized and duties of Audit Committee with further amendment regarding authorized and duties of Audit Committee according as following details:

(1) Reviewing the Company's financial reports to ensure the correctness and adequate disclosure

(2) Reviewing the internal control and internal audit systems of the Company to ensure the suitability and efficiency by considering independency of Internal Audit Department and approving appointment, removal and termination of Internal Audit Chief

(3) Reviewing the Company's operations to ensure its compliance with the laws on securities and exchange, the regulations of the Stock Exchange, or such laws, rules and regulations and policies related to the businesses of the Company

- (4) Considering the Company's disclosure in respect of related party transactions or such transactions which may give rise to conflict of interests, to ensure the accuracy, completeness and timeliness
- (5) Considering to approve Annual Internal Audit Plan and personnel of Internal Audit Department
- (6) Considering, selecting, nominating for appointment and proposing remuneration for the Company's auditor to the Board of Directors for further submission to seek approval of the shareholders by considering independency of auditor as well as organizing the meeting with auditors without the management's involvement at least once a year
- (7) Preparing the Audit Committee's corporate governance report to be disclosed in the Company's annual report whereby such report shall be signed by the Chairman of the Audit Committee
- (8) Reviewing Internal Audit Committee Charter and Internal Audit Committee Charter and Internal Audit Department Charter as it is required and appropriate
- (9) Performing other duties as delegated by the Board of Directors and with approval of the Audit Committee

3. Risk Management and Corporate Governance Committee

As at December 31, 2020, the Risk Management and Corporate Governance Committee comprises 2 independent directors and 2 non-executive directors and 1 executive director, totaling 5 persons, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-----------------------------|--|----------------------------|
| 1. Mr. Somnuk Chaidejsuriya | Chairman of the Risk Management and Corporate Governance Committee | 2/2 |
| 1. Mrs. Payao Marittanaporn | Risk Management and Corporate Governance Committee | 2/2 |
| 2. Mr. Phairuch Mekarporn | Risk Management and Corporate Governance Committee | 2/2 |
| 3. Mr. Hideo Matsumoto | Risk Management and Corporate Governance Committee | 2/2 |
| 5. Ms. Walainut Trivisvavet | Risk Management and Corporate Governance Committee and Secretary to the Risk Management and Corporate Governance Committee | 2/2 |

Scope of authorized and duties of the Risk Management and Corporate Governance Committee

At the Board of Directors Meeting, a resolution was made to designate the scope of authorized and a duty of Risk Management and Corporate Governance Committee as follows:

- (1) To set out the risk management policy and the overall framework for risk management of the Company, covering various types of material risks, especially, in respect of finance, circumstances, and marketing, tap water production, and distribution, liquidity, labor market, contract and risks giving rise to impact on reputation, etc.
- (2) To lay down such strategies in line with the risk management policies to be able to assess, monitor, and control the Company's overall risks to stay at an acceptable level.
- (3) To support and encourage cooperation in the Company's overall risk management; and review the sufficiency of the risk management policy and system, as well as the effectiveness of the system and compliance with the policy.
- (4) To recommend the good corporate governance practice to the Board of Directors.

(5) To oversee the operations of the Board of Directors, Executive Committee, subcommittees, and the management to ensure compliance with the good corporate governance principles, business codes of conduct, and ethics.

(6) To review the Company's good corporate governance practice by comparing it with the good corporate governance principles of the international standard and of the Stock Exchange of Thailand, and propose the same to the Board of Directors for consideration and regular update.

(7) To regularly report to the Board of Directors on what need to be improved to comply with the specified policies and strategies.

(8) The Risk Management and Corporate Governance Committee may engage external advisors for advice, at the Company's expenses, with the approval of the Board of Directors.

(9) To perform other duties as assigned by the Board of Directors.

4. Nomination and Remuneration Committee

As at December 31, 2020, the Nomination and Remuneration Committee comprises two independent directors and two non-executive directors, totaling 4 persons, per names and number of their meeting attendances listed below:

| Name | Position | Number of Meetings in 2020 |
|-------------------------------------|---|----------------------------|
| 1. Dr. Patarut Dardarananda | Chairman of the Nomination and Remuneration Committee | 2/2 ⁽¹⁾ |
| 2. Mr. Phongsarit Tantisuvanitchkul | Nomination and Remuneration Committee | 2/2 ⁽²⁾ |
| 3. Mr. Somnuk Chaidejsuriya | Nomination and Remuneration Committee | 3/3 |
| 4. Mr. Kaoru Umehara | Nomination and Remuneration Committee | 1/1 ⁽³⁾ |

The Assistant managing Director Administration Group as the Secretary to the Nomination and Remuneration Committee

Scope of authorized and duties of the Nomination and Remuneration Committee

At the Board of Directors Meeting, a resolution was made to designate the scope of authorized and a duty of Nomination and Remuneration Committee as follows:

(1) Considering the criteria and procedures for recruiting persons qualified to take office as directors of the Company, including selecting persons in accordance with the specified nomination procedures for submission to the Board of Directors for consideration and appointment, or for submission to the shareholders' meeting for consideration and appointment, as the case may be, provided that such procedures for consideration and selection of qualified persons as aforementioned shall also allow minority shareholders to nominate persons for such consideration and selection.

(2) Considering the criteria and procedures for recruiting persons qualified to take office as the Managing Director, including nominating and selecting such persons in accordance with the specified nomination procedures for submission to the Board of Directors for consideration and appointment

(3) Arranging for Succession Plan for key positions in management or persons eligible to take office of high-levelled executives, with regular reviews of such Plan, the criteria were as follow

- Determine the succession planning method in the organization
- Determine the main position for the successor
- Determine the appropriate qualification for the main position.
- Evaluate and select those with high capabilities and potential or who have accumulated experience to develop to be the successor
- Create a leadership development plan for people who were expected to be successors.

- (4) Determining the criteria for consideration of remuneration for directors and the Managing Director
- (5) Considering proposing remuneration of directors to the Board of Directors for approval and submission to the shareholders' meetings for further consideration and approval
- (6) Considering proposing salary and adjustment of salary rates, including other remuneration of the Managing Director to the Board of Directors for consideration and approval
- (7) Performing other duties as delegated by the Board of Directors

Contacting the Board of Directors

Stakeholders may communicate and express opinions, including material evidence regarding whistleblower reports, or acts of unfair treatment or actions that violate the law or the Company's code of conduct, or for any complaints regarding matters that may cause damage to the Company. Any such matters may be communicated in writing and sent to the Audit Committee or the Board of Directors via the following channels:

| | | |
|---|---|--|
| By post Corporate Affairs Division TTW Public Company Limited 30/130 Moo 12, Buddha Monthon 5 Road, Raikhing, Sampran, Nakhon Pathom 73210 | By email cg@ttwplc.com | By Phone (+622) 019-9490-3 (+622) 019-9484-9 Ext. 1103, 1106 |
|---|---|--|

In this regard, any such questions, complaints, or suggestions shall be forwarded to the relevant department for action, and any amendments, improvements or summaries of such are reported to the Audit Committee and the Board of Directors.

3. Nomination and appointment of Directors and Top Management

1. Nomination and Appointment of Directors

The Company recognizes the importance of the appropriate recruitment and appointment of directors to oversee business operations and set policies and operational plans for the maximum benefit of the Company and its shareholders and thus takes great care to consider the qualifications and experience of any candidate according to the following principles:

- Qualifications in accordance with legal requirements, SET and SEC regulations, and Company regulations. Qualifications of all Directors must be consistent with the strategies and policies of the Company and must adhere to the principles of good corporate governance for the benefit of the business development and success of the Company.
- Gender diversity, age, knowledge, ability, experience and expertise in various fields as needed by using Director Qualifications and Skills Matrix for consideration.
- Educational and work background that are beneficial to corporate governance, transparency, morality, responsibility, maturity and professionalism

The Nomination and Remuneration Committee is responsible for screening all candidates for director positions, whether for positions as representatives of shareholders or for positions as independent directors. The Committee shall consider the suitability of said candidates based on the appropriateness of their skills and experience according to the above criteria. As the Company gives the right to its shareholders to nominate directors of the Company, the Committee

shall consider candidates from the list of names proposed by shareholders and from the Director Pool of the Thai Institute of Directors (IOD) and shall present these to the Board of Directors for consideration. However, the appointment of new directors to replace directors whose tenures are expired must be approved by individual shareholders and voting must be carried out according to the Company's regulations as follows:

- Each shareholder holds a number of votes equal to the number of shares held in the Company
- Shareholders may exercise the right to select one or more person to be a director, but it must not exceed the number of directors to be elected at that time.
- In case a shareholder exercises his or her votes to elect more than one person as director, the shareholder may exercise all his or her votes to each such person and may not allot his or votes to any person in any number.
- The persons receiving the highest numbers of votes in descending order shall be elected as directors according to the number of directors being elected at that time. In the case of equal votes between persons voted on in descending order whereby the number of directors to be elected at that time is exceeded, the chairman of the meeting shall have the casting vote so that the correct number of directors shall be achieved.
- The selected persons must be elected by a vote of no less than four-fifths of the total number of votes of the shareholders who attended the meeting and who have the right to vote.

Along with the meeting invitation letter sent to the shareholders, the Company shall include pertinent information about directorship candidates for consideration by the shareholders. Said information shall consist of educational background, work experience, any directorship positions held in other companies, and legal disputes (if any). In the case of directors whose tenures have expired and who are being nominated again for another term in a directorship position, additional information shall also be included for consideration by the shareholders, such as the number of meetings attended by the candidate and work performance throughout the previous year.

In the event that a directorship position becomes vacant for reasons other than expiration of said director's term, the Nomination and Remuneration Committee shall nominate a candidate with the appropriate qualifications and without any characteristics that would be prohibited by law at the meeting of the Board of Directors of the Company for their consideration and approval by a vote of not less than 3 out of 4 votes of the remaining directors. Any newly appointed directors shall hold office for the remaining term of the outgoing director.

The Company recognizes the important rights and participation of its minor shareholders. In order to assure all shareholders that they will be treated with equality, the Board of Directors, therefore, provides shareholders with the opportunity to propose items for the agenda of the Annual General Meeting of Shareholders and to nominate candidates with appropriate qualifications for directorship positions from September 1 to December 31 each year. All steps and procedures for said proposals are set forth in a clear and transparent manner and details can be found on the Company website.

2. Nomination and Appointment of Independent Directors

The Company has specified the criteria for the selection and appointment of independent directors, in that they must meet both Company qualifications for recruitment of directors and also the qualifications of independent directors according to the definition of "independent director" of the SEC. Company policy requires at least 1/3 of the total number of board members and not less than 3 persons to be Independent Directors. The Company currently has 4 independent directors. Company policy also requires that the Chairman of the Board be an independent director and that the Chairman of the Board not also hold the position of Managing Director. This is to provide clear distinction of responsibilities between the establishment of regulatory policies and the daily management of the Company, thus resulting in an appropriate balance of power, transparency and verifiability according to the principles of good governance. Additionally, the Audit Committee is made up entirely of independent directors and is appointed by the Board of Directors or in the General Meeting of Shareholders of the Company. At least one Audit Committee member must have accounting and/or financial experience and knowledge

in order to examine and supervise the Company's operations properly, as well as to oversee financial reports, the internal control system, the selection of auditors, and consideration of any conflicts of interest.

All current independent directors possess all qualifications as specified by the Company and, for any persons serving in the position of independent director for several consecutive terms, this does not affect the performance of duties or independent opinion of said director.

3. Appointment of Senior Executives

The Board of Directors has appointed the Nomination and Remuneration Committee to consider and select candidates for positions as senior executives or for the position of Managing Director of the Company by evaluating the appropriate qualifications for senior executive positions according to the Succession Plan and screening suitable candidates who have the knowledge, abilities, skills, and experience beneficial to the Company's operations, as well as those who understand the business of the Company and have the ability to manage tasks to achieve the Company's objectives and goals. After said selection and screening process is complete, the Nomination and Remuneration Committee will then propose the names of suitable candidates to the Board of Directors for further evaluation and approval.

For the recruitment of senior executives at the level of department head or higher, the Managing Director shall present candidates for these positions to the Executive Committee for appointment and approval. For the recruitment of senior executives from the position of section manager or below, this is within the scope of authority of the Managing Director to consider and appoint said candidates.

4. Supervision of Business Operations of Subsidiaries and Associated Companies

The Company supervises its subsidiaries and associated companies to ensure that their business operations are in line with the policies and goals of the Company and that they have an appropriate return on investment. The Board of Directors, therefore, has established,

in writing, the regulations governing subsidiaries and associated companies as a guideline as follows:

(1) Supervise subsidiaries and associated companies by sending representatives of the Company to be directors and/or senior executives in subsidiaries and associated companies according to the proportion of shares held in that company. This is to facilitate comprehensive control and to determine the management direction of said subsidiaries and associated companies with transparency and verifiability. As such, the appointment of any representative to perform duties as director and/or senior executive in subsidiaries and associated companies must first be approved by the Nomination and Remuneration Committee and then presented to the Board of Directors for final authorization.

(2) A report of the operating results of subsidiaries and associated companies must be presented at the Board of Directors' meeting on a quarterly basis.

5. Insider Trading Control

The company has a written guideline to prevent the use of inside information strictly in the Corporate Governance and Business Ethics of the Company, in order to prevent the use of inside information for improper benefits for oneself and others. It is the duty and responsibility of the supervisor to control and ensure the maintenance of internal information according to principles. The use of inside information that has not been disclosed to the public or general shareholders for the benefit of trading securities by themselves or for others is considered an unethical act of the company.

In 2020, the Directors, executives, and employees of the Company strictly complied with the guidelines for the prevention of internal information usage and no trading was carried out utilizing internal data in any way.

Guideline for Prevention of Use of inside information of the company has been approved from the Board of Directors meeting No. 1/2006 held on July 28, 2006. TTW has distributed this guideline in a circulating letter for the Director, Executives and Staff to acknowledge, and to comply strictly with it.

Guideline for Prevention of Use of Inside Information

Rationale

TTW is a listed company in the Stock Exchange of Thailand and has run its business in compliance with Public Limited Companies Act B.E.2535 (on the part of share trading), and with the Securities and Exchange Act B.E. 2535 (on the part of securities and exchange), through the performance of duties by directors, executive management, employees of TTW, and the employees of subsidiary companies. There has been a prohibition for such persons from using the essential and unpublicized facts and information that can significantly impose an effect on the price of shares, which they have learned from performing their duties or from holding a position in the company; otherwise, they would be considered as committing a criminal offence and subject to punishments as provided by laws. There were some amendments made to Securities and Exchange Act B.E. 2559 (5th edition) as announced in Thai Royal Gazette on 11 December 2016. TTW has notified these changes in a circulating letter to directors, executive management, employees of TTW, and employees of subsidiary companies to acknowledge and comply with.

In order to prevent the directors, executive management, employees of TTW and employees of subsidiary companies, as well as TTW Company itself, from facing a charge on violating such laws, and in order to implement good corporate government approach of TTW; the company has defined the guideline for the prevention of internal information usage for all directors, executive management, employees of TTW and employees of subsidiary companies to compile with very strictly. All these persons shall comply with the provisions in Securities and Exchange Act (5th edition) B.E. 2559, coupled with the use of common sense and appropriate reasons for committing an action on a case by case basis. TTW has defined the guideline for the prevention of internal information usage as follows.

Directors

(1) Directors shall not use the information acquired from holding the position as a director of the company in a wrongful manner or in a way that would cause damages to the company.

(2) Directors shall not disclose to any third party the business confidential information or any information that may affect company's business.

(3) Directors, their spouses and their minors shall not conduct share trading while having access to internal information of the company, which will affect the price of the shares if these information are disclosed to public.

(4) Directors shall not reveal any unpublicized information to a third party, which may lead to a reservation of purchase or a sale of company's shares.

Employees

(1) Employees shall strictly comply with the regulations defined by SET/SEC and applicable laws, which cover the equitable disclosure of information for shareholders and/or public.

(2) For a disclosure of any information that may affect the business or the share price of the company, an approval must be sought from the Managing Director who may disclose the information himself or assign a responsible person to do so.

(3) The work units in central administration that take function in providing information to public and investors include Investors Relation and Company Secretary Units (under the Corporate Affairs Division) and so on. The work units that own information have a duty to provide support of such information. The directors, executive management and employees who have access to information about financial statement are prohibited by the company from trading shares within a period of 45 days prior to the disclosure of information and within a period of 24 hours after such disclosure. For any other significant information, executive management and employees who have access to the information are prohibited from trading shares during the period from the date that they have known about the information to 24 hours after the disclosure of such information to SET. In addition, TTW has adopted an internal control system to prevent the leakage of information thoroughly and cautiously. This is to prevent internal information from being revealed to outside prior to a formal disclosure. These measures and control system are considered as a part of significant risk control measures of the company. It is the duty and responsibility of supervisors to oversee the protection of internal information in line with such measures. If an employee uses unpublicized internal information, or the ones that have not been revealed to general shareholders, for personal or other people's benefits from share trading shall be considered as violating the code of conduct defined by the company.

Securities Trading Based on the Use of Internal Information

Prohibited Persons

The persons who shall not trade the securities as per the prohibition set in the guideline for the prevention of internal information usage include:

- (1) Executive directors or the persons with an authority to control the operation of the company.
- (2) Worker or employees in the chain companies or the persons holding a position, or working in a line of duty that holds responsibility for, or can have access to, internal information.
- (3) The persons holding a status in favor of acknowledging internal information from performing their duties as an auditor, financial consultant, legal advisor, property price appraisal expert, or any other person doing duties related to internal information.
- (4) Parents, descendants, adoptive parents, or adopted children of the persons mentioned in (1) (2) and (3).
- (5) Siblings from the same mother and father, or the siblings from either a same mother or a same father, of the persons mentioned in (1) (2) and (3).
- (6) The spouses of, or the persons cohabitated with, the persons mentioned in (1) (2) and (3).

Prohibited Securities

Securities mean the shares, share warrants, convertible debentures, and transferable subscription rights that are issued by the company.

General Practice Guideline

- (1) Prohibited persons shall not trade the securities at any given moment, as long as they know or should have known the essential and unpublicized information that may affect the price of TTW securities in the Stock Exchange.
- (2) Prohibited persons who have acknowledged such essential information from performing their duties and/or from holding a position in the company and its subsidiaries shall not reveal such information to other persons while it has not been publicized yet; except the revealing through the duties they perform in the company

Specific Practice Guideline

Apart from the general practice guideline for the prevention of internal information usage, there are some specific practice guidelines that the prohibited persons shall comply with, as detailed below.

(1) The prohibited persons who have direct involvement in the preparation of TTW financial statements shall not trade TTW securities during the period from the commencement of such preparation to the end of the following day after the date of disclosing such statements.

(2) Any directors, executive management and employees who have received a draft copy of TTW financial statements shall not trade TTW securities during the period from the day that they received the draft of financial statements to the end of the date of disclosing such statements.

(3) Prohibited persons who know or should have known that the company will reveal essential information that may affect the prices of TTW securities in the Stock Exchange shall not trade TTW securities starting from the date that they know or should have known about the event to the end of the following day after the date of revealing and distributing such information.

(4) The company requires to the directors and executive management report of changes in securities holding in TTW Public Company Limited.

(5) The Company has set a policy for directors and executive management to report to the Board of Directors at least 1 day in advance before trading the company's shares.

Reporting Procedures of Prohibited Persons

The Required Duty to Prepare the Report

(1) Managing Director or a person holding an executive management position in accordance with Securities and Exchange Act shall prepare a report on their initial possession of securities and any changes in the possession of such securities afterward, as required by applicable laws and regulations; and shall submit such report to TTW simultaneously.

(2) Executive management holding a position as a department head or higher shall prepare a report on the acquisition and the selling of TTW securities in their possession in the case that the volume of such acquisition or sale is equal to or over 5% of the total securities that have been sold.

Reporting Method

(1) Managing Director or a person holding an executive management position that have a duty as required by laws shall prepare and submit a report on the possession of TTW securities of their own, and that of their spouses and minor descendants. They are required to submit a copy of such report to the company on the same day that they have sent it to a respective government authority or a regulatory agency.

(2) Executive management holding a position as a department head or higher shall prepare a report on the possession and the changes in the possession of TTW securities of their own, and that of their spouses and minor descendants; and submit to the company within 7 working days from the date of ownership transfer of such securities

6. Auditor Remuneration

The Board of Directors has appointed the auditor of the Company who was selected by the Audit Committee based on performance, experience, preparedness in terms of personnel, and acceptable auditing service standards. Said auditor is certified by the Office of the Securities and Exchange Commission (SEC). The Company has hired EY Office Co., Ltd., comprising Ms. Manee Rattanabunnakit, Certified Public Accountant No. 5313; Ms. Sumalee Reewarabandith, Certified Public Accountant No. 3970; and Mrs. Poonnart Paochareon, Certified Public Accountant No. 5238, as the Company's auditors.

In this regard, the auditor appointed by the Board of Directors is also the auditor of the subsidiary companies, namely PTW and TWO, which have no relationship and interest with the company or subsidiaries, executives, major shareholders or those related to such persons in a manner that will affect their duty independently, also the company not receiving any services other than auditing

Comparative information of the auditor's remuneration in the past 3 years as follows

| Description | 2020 | 2019 | 2018 |
|---|-----------|-----------|-----------|
| Examination of annual financial statement | 660,000 | 660,000 | 655,000 |
| Review of financial statements for the first 3 quarters | 600,000 | 600,000 | 600,000 |
| Review of BOI compliance | 80,000 | 80,000 | 75,000 |
| Total | 1,340,000 | 1,340,000 | 1,330,000 |
| Review TFRS#9 and TFRS#16 | 50,000 | - | - |
| Review Annual Report (Form 56-2) | 80,000 | 80,000 | 70,000 |
| Grand Total | 1,470,000 | 1,420,000 | 1,400,000 |

Definition of “Related Party Disclosure According to Accounting Standards”

A related party is a person or entity that is related to the entity that is preparing its financial statements.

1. A person or a close member of that person’s family is related to a reporting entity if that person:
 - 1.1 had control or joint control over the reporting entity;
 - 1.2 has significant influence over the reporting entity; or
 - 1.3 is a member of the key management personnel of the reporting entity or the parent of the reporting entity.
2. An entity is related to a reporting entity if any of the following conditions applies:
 - 2.1 The entity and reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - 2.2 One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - 2.3 Both entities are joint ventures of the same third party.
 - 2.4 One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - 2.5 The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - 2.6 The entity has control by a person item 1.
 - 2.7 The person on item 1 (1.1) has significant influence over the entity or members of entity management (or headquarter)
 - 2.8 The entity member or members of the group to service of the key management personnel of the reporting entity or the parent of the reporting entity.

7. Application of Good Corporate Governance Principles for Listed Companies

The Board of Directors has reviewed and implemented the principles for good corporate governance for listed companies in an appropriate manner per the business context of the Company. In 2020, the Board of Directors reviewed and gave feedback regarding the development and improvement of practices in accordance with the principles of good corporate governance of the Company, such as the reporting of securities holdings of directors and executives, consideration of meetings between non-executive directors without management present, etc.

8. Compliance with the Principles of Good Corporate Governance in Other Matters

The board of directors, executives and employees of the company and its subsidiaries has complied with the corporate governance policy and follow up on the implementation of the operation plan strictly and consistently. In the year 2020, there are no situations in which the operations do not comply with the policy.



Corporate Social Responsibility

1. Policy Overview

The Company recognizes the importance of sustainable business operations along with social development and environmental stewardship. As such, the Company has adopted its Sustainable Development Goals (SDGs) as a guideline for sustainable business operations, comprising economic, social, and environmental dimensions, and the Company operates under the principles of good corporate governance. The Company understands the importance of its responsibility to produce quality tap water that meets international standards, delivering a better quality of life to its customers and the general public per the Company's vision of "Quality Water for a Better Life".

The Company never ceases in developing the organization as "Thailand's leading company in water, energy and eco-friendly businesses", conducting business responsibly with a view towards the environment and society under the principles of corporate governance or ESG (Environmental, Social, and Governance) commitments and in response to its Sustainable Development Goals (SDGs), promoting water availability and providing water and sanitation management for all, along with all its sustainable development goals.



2. Implementation and Reporting

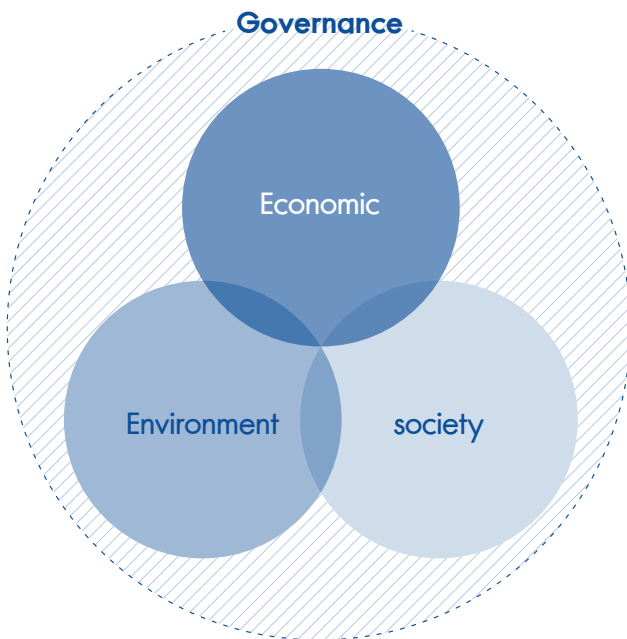
1. Report Preparation Process

The Company's Corporate Social Responsibility Report is included as part of the Annual Report 2020 and the Sustainable Development Report 2020. The Sustainable Development Report is in accordance with the Global Reporting Initiative (GRI), GRI Standards. The scope of the report covers operations from January 1st - December 31st, 2020, and covers all three aspects of the Organization's sustainability—economic, social, and environmental—the results of which are linked to the Sustainable Development Goals (SDGs) and are disseminated via the Company's official website at www.ttwplc.com

2. Operations Conducted in Compliance with Policy

The Company has formulated the following policies and practices for sustainable development:

1. To develop its business process according to the main missions of the Company, adhering to the principles of good corporate governance.
2. To cultivate and create consciousness among all levels of employees on social and environmental responsibilities.
3. To promote the implementation of social and environmental activities in CSR In-Process with a focus on the prevention of social and environmental impacts.
4. To promote corporate sustainable development based on the GRI sustainability reporting framework.
5. To promote the participation of all employees and business partners in CSR activities with a view to creating Sustainable Development consciousness and behaviors across the organization.
6. To recognize the importance of and to promote the development of business and social innovations that create added value to the Company, stakeholders, society, and the environment.



Community and Social Development

The Company places great importance on involvement in community development and problem-solving. To this end, an annual budget has been allocated to support activities and projects determined based on both the community's and the Organization's expectations. The Company is always aware that it is a part of society as a whole and, thus, must grow together with it. For an organization to grow in a sustainable manner, it must do so on the foundation of a sustainable society. The Company is therefore committed to fulfilling its social responsibilities through various CSR projects and to carrying out sustainable business operations based on a balanced stakeholder foundation in order to benefit and improve the quality of people in society, thus resulting in a strong community that can stand on its own as a model for continuous learning and sound, sustainable progress.

In 2020, even though the Company was affected by the Covid-19 pandemic, business operations were able to continue as normal without any impact on the stakeholders. This was achieved with the implementation of strong measures to prevent the spread of Covid-19 within the organization, including budget support, the allocation of necessary resources, and the provision of Covid-19 protective equipment to employees and to stakeholders, including government agencies and medical facilities affected by the situation, thereby helping to prevent and control the spread of Covid-19 effectively and provide social assistance during the crisis.





The Company also remains committed to operating its tap water business with quality standards and to enhancing and improving the quality of life in society, promoting the research of sludge from water production processes to be developed as a construction material and then utilizing it in the construction and renovation of school buildings for Wat Rat Thammaram School, Samut Sakhon Province, and Wat Sukwattanaram School, Nakhon Pathom Province, to promote knowledge development and innovation, as well as to raise awareness of the cost-effective use of resources.



3. Social Impact of Business Operations

The Company's business operations include tap water production and distribution to the Provincial Waterworks Authority covering the Samut Sakhon-Nakhon Pathom and PathumThani-Rangsit areas, using raw water from two natural water sources—the Tha Chin River and the Chao Phraya River—and certain chemicals used in tap water production. In 2020, the Company reviewed and analyzed any possible impacts or risks of business operations on society and has summarized said impacts in the following table:

| Social Impact of Business Operations | | |
|--|---|--|
| Impact | Issue | Management/Actions |
| 1. Impact of use of raw water from natural water resources in tap water production | <ul style="list-style-type: none"> May lead to decrease in volume of raw water available in natural water sources during droughts, resulting in farmers suffering from water shortages | <ul style="list-style-type: none"> Close coordination with relevant agencies, including the Department of Water Resources, the Royal Irrigation Department, Regional Environmental Office 5, the Metropolitan Waterworks Authority, and local environmental agencies, etc. Protection and monitoring of raw water sources with relevant public and private agencies. Utilizing wastewater in the production process for new tap water |

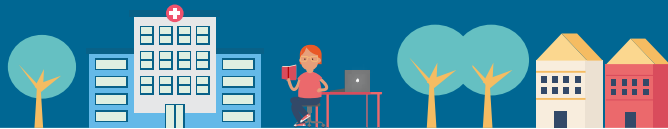
| Social Impact of Business Operations | | |
|--|--|--|
| Impact | Issue | Management/Actions |
| 2. Impacts of chlorine leakage | <ul style="list-style-type: none"> Can be caused by damage to material or equipment used in the chlorination process, accidents during transport of chlorine to storage facilities, or human error on the part of the operator handling the chlorine, which can result in serious harm to employees from chlorine gas inhalation, as well as spread of the gas throughout water-works and nearby areas. | <ul style="list-style-type: none"> Practice, review, and compliance of safe work practices for chlorine and use of Emergency Kit-B Institute emergency prevention and mitigation plan in case of severe chlorine leakage Control of chlorine transportation and distribution according to safety measures and required laws |
| 3. Impact of waste (sludge) from the water production process on the community and the environment | <ul style="list-style-type: none"> Lack of proper waste disposal according to specified standards can affect traffic and other environmental pollution. | <ul style="list-style-type: none"> Waste disposal according to the regulations of the Department of Industrial Works Use of waste (sludge) research products for the benefit of society |

4. Activities for the Benefit of Society and the Environment—CSR After-Process

The Company is committed to sustainable business operations based on a balance of economic, social, and environmental dimensions, and the implementation of the Sustainable Development Goals (SDGs) as a framework for corporate social responsibility.

Throughout 2020, the Company organized a variety of activities for the benefit of society and the environment according to its CSR after-process plan. This included Children's Day water conservation activities; the awarding of scholarships to students in the service areas; the production and distribution of bottled water at charity events; support for the social and environmental activities of stakeholders; utilizing sludge mixed with fresh waste for composting within headquarters and schools in the service areas; the support of water conservation activities of the "We Love Tha Chin River Club", Nakhon Pathom; the use of building material products from sludge research in renovation of school buildings; and the installation of drinking water systems in underprivileged schools. In addition, throughout the Covid-19 pandemic, the Company has provided budgetary support and protective equipment to stakeholders and to government agencies and medical facilities affected by the pandemic in order to demonstrate social responsibility and concern for our fellowmen in times of crisis.

TTW's Corporate Social Responsibility is disclosed in the 2020 Sustainability Report on the Company's website at www.ttwplc.com



Internal Control





Internal Control and Risk Management

TTW's Board of Directors and the management team recognize the importance of internal control and risk management systems. If, in the course of business operation, any type of risk may occur, all departments in the Company be able to address such risk with the laid out measure by mitigating the risk to a lower or acceptable level. The Company tries to have in place a sound risk management and control system to ensure that it can operate to achieve the business goals of stable and sustainable growth and efficient operation. The Company strongly believe that if resource management and control system is appropriately put in place, it would be able to achieve the laid out business goals.

In recognizing the importance of internal control systems, the Board of Directors has assigned the Auditing Committee which comprises 3 independent committee members to direct and supervise internal control system and risk management system of the company efficiently and correctly in accordance with good corporate governance principle, transparency, precision and reliability. At the meeting on November 12, 2019, the Board of Directors resolved to approve a total of 5 internal auditing plans. In 2020, Internal audit section has performed 6 internal audits as assigned to carry out additional audits in areas critical to the operation. The Company has an Internal Audit Section and the manager of this section has completed training courses relating to internal audit. The company's internal audit department is the inspector in accordance with the approved plan. After the audit is completed, the Internal Audit Section shall report the results of the audit to the Managing Director. The Internal Audit Section shall also report the results of the internal audit directly to the Company's Auditing Committee in order to ensure independence in performing the auditing.

The Company has conducted the internal audit according to the Professional Standards of Internal Audit and Internal Control Practice of the Committee of Sponsoring Organizations of the Tread way Commission: COSO which is widely recognized in respect of principle and content of assessment in 2020.



Related Party Transactions

TTW complies with requirements and rules and regulations of the Securities and Exchange Commission (SEC). In a case that TTW is to engage party transaction that may lead to a conflict of interest, an approval from the Board of Directors must be sought. The Audit Committee will determine the justification of the engagement in such transaction by taking into account the maximum benefits for the company. The prices and conditions in the transaction must be based on normal business nature, fair price, or by comparing it to a market price. Any directors who related to such transaction that may lead to a conflict of interest shall not be eligible to attend or vote in the meeting to review such agenda.

Moreover, TTW also has a policy to disclose any related party transactions as defined in the announcement of The Stock Exchange of Thailand on the criteria, conditions and method for the disclosure of related party transaction of a listed company and in compliance with the requirements, stipulated in the Securities and Exchange Act. Related party transaction were based on market prices and fair and at arms' length.

For the accounting period, ended of 31 December 2020, the company has disclosed related party transactions in the note to financial statement that has already been audited by the auditor of the company in compliance with generally acceptable accounting standards and Annual Registration Statement 2020 (form 56-1), which contained the following details.

1) Transaction of TTW with CH.Karnchang Public Company Limited (CK)

CK engages in the construction business and a full range of development, investment and management of large-scale infrastructure concession project within the country and the region. CK is also TTW's related company since CK is TTW's major shareholder, holding shares in TTW amounting to 19.40 percent of TTW's registered and paid-up capital. TTW and CK have one common director, namely (1) Mr. Plew Trivisvavet, (2) Mr. Phongsarit Tantisuvanitchkul.

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|---|---|---|---|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Tap Water and wastewater treatment <ul style="list-style-type: none"> • Accounts receivable • Sales of treated water • Service income | 17.3 54.9 14.2 | 9.8 119.0 30.7 | <ul style="list-style-type: none"> • Tap water and wastewater treatment service charges at the rate as specified in the Notification of the Industrial Estate Authority of Thailand |
| Improvement of water supply project <ul style="list-style-type: none"> • Project costs during construction • Prepaid construction costs • Construction payables | 441,586.0 - - | 124,092.8 46,693.9 7,994.0 | <ul style="list-style-type: none"> • TTW engaged CK to improve the water supply pumping system amount 38.0 million baht, period of 10 months, which the price had been considered by independent engineering as a reasonable price • TTW engaged CK to improve water supply and distribution system at Banglen water treatment plant (phase 1) amount 349.7 million baht, period of 18 months, which the price had been considered by independent engineering as a reasonable price • TTW's subsidiaries engaged CK to improve water supply and distribution system at Pathum Thani water treatment plant amount 340 million baht, period of 18 months, which the price had been considered by independent engineering as a reasonable price |

2) Transaction of TTW with Pathum Thani Water Company Limited (PTW)

PTW engages in the tap water production and sale for Provincial Waterworks Authority (PWA) in Pathum Thani - Rangsit area, TTW holding shares in PTW amounting to 98.0 percent of PTW's registered and paid-up capital. TTW and PTW have 4 common directors, namely (1) Mr. Phongsarit Tantisuvanitchkul, (2) Dr. Sombat Kitjalaksana, (3) Ms. Walainut Trivisvavet

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|-----------------------|---|---|---|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Investment in PTW | | | |
| • Dividend income | 963,533.7 | 932,393.9 | • TTW invested in PTW by receiving the dividends from PTW's operations which has been approved by PTW Board of Directors and PTW's Shareholders meeting |
| • Management income | 6,000.0 | 6,000.0 | • TTW provides management support services such as, Personnel and administration, Purchasing, Account and Finance, the service fees is comparable and referring to the personnel employment |
| • Interest income | 5,226.2 | 13,663.7 | • TTW provided long term loan with an interest rate calculated as MLR minus an amount of difference as defined in contract, which the rate comparable to the cost from financial institute. |
| • Long term loans | 114,300.0 | 171,440.0 | |
| • Interest receivable | 20.3 | 37.6 | |

3) Transaction of TTW with Thai Water Operations Company Limited (TWO)

TWO engages in the business of provider of maintenance service for production and wastewater treatment systems TTW holding shares in TWO amounting to 68.5 percent of TWO's registered and paid-up capital. TTW and TWO have 2 common Executives, namely, (1) Ms. Walainut Trivisvavet and (2) Mr. Tanat Siricharoen.

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|---|---|---|---|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Engagement for the production and wastewater treatment systems Management | | | |
| • Sale and service cost | 36,731.6 | 36,897.5 | • TTW engaged TWO to provides maintenance service for production and wastewater treatment systems, which the service fees is comparable and referring to the personnel employment |
| • Security bond creditor | 5,000.0 | 5,000.0 | |
| • Administration cost income | 11,043.0 | 9,600.0 | • TTW provides management support services such as, Personnel and administration, Purchasing, Account and Finance, the service fees is comparable and referring to the personnel employment |

4) Transaction of TTW with CK Power Public Company Limited (CKP)

CKP operates its core business by holding shares in other companies that engage in production and sale of electricity generated from various types of energy. As at December 31, 2020, TTW was CKP's major shareholder holding 24.98 percent of CKP's registered and paid-up capital. TTW and CKP have 3 common Directors, namely, (1) Dr. Thanong Bidaya, (2) Mr. Plew Trivisvavet and (3) Dr. Patarut Dardarananda.

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|---|---|---|--|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Increase in Shareholding Percentage <ul style="list-style-type: none"> Investment in associated company Dividend income | - | 990,693.0 | <ul style="list-style-type: none"> On September 30, 2019, TTW converted 165,000,000 units of warrants to purchase ordinary shares of CKP into 165,115,500 ordinary shares of CKP at the price of Baht 6.00 per share which is the price specified in the warrants. The company invests in CKP and received dividends from their operations, which has been approved at the CKP's Board of Directors meeting and / or at the CKP's shareholder meeting. |
| | 60,923.0 | 52,238.0 | |

5) Transaction of TTW with Bangpa-in Cogeneration Company Limited (BIC)

BIC engage in the production and distribution of electricity and steam from the cogeneration system. BIC is CKP's subsidiaries that TTW holding 24.98 percent of CKP.

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|--|---|---|--|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Tap water sales and waste water treatment <ul style="list-style-type: none"> Trade receivables Sales of treated water income Service income | 4,357.7 | 4,164.9 | <ul style="list-style-type: none"> Tap water and wastewater treatment service charges at the rate as specified in the Notification of the Industrial Estate Authority of Thailand |
| | 47,203.7 | 50,466.5 | |
| | 3,051.6 | 3,262.5 | |

6) Transaction of TTW with Expert Transport Company Limited

Expert Transport Company Limited engages in the Large lorry transportation business, have 1 common Director, namely Mr. Plew Trivisvavet.

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|---|---|---|--|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Tap Water sales and waste water treatment <ul style="list-style-type: none"> Trade receivables Sales of treated water income Service income | 1.3 15.5 4.0 | 2.3 20.6 5.3 | <ul style="list-style-type: none"> Tap water and wastewater treatment service charges at the rate as specified in the Notification of the Industrial Estate Authority of Thailand |

7) Transaction of TTW with Bangpa-in Land Development Company Limited (BLDC)

BLDC engages in the business of operation of the Bangpa-in Industrial Estate, sale of areas and management and service provision of certain utilities within the Bangpa-in Industrial Estate. TTW and BLDC have 1 common director, namely Mr. Plew Trivisvavet.

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|---|---|---|---|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Lease of area in Industrial Estate for new raw water pumping station construction and laying raw water pipelines <ul style="list-style-type: none"> Land rental | 1,200.0 | 1,200.0 | <ul style="list-style-type: none"> Land rental for new raw water pumping station construction and laying raw water pipelines in Bangpa-in Industrial Estate, the rental rate has been considered by an independent appraiser which was reasonable price. |
| Service Fee <ul style="list-style-type: none"> Service Fee | 1,326.3 | 1,205.9 | <ul style="list-style-type: none"> TTW paid service fee to BLDC at the rate of 50% of the amount that IEAT collects from BLDC, which is an agreement in the contract for the right to produce, distribute and provide services which has been approved by the extraordinary general meeting of shareholders no.1/2009. |
| Memorandum of agreement for payment of construction costs Bang Pa-In Industrial Estate Flood Protection Dam <ul style="list-style-type: none"> Service Fee Trade payables and Other payables | 1,543.5 275.3 | 1,543.5 275.3 | <ul style="list-style-type: none"> TTW has signed an agreement to pay for the construction cost of the flood protection dam of Bang Pa-In Industrial Estate. The contract is for a period of 10 years, starting from April 2018 to March 2028. The reference service fee is the price that BLDC charges from other customers in BangPa-in Industrial Estate. |

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|--|---|---|---|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Pumping Service <ul style="list-style-type: none"> Service Fee Trade payables and Other payables | 2,485.0 429.8 | 1,396.4 251.0 | <ul style="list-style-type: none"> BLDC Pump the treated wastewater into the public railways to TTW at a comparable cost to the actual cost. |
| Tap Water sales and waste water treatment <ul style="list-style-type: none"> Sales of treated water income Service income | 1,172.9 319.6 | 1,236.4 318.0 | <ul style="list-style-type: none"> Water supply and waste water treatment fees The rate is charged equal to other customers in Bang Pa-in Industrial Estate. |

8) Transaction of TTW with Bangkhenchai Company Limited (BKC)

BKC engages in the business of production and distribution of electricity from the solar power, BKC is CKP's subsidiaries that TTW holding 24.98 percent of CKP.

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|--|---|---|--|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Solar rooftop electricity generation project <ul style="list-style-type: none"> Electricity cost Accrued expenses | 13,614.1 1,128.4 | 7,160.8 1,157.6 | <ul style="list-style-type: none"> On September 12, 2018, TTW has entered into a power purchase agreement with BKC for a period of 25 years from 2019 to 2044, with the electricity tariff having a 10% discount from the electricity charge that the Provincial Electricity Authority charges. |

9) Transaction of TTW with Mitsui & Co.,LTD (Thailand) (Mitsui)

Mitsui & Co.,LTD (Thailand) engages in the business of a general trading company, distributor of steel, machinery, chemicals, plastics, and food items, Mitsui is also TTW's related company since Mitsui is TTW's major shareholder, holding shares in TTW amounting to 25.98 percent of TTW's registered and paid-up capital.

| Transaction | Transaction Volume (Thousand Baht) | | Transaction Nature / Necessity and Justification |
|---|---|---|---|
| | Accounting Period Ended December 31, 2020 | Accounting Period Ended December 31, 2019 | |
| Raw material cost <ul style="list-style-type: none"> Chemical cost Trade payables and Other payables | 9,321.4 2,028.5 | 8,344.4 1,953.8 | <ul style="list-style-type: none"> Chemical price is the selling price that is comparable to what the company buys from other general sellers in the market. |



Financial Position and Operational Results

Financial Highlights

The Auditor's report

Ms.Kunlapee Piyawannasuth, Certified Public Accountant No. 6137 of EY Office Limited has examined the Company's financial statements and the consolidated financial statements of the company and its subsidiaries for the year ended 31 December 2020. The financial statement present fairly, in all material respects, the financial position of the Company's and its subsidiaries as at 31 December 2020, the financial performance and cash flows for the year ended and of the separate Company in accordance with Thai Financial Reporting Standards.

Summary of Financial Statement

The Financial statements so presented comprising the audited statement of financial position, statement of comprehensive income and cash flow statement for the year ended 31 December 2020 compared with the audited financial statements for the years ended 31 December 2019 and 2018 are shown as follows

Statement of financial position

| Description | Consolidated financial statements | | | | | |
|--------------------------------|-----------------------------------|--------------|----------------------|--------------|----------------------|--------------|
| | 2020 | | 2019 | | 2018 | |
| | Baht | % | Baht | % | Baht | % |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 91,969,201 | 0.40 | 76,570,736 | 0.33 | 99,342,067 | 0.43 |
| Current investments | - | - | 3,035,146,734 | 13.10 | 3,499,881,399 | 15.00 |
| Trade and other receivables | 557,910,547 | 2.44 | 564,935,313 | 2.44 | 564,547,712 | 2.42 |
| Raw materials and supplies | 26,184,756 | 0.11 | 27,203,379 | 0.12 | 28,007,231 | 0.12 |
| Other current financial assets | 3,311,925,335 | 14.50 | - | - | - | - |
| Other current assets | 29,039,472 | 0.13 | 26,834,644 | 0.12 | 24,546,799 | 0.11 |
| Total current assets | 4,017,029,311 | 17.58 | 3,730,690,806 | 16.11 | 4,216,325,208 | 18.08 |

| Description | Consolidated financial statements | | | | | |
|---|-----------------------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| | 2020 | | 2019 | | 2018 | |
| | Baht | % | Baht | % | Baht | % |
| Non-current assets | | | | | | |
| Other non-current financial assets | 12,775,000 | 0.06 | - | - | - | - |
| Investment in associate | 5,954,960,757 | 26.07 | 5,898,575,219 | 25.47 | 4,656,517,530 | 19.96 |
| Other long-term investments | - | - | 18,525,000 | 0.08 | 28,725,000 | 0.12 |
| Property, plant and equipment | 870,535,587 | 3.81 | 794,731,564 | 3.43 | 788,502,280 | 3.38 |
| Assets for production of treated water with public sector agency: | | | | | | |
| Assets that are owned by the Company | 8,965,354,337 | 39.25 | 9,209,922,045 | 39.77 | 9,560,793,199 | 40.98 |
| Assets that must be transferred at end of concession of subsidiary | 1,346,521,003 | 5.89 | 1,560,957,228 | 6.74 | 1,933,837,449 | 8.29 |
| Rights to produce and sell treated water and treat waste water from private sector agency | 1,081,618,436 | 4.74 | 1,132,361,681 | 4.89 | 1,188,114,421 | 5.09 |
| Rights to produce and sell treated water from business acquisition | 542,693,038 | 2.38 | 738,173,529 | 3.19 | 933,119,920 | 4.00 |
| Intangible assets | 11,958,702 | 0.05 | 13,723,623 | 0.06 | 2,884,132 | 0.01 |
| Deferred tax assets | 5,270,213 | 0.02 | 5,333,758 | 0.02 | 5,312,714 | 0.02 |
| Advance payment to subcontractor - related party | 23,268,100 | 0.10 | 46,693,920 | 0.20 | 1,325,300 | 0.01 |
| Other non-current assets | 10,453,049 | 0.05 | 8,425,283 | 0.04 | 14,917,078 | 0.06 |
| Total non-current assets | 18,825,408,222 | 82.42 | 19,427,422,850 | 83.89 | 19,114,049,023 | 81.92 |
| Total assets | 22,842,437,533 | 100.00 | 23,158,113,656 | 100.00 | 23,330,374,231 | 100.00 |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 204,991,415 | 0.90 | 159,504,289 | 0.69 | 134,318,672 | 0.58 |
| Current portion of long-term loans | 760,000,000 | 3.33 | 3,060,000,000 | 13.21 | 435,000,000 | 1.86 |
| Current portion of debentures | - | - | 500,000,000 | 2.16 | 1,500,000,000 | 6.43 |
| Current portion of lease liabilities | 11,165,584 | 0.05 | - | - | - | - |
| Income tax payable | 296,782,239 | 1.30 | 300,517,164 | 1.30 | 308,594,603 | 1.32 |
| Accrued interest | 63,607,016 | 0.28 | 74,172,239 | 0.32 | 97,438,155 | 0.42 |
| Other current liabilities | 69,512,922 | 0.30 | 70,396,726 | 0.30 | 69,368,930 | 0.30 |
| Total current liabilities | 1,406,059,176 | 6.16 | 4,164,590,418 | 17.98 | 2,544,720,360 | 10.91 |

| Description | Consolidated financial statements | | | | | |
|---|-----------------------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| | 2020 | | 2019 | | 2018 | |
| | Baht | % | Baht | % | Baht | % |
| Non-current liabilities | | | | | | |
| Long-term loans, net of current portion | 2,100,000,000 | 9.19 | 300,000,000 | 1.30 | 3,360,000,000 | 14.40 |
| Debentures, net of current portion | 5,396,523,382 | 23.62 | 5,395,839,598 | 23.30 | 4,895,795,356 | 20.98 |
| Lease liabilities, net of current portion | 60,578,185 | 0.27 | - | - | - | - |
| Provision for long-term employee benefits | 62,271,119 | 0.27 | 58,691,879 | 0.25 | 54,360,458 | 0.23 |
| Deferred tax liabilities | 117,397,423 | 0.52 | 114,176,349 | 0.50 | 110,644,485 | 0.47 |
| Total non-current liabilities | 7,736,770,109 | 33.87 | 5,868,707,826 | 25.35 | 8,420,800,299 | 36.09 |
| Total liabilities | 9,142,829,285 | 40.03 | 10,033,298,244 | 43.33 | 10,965,520,659 | 47.00 |
| Shareholders' equity | | | | | | |
| Share capital | | | | | | |
| Registered | | | | | | |
| 3,990,000,000 ordinary shares of Baht 1 each | 3,990,000,000 | 17.47 | 3,990,000,000 | 17.23 | 3,990,000,000 | 17.10 |
| Issued and fully paid-up | | | | | | |
| 3,990,000,000 ordinary shares of Baht 1 each | 3,990,000,000 | 17.47 | 3,990,000,000 | 17.23 | 3,990,000,000 | 17.10 |
| Share premium | 2,637,769,601 | 11.55 | 2,637,769,601 | 11.39 | 2,637,769,601 | 11.31 |
| Retained earnings | | | | | | |
| Appropriated - statutory reserve | 399,000,000 | 1.75 | 399,000,000 | 1.72 | 399,000,000 | 1.71 |
| Appropriated - other reserve | 1,691,230,767 | 7.40 | 1,691,230,767 | 7.30 | 1,691,230,767 | 7.25 |
| Unappropriated | 5,441,831,795 | 23.82 | 4,883,932,137 | 21.09 | 4,147,556,393 | 17.78 |
| Other components of shareholders' equity | (504,584,818) | (2.21) | (520,795,516) | (2.25) | (543,983,701) | (2.33) |
| Equity attributable to owners of the Company | 13,655,247,345 | 59.78 | 13,081,136,989 | 56.48 | 12,321,573,060 | 52.81 |
| Non-controlling interests of the subsidiaries | 44,360,903 | 0.19 | 43,678,423 | 0.19 | 43,280,512 | 0.19 |
| Total shareholders' equity | 13,699,608,248 | 59.97 | 13,124,815,412 | 56.67 | 12,364,853,572 | 53.00 |
| Total liabilities and shareholders' equity | 22,842,437,533 | 100.00 | 23,158,113,656 | 100.00 | 23,330,374,231 | 100.00 |

Statement of comprehensive income

| Description | Consolidated financial statements | | | | | |
|---|-----------------------------------|--------------|----------------------|--------------|----------------------|--------------|
| | 2020 | | 2019 | | 2018 | |
| | Baht | % | Baht | % | Baht | % |
| Profit or loss: | | | | | | |
| Revenues | | | | | | |
| Sales of treated water to public sector agency: | | | | | | |
| Sales of treated water - minimum offtake quantities | 5,126,926,939 | 82.65 | 5,085,877,040 | 82.49 | 5,049,710,504 | 84.89 |
| Sales of treated water - above minimum offtake quantities | 729,810,640 | 11.77 | 687,426,954 | 11.15 | 546,250,873 | 9.18 |
| Sales of treated water to private sector agencies | 202,679,433 | 3.27 | 220,114,991 | 3.57 | 211,444,728 | 3.56 |
| Total sales of treated water | 6,059,417,012 | 97.69 | 5,993,418,985 | 97.21 | 5,807,406,105 | 97.63 |
| Service income | 120,237,398 | 1.94 | 119,466,124 | 1.94 | 118,303,585 | 1.99 |
| Other income | 13,291,821 | 0.21 | 38,528,951 | 0.62 | 11,568,722 | 0.19 |
| Total revenues | 6,192,946,231 | 99.84 | 6,151,414,060 | 99.77 | 5,937,278,412 | 99.81 |
| Expenses | | | | | | |
| Cost of sales of treated water and services | 1,861,674,233 | 30.01 | 1,794,674,181 | 29.11 | 1,722,234,676 | 28.95 |
| Administrative expenses | 263,911,682 | 4.25 | 251,618,218 | 4.08 | 280,326,180 | 4.71 |
| Amortisation of rights to produce and sell treated water and treat waste water from private sector agency | 51,415,245 | 0.83 | 55,752,740 | 0.90 | 53,494,667 | 0.90 |
| Amortisation of rights to produce and sell treated water from business acquisition | 195,480,491 | 3.15 | 194,946,391 | 3.16 | 195,432,749 | 3.29 |
| Total expenses | 2,372,481,651 | 38.24 | 2,296,991,530 | 37.25 | 2,251,488,272 | 37.85 |
| Profit before share of profit from investment in associate, finance cost and income tax expenses | 3,820,464,580 | 61.60 | 3,854,422,530 | 62.52 | 3,685,790,140 | 61.96 |
| Share of profit from investment in associate | 101,097,638 | 1.63 | 280,254,547 | 4.55 | 151,624,962 | 2.55 |

| Description | Consolidated financial statements | | | | | |
|--|-----------------------------------|---------|---------------|---------|---------------|---------|
| | 2020 | | 2019 | | 2018 | |
| | Baht | % | Baht | % | Baht | % |
| Profit before finance cost and income tax expenses | 3,921,562,218 | 63.23 | 4,134,677,077 | 67.07 | 3,837,415,102 | 64.51 |
| Finance income | 10,170,447 | 0.16 | 14,176,972 | 0.23 | 11,257,842 | 0.19 |
| Finance cost | (274,534,160) | (4.43) | (304,542,661) | (4.94) | (371,677,534) | (6.25) |
| Profit before income tax expenses | 3,657,198,505 | 58.96 | 3,844,311,388 | 62.36 | 3,476,995,410 | 58.45 |
| Income tax expenses | (685,387,474) | (11.05) | (696,977,417) | (11.30) | (616,091,619) | (10.36) |
| Profit for the year | 2,971,811,031 | 47.91 | 3,147,333,971 | 51.06 | 2,860,903,791 | 48.09 |
| Other comprehensive income: | | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | | | |
| Loss on change in value of available-for-sale investments - net of income tax | - | - | (160,000) | (0.00) | (220,000) | (0.00) |
| Share of other comprehensive income from associate | 16,210,698 | 0.26 | 23,348,185 | 0.38 | 38,367,269 | 0.65 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i> | | | | | | |
| Actuarial gain (loss) - net of income tax | - | - | 2,467,757 | 0.04 | - | - |
| Other comprehensive income for the year | 16,210,698 | 0.26 | 25,655,942 | 0.42 | 38,147,269 | 0.65 |
| Total comprehensive income for the year | 2,988,021,729 | 48.17 | 3,172,989,913 | 51.46 | 2,899,051,060 | 48.74 |
| Profit attributable to: | | | | | | |
| Equity holders of the Company | 2,951,464,151 | 47.58 | 3,127,907,180 | 50.73 | 2,841,927,314 | 47.78 |
| Non-controlling interests of the subsidiaries | 20,346,880 | 0.33 | 19,426,791 | 0.33 | 18,976,477 | 0.31 |
| | 2,971,811,031 | 47.91 | 3,147,333,971 | 51.06 | 2,860,903,791 | 48.09 |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the Company | 2,967,674,849 | 47.84 | 3,153,563,122 | 51.15 | 2,880,074,583 | 48.42 |
| Non-controlling interests of the subsidiaries | 20,346,880 | 0.33 | 19,426,791 | 0.32 | 18,976,477 | 0.32 |
| | 2,988,021,729 | 48.17 | 3,172,989,913 | 51.47 | 2,899,051,060 | 48.74 |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the Company | 0.74 | | 0.78 | | 0.71 | |

Cash flows statement

| Description | Consolidated financial statements | | |
|--|-----------------------------------|-----------------|-----------------|
| | 2020 | 2019 | 2018 |
| | Baht | Baht | Baht |
| Cash flows statement | | | |
| Cash flows from operating activities | | | |
| Net cash from operating activities | 4,083,676,046 | 3,977,021,103 | 3,844,139,146 |
| Cash flows from investing activities | | | |
| Net cash from (used in) investing activities | (641,035,236) | (646,309,455) | (1,168,327,037) |
| Cash flows from financing activities | | | |
| Net cash used in financing activities | (3,427,242,345) | (3,353,482,979) | (2,893,278,417) |
| Net increase (decrease) in cash and cash equivalents | 15,398,465 | (22,771,331) | (217,466,308) |
| Cash and cash equivalents at beginning of year | 76,570,736 | 99,342,067 | 316,808,375 |
| Cash and cash equivalents at end of year | 91,969,201 | 76,570,736 | 99,342,067 |

Financial Ratio

| Description | Unit | Consolidated financial statements | | |
|-----------------------------|------|-----------------------------------|-------|-------|
| | | 2020 | 2019 | 2018 |
| Liquidity ratios | | | | |
| Current ratio | time | 2.86 | 0.90 | 1.66 |
| Quick ratio | time | 2.82 | 0.88 | 1.64 |
| Receivable turnover | time | 11.01 | 10.82 | 10.60 |
| Average Collection Period | day | 33 | 33 | 34 |
| Profitability ratios | | | | |
| Gross profit margin | % | 69.87 | 70.64 | 70.94 |
| Net profit margin | % | 47.91 | 51.06 | 48.09 |
| Return on equity | % | 22.16 | 23.98 | 23.14 |
| Efficiency ratio | | | | |
| Return on assets | % | 12.92 | 13.59 | 12.26 |
| Return on fixed assets | % | 22.63 | 23.40 | 19.86 |
| Debt service coverage ratio | | | | |
| Debt / Equity | Time | 0.67 | 0.76 | 0.89 |
| Dividend Yield | % | 80.54 | 76.06 | 83.68 |



Management Discussion and Analysis

Revenue Analysis

Revenue from Tap Water Sales

The majority of tap water sales revenue was generated from the sale of tap water by the Company and Pathum Thani Water Co., Ltd. (PTW) to the Provincial Waterworks Authority in accordance with the contract, as well as from sales by the Company to business operators in the Bang Pa-In Industrial Estate under the contract granting rights for the production and distribution of tap water. In 2018, 2019, and 2020, the tap water sales revenue of the Company and its subsidiaries equaled THB 5,807.4 million, THB 5,993.4 million and THB 6,059.4 million respectively, with an increase in 2019 and 2020 of 3.2% and 1.1% respectively compared to the same period of the previous year. Increased revenue from tap water sales in 2019 and 2020 can be explained as follows:

In 2019, revenue from tap water sales increased by THB 186.0 million, or 3.2%, due to the following reasons:

1) Revenue from tap water sales of the Company increased by THB 121.5 million, or 3.1%, as a result of a 7.8 million cubic meter increase in the volume of tap water sold, as well as an increase in tap water prices compared to the previous year, representing an increase in tap water sales revenue of THB 112.8 million. Also, tap water sales in Bang Pa-In Industrial Estate increased by 0.3 million cubic meters, representing an increase in tap water sales revenue within Bang Pa-In Industrial Estate of THB 8.7 million or 4.1%.

2) Revenue from the tap water sales of PTW increased by THB 64.5 million, or 3.5%, as a result of a 3.0 million cubic meter, or 2.1%, increase in the amount of tap water sold by PTW.

In 2020, revenue from tap water sales increased by THB 66.0 million or 1.1% due to the following reasons:

1) Revenue from tap water sales of the Company decreased by THB 5.8 million, or 0.1%, as a result of a 0.2 million cubic meter decrease in the volume of tap water sold, while tap water prices showed an increase compared to the previous year. This represented an increase in tap water sales revenue of THB 11.7 million. Tap water sales in Bang Pa-In Industrial Estate also decreased by 0.7 million cubic meters, representing a decrease in tap water sales revenue within Bang Pa-In Industrial Estate of THB 17.5 million, or 7.9%

2) Revenue from tap water sales of PTW increased by THB 71.8 million, or 3.8%, as a result of a 4.2 million cubic meter, or 2.8%, increase in the volume of water sold by PTW.

Revenue from Services

Revenue from services comprises revenue from tap water production services, wastewater treatment services, water pipe system maintenance at Amata Industrial Estate, and wastewater treatment services at Bang Pa-In Industrial Estate. In the years 2018, 2019, and 2020, the services revenue of the Company and its subsidiaries equaled THB 118.3 million, THB 119.5 million, and THB 120.2 million respectively, with an increase of 1.0% in 2019 and 0.6% in 2020 compared to the same periods of the previous year. For revenue from services, the increases in 2019 and 2020 can be explained as follows:

In 2019, revenue from services increased by THB 1.2 million, or 1.0%, as a result of an increase in revenue from wastewater treatment services within the Bang Pa-In Industrial Estate.

In 2020, revenue from services increased by THB 0.7 million, or 0.6%, as a result of an increase in service revenues in the Amata Industrial Estate.

Other Revenues

Other revenues of the Company and its subsidiaries consist mainly of remuneration from cash flow management of the Company, and others.

In 2018, 2019, and 2020, other revenues of the Company and its subsidiaries equaled THB 22.8 million, THB 38.5 million, and THB 13.3 million respectively, with increase of 68.9% in 2019 and a decrease of 65.5% in 2020 compared to the same period of the previous year. The increase in 2019 and decrease in 2020 of other revenues can be described as follows:

In 2019, other revenues increased by THB 15.7 million, or 68.9%, due to increased return on cash flow management. In 2020, other revenues decreased by THB 25.2 million baht, or 65.5%, due to decreased return on cash flow management.

Expense Analysis

(Unit: MB)

| Description | 2020 | 2019 | 2018 |
|---|----------------|----------------|----------------|
| Cost of sales of treated water and services | 1,861.7 | 1,794.7 | 1,722.2 |
| Administrative expenses | 263.9 | 251.6 | 280.3 |
| Finance cost | 274.5 | 304.5 | 371.7 |
| Income tax expenses | 685.4 | 697.0 | 616.1 |
| Total | 3,085.5 | 3,047.8 | 2,990.3 |

Cost of Sales of Treated Water and Services

The tap water sales and service expenses of the Company and its subsidiaries consist mainly of the depreciation of assets for tap water production, amortization of assets for tap water production, electrical costs, chemical fees, land rental fees for pipeline installation, expenses related to production personnel, maintenance costs, other production expenses, etc.

In 2018, 2019, and 2020, the tap water sales and service expenses of the Company and its subsidiaries equaled THB 1,722.2 million, THB 1,794.7, and THB 1,861.7 million respectively, accounting for 28.9%, and 29.2%, and 30.1% of total revenue respectively. The rate of increase in 2019 and 2020 compared to the same period of the previous year was 4.2% and 3.7% respectively, which can be explained as follows:

In 2019, the principle cost of tap water sales and services increased by THB 72.5 million due to an increase of 10.8 million cubic meters in the volume of tap water sold, resulting in a depreciation increase of THB 53.6 million, as well as an increase of THB 12.6 million in electricity costs, THB 11.8 million in maintenance and spare parts costs, and THB 4.6 million in other production expenses, and a decrease of THB 10.1 million in chemical costs relative to the increased sales volume.

In 2020, the principle cost of tap water sales and services increased by THB 67.0 million due to an increase of 3.9 million cubic meters in the volume of tap water sold, resulting in a depreciation increase of THB 34.3 million, as well as an increase of THB 19.6 million in electricity costs, THB 7.8 million in production personnel expenses, and

2.4 million baht in chemical fees, and a decrease of THB 4.3 million in maintenance and spare parts costs relative to the increased sales volume.

Administrative Expenses

In 2018, 2019, and 2020, the administrative expenses of the company equaled THB 280.3 million, THB 251.6 million, and THB 263.9 million respectively. The rate of decrease in 2019 and increase in 2020 compared to the same period of the previous year was 10.2% and 4.9% respectively, which can be explained as follows:

In 2019, administrative expenses of the Company decreased by THB 28.7 million compared to the same period of the previous year due to amortization of development costs for water supply projects in Myanmar.

In 2020, administrative expenses of the Company increased by THB 12.3 million compared to the same period of the previous year due to CSR expenses for community, social, and environmental activities.

Share of Profits from Investment in Associate Companies

The share of profits from investment in associate companies in 2018, 2019, and 2020 was THB 151.6 million, THB 280.3 million, and THB 101.1 million respectively, with an increase of 84.9% in 2019 and decrease 63.9% in 2020 compared to the same period of the previous year, which can be explained as follows:

In 2019, the share of profits from investment in associate companies increased by THB 128.7 million, or 84.9%, due to an increase in the profit sharing recognition of CKP associate companies and profit recognition resulting from a change in the proportion of investment in shares in associate companies from 25.31% to 24.98%.

In 2020, the share of profits from investment in associate companies decreased by THB 179.2 million, or 63.9%, due to a decrease in the electricity sales of the subsidiaries of said associate companies compared to the same period of the previous year.

Finance Income

Finance income in 2018, 2019, and 2020 was THB 11.3 million, THB 14.2 million, and THB 10.2 million respectively. The increase in finance income in 2019 and the decrease in 2020 compared to the same period of the previous year can be explained as follows:

In 2019, the finance income of the Company increased by THB 2.9 million, or 25.7%, due to increased interest income on bank deposits.

In 2020, the finance income of the Company decreased by THB 4.0 million, or 28.2%, due to decreased interest income on bank deposits.

Financial Costs

Finance costs in 2018, 2019, and 2020 were THB 371.7 million, THB 304.5 million, and THB 274.5 million respectively. The decrease in financial costs compared to the same period of the previous year can be explained as follows:

In 2019, the financial costs of the Company decreased by THB 67.2 million, or 18.1%, due to repayments of loans and debentures for a total of THB 1,500 million in February, 2019.

In 2020, the financial costs of the Company decreased by THB 30.0 million, or 9.9%, due to repayments of debentures totaling THB 500 million, repayment of loans, and refinancing loans with reduced interest rates.

Income Tax Expenses

Income tax expenses in 2018, 2019, and 2020 were THB 616.1 million, THB 697.0 million, and THB 685.4 million respectively. Corporate income tax increased in 2019 and decreased in 2020 compared to the same period of the previous year, which can be explained as follows:

In 2019, income tax expenses increased by THB 80.9 million, or 13.1%, due to increased profit before tax expenses and corporate income tax exemption privileges for water sales volume of 320,001 - 440,000 cubic meters / day ending in September of 2018.

In 2020, income tax expenses decreased by THB 11.6 million, or 1.7%, due to reduced profit before tax expenses compared to the same period of the previous year.

Net Profit

In 2018, 2019, and 2020, the Company and its subsidiaries recorded a net profit of THB 2,680.9 million, THB 3,147.3 million, and THB 2,971.8 million respectively, accounting for 48.09%, 51.06%, and 47.91% respectively of the total revenue of the Company and its subsidiaries. The rate of net profit to total revenue in 2020 decreased from the previous year, for the reasons mentioned in each of the previous topics.

Financial Status Analysis

(Unit : MB)

| Description | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2018 |
|----------------------------|-------------|-------------|-------------|
| Total assets | 22,842.4 | 23,158.1 | 23,330.4 |
| Total liabilities | 9,142.8 | 10,033.3 | 10,965.5 |
| Total shareholders' equity | 13,699.6 | 13,124.8 | 12,364.9 |

Assets Analysis

The majority of the assets of the Company and its subsidiaries are non-current assets, which represent approximately 82-85% of total assets. As of December 31, 2020, the Company and its subsidiaries had total assets of THB 22,842.4 million, a decrease of THB 315.7 million compared to December 31, 2019. This decrease in assets is mainly due to the use of temporary investments for the repayment of debentures due, as well as to decreases and increases in other assets, which can be explained as follows:

Cash and Cash Equivalents

As of December 31, 2020, the Company and its subsidiaries held cash and cash equivalents totaling THB 92.0 million, an increase of THB 15.4 million compared to December 31, 2019.

Trade and Other Receivables

As of December 31, 2020, the trade and other receivables of the Company and its subsidiaries totaled THB 557.9 million, a decrease of THB 7.0 million compared to December 31, 2019, due to a sales volume decrease from the same period of the previous year. The majority of trade receivables in the amount of THB 522.2 million are from the Provincial Waterworks Authority, which has a collection period of no more than 30 days from the date of invoice.

Raw Materials and Supplies

As of December 31, 2020, the raw materials and supplies of the Company and its subsidiaries were valued at a total of THB 26.2 million, most of which consisted of chemicals used for tap water production at THB 6.3 million and spare parts for maintenance of the production system and water supply system at THB 19.9 million. The main chemicals used have an average turnover rate of no more than 3 months, while the spare parts for maintenance and repairs are kept in stock in accordance with established projections.

Other Current Financial Assets

As of December 31, 2020, the other current financial assets (original current investments) of the Company and its subsidiaries were valued at THB 3,311.9 million, an increase of THB 276.8 million compared to December 31, 2019, due to the reduced financial burden of the Company and its subsidiaries.

Other Noncurrent Financial Assets

As of December 31, 2020, the other noncurrent financial assets (other long-term investments) of the Company and its subsidiaries were valued at THB 12.8 million, a decrease of THB 5.7 million compared to December 31, 2019.

Investments in Associate Companies

As of December 31, 2020, the Company and its subsidiaries had investments in associate companies totaling THB 5,955.0 million, an increase of THB 56.4 million compared to December 31, 2019, due to the recording of profit shares from investments in associate companies according to accounting standards.

Property, Plant, and Equipment

As of December 31, 2020, the Company and its subsidiaries held property, plant and equipment assets in the amount of THB 870.5 million, an increase of THB 75.8 million compared to December 31, 2019, due to an increase in plant and building improvements, furniture and office equipment, tools, equipment, and lease assets according to the Thai Financial Reporting Standard 16 (TFRS 16).

Company-owned Assets for Government Sector Tap Water Production to be Transferred at the End of Concession of Subsidiary

As of December 31, 2020, the Company and its subsidiaries had Company-owned assets for the government sector tap water production that must be transferred at the end of concession of subsidiary. Said assets were valued at THB 10,311.9 million, a decrease of THB 458.9 million compared to December 31, 2019, due to depreciation recorded for that period.

Rights to Operate Tap Water Production and Distribution and to Provide Wastewater Treatment Services from Private Sector Agencies

As of December 31, 2020, the Company and its subsidiaries held rights to operate tap water production and distribution and to provide wastewater treatment services from private sector agencies, totaling THB 1,081.6 million, a decrease of THB 50.8 million due to amortization recorded for that period.

Rights to Operate Production and Distribution of Tap Water from Business Acquisition

As of December 31, 2020, the Company and its subsidiaries held the rights to operate production and distribution of tap water from business acquisition valued at THB 542.7 million, a decrease of THB 195.5 million due to amortization recorded for that period.

Liability Analysis

The majority of the liabilities of the Company and its subsidiaries consist of bank loans and the issuance of debentures, accounting for approximately 90-92% of total liabilities. As of December 31, 2020, the Company and its subsidiaries had total liabilities equaling THB 9,142.8 million, most of which were loans and debentures. The loans, amounting to THB 2,860 million, have floating interest rates and fixed interest rates with a quarterly principal payment. Debentures, totaling THB 5,400 million, have fixed interest rates.

As of December 31, 2020, the Company and its subsidiaries had total liabilities amounting to THB 9,142.8 million, a decrease of THB 890.5 million compared to December 31, 2019, due to the Company's repayment of long-term loans and debentures due.

Shareholder Equity Analysis

As of December 31, 2020, the Company and its subsidiaries had shareholder equity of THB 13,699.6 million, an increase of THB 574.8 million compared to December 31, 2019. This is due to the Company's annual net profit of THB 2,971 million and dividend payment of THB 2,393.4 million in 2020.

Net Cash Flow

(Unit: MB)

| Description | 2020 | 2019 | 2018 |
|--|-----------|-----------|-----------|
| Net cash from operating activities | 4,083.6 | 3,977.0 | 3,844.1 |
| Net cash used in investment activities | (641.0) | (646.3) | (1,168.3) |
| Net cash used in financing activities | (3,427.2) | (3,353.5) | (2,893.3) |
| Net increase (decrease) in cash and cash equivalents | 15.4 | (22.8) | (217.5) |

Cash Flow from Operating Activities

In 2019, the Company and its subsidiaries had a net cash flow from operating activities totaling THB 3,977.8 million, an increase of THB 132.9 million, or 3.5%, from the same period of the previous year due to an increase of THB 128.7 million in the Company's share of profits from investment in associate companies.

In 2020, the Company and its subsidiaries had a net cash flow from operating activities totaling THB 4,083.6 million, an increase of 106.6 million, or 2.7%, from the same period of the previous year due to a decrease in financial costs of THB 30.0 million and an increase in depreciation and amortization of THB 49.4 million

Cash Flow Used in Investment Activities

In 2019, the Company and its subsidiaries had cash flow used in investment activities totaling THB 646.3 million, a decrease of THB 522.0 million, or 44.7%, from the same period of the previous year. This is because in 2019, the Company and its subsidiaries withdrew temporary investments totaling THB 1,640.9 million and increased its investments in associate companies by THB 990.7 million. Public tap water production assets under ownership of the Company increased by THB 106.2 million and dividend income increased by THB 10.2 million.

In 2020, the Company and its subsidiaries had cash flow used in investment activities totaling THB 641.0 million, a decrease of THB 5.3 million, or 0.8%, from the same period of the previous year. This is because in 2020, the Company and its subsidiaries had an increase of THB 351.6 million in tap water production assets, an increase of THB 8.7 million in dividend income, and a decrease of THB 990.7 million in investment in associate companies.

Cash Flow Used in Financing Activities

In 2019, the Company and its subsidiaries had cash flow used in financing activities totaling THB 3,353.5 million, an increase of THB 460.2 million from the same period of the previous year. This is because in 2019, the Company repaid THB 1,500 million in debentures and issued debentures of THB 1,000 million.

In 2020, the Company and its subsidiaries had cash flow used in financing activities totaling THB 3,427.2 million, an increase of THB 73.7 million from the same period of the previous year. This is because in 2020, the Company repaid long-term loans totaling THB 65 million more than the previous year.

Key Financial Ratios

Liquidity Ratio

The liquidity ratios for 2018, 2019, and 2020 were 1.66%, 0.90%, 2.86% respectively. The Company and its subsidiaries have a good liquidity ratio overall and the majority of the current assets of the Company and its subsidiaries are cash and cash equivalents, current investments, and trade and other receivables. The liquidity in 2020 increased due to a decrease in the current portion of long-term loans compared to the same period of the previous year.

The average collection period for 2018, 2019, and 2020, was 34 days, 33 days, and 33 days respectively. The liquidity ratio of the Company and its subsidiaries is such that outstanding debts can be collected from debtors within the period of time specified from the date of invoice.

Profitability Ratio

The gross profit margin of the Company and its subsidiaries in 2018, 2019, and 2020 was 70.9%, 70.6%, and 69.9% respectively, with a slight decrease in the gross profit margin for 2020 compared to the same period of the previous year.

The net profit ratio of the Company and its subsidiaries in 2018, 2019, and 2020 was 48.1%, 51.1%, and 47.9% respectively. The net profit ratio decreased in 2020 due to decreased share of profits from investments in associates compared to the same period of the previous year.

Operating Efficiency Ratio

The return on total assets ratio of the Company and its subsidiaries in 2018, 2019, and 2020 was 12.3%, 13.6%, and 12.9% respectively, while the return on fixed assets of the Company and its subsidiaries in 2018, 2019 and 2020 was 19.9%, 23.4%, and 22.6% respectively. The decrease in the return on assets and in the return on fixed assets was due to a decrease in 2020 of the total net profits of the Company and its subsidiaries compared to the same period of the previous year.

Financial Policy Ratio

The debt to equity ratio of the Company and its subsidiaries in 2018, 2019, and 2020 was 0.9%, 0.8%, and 0.7% respectively, with a decrease in the debt to equity ratio at the end of 2020 as compared to the end of 2019 due to the Company's gradual repayment of loans under contracts and debentures due.

Dividend payout ratios in 2018, 2019, and 2020 were 83.7%, 76.1%, and 80.5% respectively.

Contingent Liabilities

The Company has commitments as detailed in Notes to Financial Statements: Article 33.1 Capital Expenditure Commitments; Article 33.2 Service Commitments and Other Commitments; and Article 33.3 Operating Lease Commitments. The Company has prepared funding sources from borrowing and/or issuing debentures and/or cash from the Company's operations.



Report of the Board of Directors Responsibility towards Financial

The Board of Directors is responsible for the financial statement of TTW Public Company Limited (TTW) and subsidiaries to ensure that the financial statements, incomes, expenses and cash flow statement are accurate, reasonable and in line with the generally accepted accounting standard and policy as well as consistent practice and careful assumption.

The Board of Directors had delegated this responsibility to the Audit Committee which comprises qualified and experienced independent director with qualifications that fully meet the requirement of the Securities and Exchange Commission and related rules and regulations. The Audit Committee oversaw the internal control process to ensure its effectiveness and efficiency. They had also reviewed the financial statement for its accuracy, reliability and adequately disclosed of related information. The Audit Committee had presented the performance report to the company's Board of Directors.

The Board of Directors has the opinion that the 2020 financial statement of TTW Public Company Limited (TTW) and its subsidiaries showed financial standing, incomes, expenses and total cash flow that are accurate and reasonable, the record of accounting information is accurate and complete, the choice of accounting policy is appropriate and consistent, and the compliance is in accordance with the generally accepted accounting standard. The disclosure of information in the note to financial statement is adequate and the company's auditor has provided opinions on the financial statement of TTW Public Company Limited (TTW) and its subsidiaries without condition in the auditor's report.

(Dr. Thanong Bidaya)
Chairman of the Board of Directors

(Ms. Walainut Trivisvavet)
Managing Director



Financial Statements





Independent Auditor's Report

To the Shareholders of TTW Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of TTW Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of TTW Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TTW Public Company Limited and its subsidiaries and of TTW Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for each matter is described below.

Assets for production of treated water and rights to produce and sell treated water and treat waste water

The Group recognised the amortisation expenses of the assets for the production of treated water, the rights to produce, sell treated water and treat waste water of the Company and the assets that must be transferred at the end of concession of the subsidiary in the financial statements amounting to Baht 932 million (Separate financial statements: Baht 532 million), of which the expenses during this year accounted for 39% of total expenses in the consolidated financial statements (34% of total expenses in the separate financial statements). In calculating the amortisation expenses, the Group used the units of production method which required an estimate of the number of units of treated water to be produced in the future, until the end of the concession period or the end of the operation contract or the end of useful life of the assets for the production of treated water of the Company or the end of the concession period of the subsidiary. The management must use judgement to estimate the amount of future production, based on present production volumes, production capacity, demand from customers, economic and industry conditions. This affect the amount of the amortisation expenses.

I assessed the assumptions applied by management in estimating the number of units to be produced in the future by inquiring with the responsible management and gaining an understanding of the method applied to estimate units of production. I also checked the duration of the concession and the duration of the rights to produce and sell treated water and treat waste water to the relevant documents. In addition, I compared the number of units of production estimated by the Group with actual past and current production volumes and tested the Group's calculation of amortisation expenses for the year.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Kunlapee Piyawannasuth
Certified Public Accountant (Thailand) No. 6137

EY Office Limited
Bangkok: 23 February 2021



Statement of financial position

TTW Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------|-------------------------------|----------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 91,969,201 | 76,570,736 | 86,240,045 | 71,361,403 |
| Current investments | 11 | - | 3,035,146,734 | - | 2,252,002,603 |
| Trade and other receivables | 7, 9 | 557,910,547 | 564,935,313 | 377,588,129 | 385,761,884 |
| Current portion of long-term loans to related party and interest receivable | 7 | - | - | 57,160,299 | 57,177,576 |
| Raw materials and supplies | 10 | 26,184,756 | 27,203,379 | 14,679,939 | 15,505,281 |
| Other current financial assets | 11 | 3,311,925,335 | - | 2,346,040,003 | - |
| Other current assets | | 29,039,472 | 26,834,644 | 24,545,535 | 19,819,391 |
| Total current assets | | 4,017,029,311 | 3,730,690,806 | 2,906,253,950 | 2,801,628,138 |
| Non-current assets | | | | | |
| Long-term loans to related party, net of current portion | 7 | - | - | 57,160,000 | 114,300,000 |
| Other non-current financial assets | 12 | 12,775,000 | - | - | - |
| Investments in subsidiaries | 13 | - | - | 1,693,585,736 | 1,915,686,718 |
| Investment in associate | 14 | 5,954,960,757 | 5,898,575,219 | 5,218,706,282 | 5,218,706,282 |
| Other long-term investments | 12 | - | 18,525,000 | - | - |
| Property, plant and equipment | 15 | 870,535,587 | 794,731,564 | 791,518,922 | 729,443,114 |
| Assets for production of treated water with public sector agency: | | | | | |
| Assets that are owned by the Company | 16 | 8,965,354,337 | 9,209,922,045 | 8,965,354,337 | 9,209,922,045 |
| Assets that must be transferred at end of concession of subsidiary | 17 | 1,346,521,003 | 1,560,957,228 | - | - |
| Rights to produce and sell treated water and treat waste water from private sector agency | 18 | 1,081,618,436 | 1,132,361,681 | 1,081,618,436 | 1,132,361,681 |
| Rights to produce and sell treated water from business acquisition | 19 | 542,693,038 | 738,173,529 | - | - |
| Intangible assets | 20 | 11,958,702 | 13,723,623 | - | - |
| Deferred tax assets | 29 | 5,270,213 | 5,333,758 | - | - |
| Advance payment to subcontractor - related party | 7 | 23,268,100 | 46,693,920 | - | 46,693,920 |
| Other non-current assets | | 10,453,049 | 8,425,283 | 6,226,704 | 6,393,371 |
| Total non-current assets | | 18,825,408,222 | 19,427,422,850 | 17,814,170,417 | 18,373,507,131 |
| Total assets | | 22,842,437,533 | 23,158,113,656 | 20,720,424,367 | 21,175,135,269 |

The accompanying notes are an integral part of the financial statements.



Statement of financial position (continued)

TTW Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|----------------|-------------------------------|---------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 7, 21 | 204,991,415 | 159,504,289 | 134,580,581 | 104,406,998 |
| Current portion of long-term loans | 22 | 760,000,000 | 3,060,000,000 | 760,000,000 | 3,060,000,000 |
| Current portion of debentures | 23 | - | 500,000,000 | - | 500,000,000 |
| Current portion of lease liabilities | 24 | 11,165,584 | - | 9,034,535 | - |
| Income tax payable | | 296,782,239 | 300,517,164 | 213,385,460 | 218,939,316 |
| Accrued interest | | 63,607,016 | 74,172,239 | 63,607,016 | 74,172,239 |
| Other current liabilities | | 69,512,922 | 70,396,726 | 47,441,078 | 47,705,673 |
| Total current liabilities | | 1,406,059,176 | 4,164,590,418 | 1,228,048,670 | 4,005,224,226 |
| Non-current liabilities | | | | | |
| Retention payable - subsidiary | 7 | - | - | 5,000,000 | 5,000,000 |
| Long-term loans, net of current portion | 22 | 2,100,000,000 | 300,000,000 | 2,100,000,000 | 300,000,000 |
| Debentures, net of current portion | 23 | 5,396,523,382 | 5,395,839,598 | 5,396,523,382 | 5,395,839,598 |
| Lease liabilities, net of current portion | 24 | 60,578,185 | - | 53,597,703 | - |
| Provision for long-term employee benefits | 25 | 62,271,119 | 58,691,879 | 35,697,678 | 32,017,532 |
| Deferred tax liabilities | 29 | 117,397,423 | 114,176,349 | 95,684,434 | 87,917,010 |
| Total non-current liabilities | | 7,736,770,109 | 5,868,707,826 | 7,686,503,197 | 5,820,774,140 |
| Total liabilities | | 9,142,829,285 | 10,033,298,244 | 8,914,551,867 | 9,825,998,366 |

The accompanying notes are an integral part of the financial statements.



Statement of financial position (continued)

TTW Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 3,990,000,000 ordinary shares of Baht 1 each | | <u>3,990,000,000</u> | <u>3,990,000,000</u> | <u>3,990,000,000</u> | <u>3,990,000,000</u> |
| Issued and fully paid-up | | | | | |
| 3,990,000,000 ordinary shares of Baht 1 each | | 3,990,000,000 | 3,990,000,000 | 3,990,000,000 | 3,990,000,000 |
| Share premium | | 2,637,769,601 | 2,637,769,601 | 2,637,769,601 | 2,637,769,601 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 26 | 399,000,000 | 399,000,000 | 399,000,000 | 399,000,000 |
| Appropriated - other reserve | 27 | 1,691,230,767 | 1,691,230,767 | 1,691,230,767 | 1,691,230,767 |
| Unappropriated | | 5,441,451,795 | 4,883,932,137 | 3,087,872,132 | 2,631,136,535 |
| Other components of shareholders' equity | | <u>(504,204,818)</u> | <u>(520,795,516)</u> | <u>-</u> | <u>-</u> |
| Equity attributable to owners of the Company | | 13,655,247,345 | 13,081,136,989 | 11,805,872,500 | 11,349,136,903 |
| Non-controlling interests of the subsidiaries | | <u>44,360,903</u> | <u>43,678,423</u> | <u>-</u> | <u>-</u> |
| Total shareholders' equity | | <u>13,699,608,248</u> | <u>13,124,815,412</u> | <u>11,805,872,500</u> | <u>11,349,136,903</u> |
| Total liabilities and shareholders' equity | | <u>22,842,437,533</u> | <u>23,158,113,656</u> | <u>20,720,424,367</u> | <u>21,175,135,269</u> |
| | | - | - | - | - |

The accompanying notes are an integral part of the financial statements.

Directors



Statement of comprehensive income

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|--------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales of treated water to public sector agency: | | | | | |
| Sales of treated water - minimum offtake quantities | | 5,126,926,939 | 5,085,877,040 | 3,441,906,859 | 3,421,141,241 |
| Sales of treated water - above minimum offtake quantities | | 729,810,640 | 687,426,954 | 445,648,261 | 454,726,038 |
| Sales of treated water to private sector agencies | | 202,679,433 | 220,114,991 | 202,679,433 | 220,114,991 |
| Total sales of treated water | 30 | 6,059,417,012 | 5,993,418,985 | 4,090,234,553 | 4,095,982,270 |
| Service income | | 120,237,398 | 119,466,124 | 40,034,644 | 43,716,616 |
| Dividend income | 13, 14 | - | - | 1,024,456,521 | 984,631,994 |
| Other income | | 13,291,821 | 38,528,951 | 26,268,301 | 46,362,760 |
| Total revenues | | 6,192,946,231 | 6,151,414,060 | 5,180,994,019 | 5,170,693,640 |
| Expenses | | | | | |
| Cost of sales of treated water and services | | 1,861,674,233 | 1,794,674,181 | 1,060,615,012 | 1,025,454,878 |
| Administrative expenses | | 263,911,682 | 251,618,218 | 224,729,529 | 207,837,206 |
| Amortisation of investments in subsidiaries | 13 | - | - | 222,100,982 | 221,494,148 |
| Amortisation of rights to produce and sell treated water | | | | | |
| and treat waste water from private sector agency | 18 | 51,415,245 | 55,752,740 | 51,415,245 | 55,752,740 |
| Amortisation of rights to produce and sell treated water | | | | | |
| from business acquisition | 19 | 195,480,491 | 194,946,391 | - | - |
| Total expenses | | 2,372,481,651 | 2,296,991,530 | 1,558,860,768 | 1,510,538,972 |
| Operating profit | | 3,820,464,580 | 3,854,422,530 | 3,622,133,251 | 3,660,154,668 |
| Share of profit from investment in associate | 14 | 101,097,638 | 280,254,547 | - | - |
| Finance income | | 10,170,447 | 14,176,972 | 11,520,681 | 22,015,680 |
| Finance cost | | (274,534,160) | (304,542,661) | (274,359,356) | (304,542,661) |
| Profit before income tax expenses | | 3,657,198,505 | 3,844,311,388 | 3,359,294,576 | 3,377,627,687 |
| Income tax expenses | 29 | (685,387,474) | (696,977,417) | (508,994,486) | (522,724,742) |
| Profit for the year | | 2,971,811,031 | 3,147,333,971 | 2,850,300,090 | 2,854,902,945 |

The accompanying notes are an integral part of the financial statements.



Statement of comprehensive income (continued)

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Loss on change in value of available-for-sale investments | | | | | |
| - net of income tax | | - | (160,000) | - | - |
| Share of other comprehensive income from associate | 14.1 | 16,210,698 | 23,348,185 | - | - |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Actuarial gain - net of income tax | | - | 2,467,757 | - | 290,884 |
| Other comprehensive income for the year | | <u>16,210,698</u> | <u>25,655,942</u> | <u>-</u> | <u>290,884</u> |
| Total comprehensive income for the year | | <u>2,988,021,729</u> | <u>3,172,989,913</u> | <u>2,850,300,090</u> | <u>2,855,193,829</u> |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 2,951,464,151 | 3,127,907,180 | <u>2,850,300,090</u> | <u>2,854,902,945</u> |
| Non-controlling interests of the subsidiaries | | <u>20,346,880</u> | <u>19,426,791</u> | | |
| Weighted average number of ordinary shares | | <u>2,971,811,031</u> | <u>3,147,333,971</u> | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | 2,967,674,849 | 3,153,563,122 | <u>2,850,300,090</u> | <u>2,855,193,829</u> |
| Non-controlling interests of the subsidiaries | | <u>20,346,880</u> | <u>19,426,791</u> | | |
| | | <u>2,988,021,729</u> | <u>3,172,989,913</u> | | |
| Basic earnings per share | 31 | | | | |
| Profit attributable to equity holders of the Company | | <u>0.74</u> | <u>0.78</u> | <u>0.71</u> | <u>0.72</u> |
| Weighted average number of ordinary shares | | <u>3,990,000,000</u> | <u>3,990,000,000</u> | <u>3,990,000,000</u> | <u>3,990,000,000</u> |

The accompanying notes are an integral part of the financial statements.



Statement of changes in shareholders' equity

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

| Consolidated financial statements | | | | | | | | | | | | |
|---|------|--|---------------|----------------------------------|--|-----------------|--|--|---|--|--|--|
| | Note | Equity attributable to owners of the Company | | | | | | | | | | |
| | | Other components of equity | | | | | | | | | | Total equity attributable to non-controlling interests of the subsidiaries |
| | | Issued and paid-up share capital | Share premium | Appropriated - statutory reserve | Retained earnings - Appropriated - other reserve | Unappropriated | changes in value of available-for-sale investments | Share of other comprehensive income from associate | Difference on reorganisation of business of group companies | Total other components of shareholders' equity | Total equity attributable to owners of the Company | |
| Balance as at 1 January 2019 | | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 4,147,556,393 | (220,000) | 56,599,165 | (600,362,866) | (543,983,701) | 12,321,573,060 | 12,364,853,572 |
| Profit for the year | | - | - | - | - | 3,127,907,180 | - | - | - | - | 3,127,907,180 | 3,147,333,971 |
| Other comprehensive income for the year | | - | - | - | - | 2,487,757 | (160,000) | 23,348,185 | - | 23,188,185 | 25,655,942 | 25,655,942 |
| Total comprehensive income for the year | | - | - | - | - | 3,130,374,937 | (160,000) | 23,348,185 | - | 23,188,185 | 3,153,563,122 | 3,172,989,913 |
| Dividend paid | 34 | - | - | - | - | (2,393,999,193) | - | - | - | - | (2,393,999,193) | (2,393,999,193) |
| Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary | | - | - | - | - | - | - | - | - | - | - | (19,028,880) |
| Balance as at 31 December 2019 | | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 4,883,932,137 | (380,000) | 79,947,350 | (600,362,866) | (520,795,516) | 13,081,136,989 | 13,124,815,412 |
| Balance as at 1 January 2020 | | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 4,883,932,137 | (380,000) | 79,947,350 | (600,362,866) | (520,795,516) | 13,081,136,989 | 13,124,815,412 |
| Cumulative effects of changes in accounting policies | 4 | - | - | - | - | - | - | - | - | 380,000 | - | - |
| Balance as at 1 January 2020 - as restated | | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 4,883,552,137 | - | 79,947,350 | (600,362,866) | (520,415,516) | 13,081,136,989 | 13,124,815,412 |
| Profit for the year | | - | - | - | - | 2,951,464,151 | - | - | - | - | 2,951,464,151 | 2,971,811,031 |
| Other comprehensive income for the year | | - | - | - | - | - | - | 16,210,698 | - | 16,210,698 | 16,210,698 | 16,210,698 |
| Total comprehensive income for the year | | - | - | - | - | 2,951,464,151 | - | 16,210,698 | - | 16,210,698 | 2,967,674,849 | 2,988,021,729 |
| Dividend paid | 34 | - | - | - | - | (2,393,564,493) | - | - | - | - | (2,393,564,493) | (2,393,564,493) |
| Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary | | - | - | - | - | - | - | - | - | - | - | (19,664,400) |
| Balance as at 31 December 2020 | | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 5,441,451,795 | - | 96,158,048 | (600,362,866) | (504,204,818) | 13,655,247,345 | 13,699,608,248 |

The accompanying notes are an integral part of the financial statements.



Statement of changes in shareholders' equity (continued)

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2020

| Separate financial statements | | | | | | | (Unit: Baht) |
|---|----------------------------------|----------------------|----------------------------------|------------------------------|----------------------|----------------------------|--------------|
| Note | Issued and paid-up share capital | Share premium | Retained earnings | | | Total shareholders' equity | |
| | | | Appropriated - statutory reserve | Appropriated - other reserve | Unappropriated | | |
| Balance as at 1 January 2019 | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 2,169,941,899 | 10,887,942,267 | |
| Profit for the year | - | - | - | - | 2,854,902,945 | 2,854,902,945 | |
| Other comprehensive income for the year | - | - | - | - | 290,884 | 290,884 | |
| Total comprehensive income for the year | - | - | - | - | 2,855,193,829 | 2,855,193,829 | |
| Dividend paid | - | - | - | - | (2,393,999,193) | (2,393,999,193) | |
| Balance as at 31 December 2019 | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 2,631,136,535 | 11,349,136,903 | |
| Balance as at 1 January 2020 | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 2,631,136,535 | 11,349,136,903 | |
| Profit for the year | - | - | - | - | 2,850,300,090 | 2,850,300,090 | |
| Other comprehensive income for the year | - | - | - | - | - | - | |
| Total comprehensive income for the year | - | - | - | - | 2,850,300,090 | 2,850,300,090 | |
| Dividend paid | - | - | - | - | (2,393,564,493) | (2,393,564,493) | |
| Balance as at 31 December 2020 | 3,990,000,000 | 2,637,769,601 | 399,000,000 | 1,691,230,767 | 3,087,872,132 | 11,805,872,500 | |

The accompanying notes are an integral part of the financial statements.



Cash flows statement

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from operating activities | | | | |
| Profit before tax | 3,657,198,505 | 3,844,311,388 | 3,359,294,576 | 3,377,627,687 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 919,603,338 | 870,199,246 | 509,398,653 | 493,956,355 |
| Reversal of allowance for doubtful accounts | - | (230,840) | - | - |
| Reversal of allowance for expected credit losses | (213,841) | - | - | - |
| Amortisation of investments in subsidiaries | - | - | 222,100,982 | 221,494,148 |
| Amortisation of rights to produce and sell treated water and treat waste water from private sector agency | 51,415,245 | 55,752,740 | 51,415,245 | 55,752,740 |
| Amortisation of rights to produce and sell treated water from business acquisition | 195,480,491 | 194,946,391 | - | - |
| Gain on sales/written off of equipment | (1,608,389) | (644,727) | (324,441) | (262,823) |
| Share of profit from investment in associate | (101,097,638) | (280,254,547) | - | - |
| Dividend income | - | - | (1,024,456,521) | (984,631,994) |
| Withholding tax deducted at source written off | 1,943,312 | 1,279,405 | - | - |
| Provision for long-term employee benefits | 8,267,240 | 8,416,317 | 4,808,146 | 4,338,882 |
| Finance cost | 274,534,160 | 304,542,661 | 274,359,356 | 304,542,661 |
| Profit from operating activities before changes in operating assets and liabilities | 5,005,522,423 | 4,998,318,034 | 3,396,595,996 | 3,472,817,656 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 11,858,607 | (18,548,139) | 8,536,032 | (9,537,530) |
| Raw materials and supplies | 1,018,623 | 803,852 | 825,342 | 1,255,874 |
| Other current assets | (4,783,892) | 799,378 | (4,726,144) | 697,789 |
| Other non-current assets | 166,667 | 5,212,431 | 166,667 | 5,212,428 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 45,319,990 | 17,427,693 | 30,006,447 | 9,321,283 |
| Other current liabilities | (883,804) | 1,027,796 | (264,595) | 600,331 |
| Cash paid for long-term employee benefits | (4,688,000) | (1,000,200) | (1,128,000) | (673,600) |
| Cash from operating activities | 5,053,530,614 | 5,004,040,845 | 3,430,011,745 | 3,479,694,231 |
| Cash paid for interest expenses | (282,458,106) | (322,319,705) | (282,458,106) | (322,319,705) |
| Cash paid for income tax | (687,396,462) | (704,700,037) | (506,780,917) | (528,296,875) |
| Net cash flows from operating activities | 4,083,676,046 | 3,977,021,103 | 2,640,772,722 | 2,629,077,651 |

The accompanying notes are an integral part of the financial statements.



Cash flows statement (continued)

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------------|--------------------------------------|------------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from investing activities | | | | |
| Decrease (increase) in other current financial assets | (274,778,601) | 483,126,043 | (94,037,400) | 593,152,479 |
| Decrease in long-term loans to related party | - | - | 57,140,000 | 289,640,000 |
| Decrease in other long-term financial assets | 750,000 | 10,000,000 | - | - |
| Increase in investment in associate | - | (990,693,000) | - | (990,693,000) |
| Increase in property, plant and equipment | (24,660,801) | (23,316,992) | (16,667,934) | (20,383,723) |
| Increase in assets for production of treated water | | | | |
| with public sector agency - assets that are owned by the Company | (189,678,062) | (125,617,480) | (189,678,062) | (125,617,480) |
| Increase in assets for production of treated water that must be transferred at the end of concession of subsidiary | (161,944,241) | - | - | - |
| Increase in rights to produce and sell treated water and treat waste water from private sector agency | (672,000) | - | (672,000) | - |
| Proceeds from sales of equipment | 20,943 | 647,850 | 9,610 | 264,280 |
| Increase in intangible assets | - | (6,000,000) | - | - |
| Dividend received | 60,922,798 | 52,238,044 | 1,024,456,521 | 984,631,994 |
| Increase in advance payment to subcontractor - related party | (50,995,272) | (46,693,920) | - | (46,693,920) |
| Net cash flows from (used in) investing activities | (641,035,236) | (646,309,455) | 780,550,735 | 684,300,630 |
| Cash flows from financing activities | | | | |
| Cash received from bills of exchange | - | 995,705,370 | - | 995,705,370 |
| Repayment of bills of exchange | - | (1,000,000,000) | - | (1,000,000,000) |
| Repayment of long-term loans | (500,000,000) | (435,000,000) | (500,000,000) | (435,000,000) |
| Cash received from debentures | - | 998,850,000 | - | 998,850,000 |
| Repayment of debentures | (500,000,000) | (1,500,000,000) | (500,000,000) | (1,500,000,000) |
| Repayment of lease liabilities | (14,180,588) | - | (13,047,458) | - |
| Dividend paid | (2,393,397,357) | (2,394,009,469) | (2,393,397,357) | (2,394,009,469) |
| Dividend paid for non-controlling interests of the subsidiary | (19,664,400) | (19,028,880) | - | - |
| Net cash flows used in financing activities | (3,427,242,345) | (3,353,482,979) | (3,406,444,815) | (3,334,454,099) |
| Net increase (decrease) in cash and cash equivalents | 15,398,465 | (22,771,331) | 14,878,642 | (21,075,818) |
| Cash and cash equivalents at beginning of year | 76,570,736 | 99,342,067 | 71,361,403 | 92,437,221 |
| Cash and cash equivalents at end of year | 91,969,201 | 76,570,736 | 86,240,045 | 71,361,403 |
| | - | - | - | - |

The accompanying notes are an integral part of the financial statements.



Cash flows statement (continued)

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------|-------------------------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| Supplemental cash flows information | | | | |
| Non-cash transactions | | | | |
| Increase (decrease) in dividend payable | 167,136 | (10,276) | 167,136 | (10,276) |
| Decrease (increase) in accounts receivable from securities trading | (3,000,000) | 18,391,378 | - | 18,391,378 |
| Portion of advance payment to subcontractor deducted from payment for assets for production of treated water with public sector agency - assets that are owned by the Company | 46,693,920 | 1,325,300 | 46,693,920 | 1,325,300 |
| Portion of advance payment to subcontractor deducted from payment for assets for production of treated water with public sector agency - assets that must be transferred at the end of concession of subsidiary | 27,727,172 | - | - | - |
| Increase in accounts receivable from sales of equipment | (1,620,000) | - | (345,000) | - |
| Increase in acquisition of equipment payable | - | 1,260,000 | - | - |
| Increase in acquisition of intangible assets payable | - | 6,000,000 | - | - |
| Increase in right-of-use assets due to new lease agreements | (42,021,606) | - | (33,863,186) | - |
| Increase in lease liabilities due to new lease agreements | 42,021,606 | - | 33,863,186 | - |
| Reclassify of other non-current financial assets to other current financial assets | (5,000,000) | - | - | - |

The accompanying notes are an integral part of the financial statements.



Notes to consolidated financial statements

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2020

1. General information

TTW Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Mitsui Water Holdings (Thailand) Company Limited, which was incorporated in Thailand. The Company is principally engaged in the production and sale of treated water to the Provincial Waterworks Authority (“PWA”) in the Amphur Nakorn Chaisri, Amphur Sam Pran, and Amphur Budha Monthon areas of Nakhon Pathom and the Amphur Muang and Amphur Kratumban areas of Samut Sakhon, under the “Water Purchase Agreement” made with the PWA dated 21 September 2000 (An amendment agreement dated 29 December 2008), which covers a period of 30 years as from the Actual Commencement Date (21 July 2004), and under the Concession to operate treated water granted by the Ministry of Natural Resources and Environment (“the Concessionaire”) for a period of 25 years commencing on 11 March 2005. The Company has to comply with certain conditions as stipulated in the Water Purchase Agreement and the Concession.

The terms of the Concession include certain significant conditions, such as that when the Company has completed half of the concession period, if the government or the local government agency wish to purchase the water production business of the Company, the Concessionaire is entitled to cancel the concession in order to purchase it, or permit the relevant local government agency to purchase it, at market price. However, it must provide the Company with advance notice of six months of such action.

The Company’s registered office is at 30/130 Moo 12, Budha Monthon 5 Road, Rai Khing, Sam Pran, Nakhon Pathom.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of TTW Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|---|---|--------------------------|----------------------------|-------------|
| | | | 2020 (%) | 2019 (%) |
| Pathum Thani Water Company Limited | Production and sale of treated water in Pathumthani | Thailand | 98.0 | 98.0 |
| Thai Water Operations Company Limited (31.5% held by Pathum Thani Water Company Limited) | Operating and maintenance of water supply project | Thailand | 68.5 | 68.5 |

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

| | |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

Accounting standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

| | |
|----------|---|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of investments in available-for-sale equity securities -
The Group has elected to irrevocably classify these investments as financial assets at fair value through profit or loss. The cumulative gains (or losses) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.

- Classification and measurement of investments in debt securities - The Group has decided to classify these investments as financial assets at amortised cost.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statement of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|--|-----------------------|---------|----------------|
| | The effect of financial reporting standards related to | | | 1 January 2020 |
| | 31 December 2019 | Financial instruments | TFRS 16 | |
| | | | | |
| Statement of financial position | | | | |
| Assets | | | | |
| Current assets | | | | |
| Current investments | 3,035,147 | (3,035,147) | - | - |
| Other current financial assets | - | 3,035,147 | - | 3,035,147 |
| Non-current assets | | | | |
| Other non-current financial assets | - | 18,525 | - | 18,525 |
| Other long-term investments | 18,525 | (18,525) | - | - |
| Property, plant and equipment | 794,732 | - | 41,945 | 836,677 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Current portion of lease liabilities | - | - | 9,484 | 9,484 |
| Non-current liabilities | | | | |
| Lease liabilities, net of current portion | - | - | 32,461 | 32,461 |
| Shareholders' equity | | | | |
| Retained earnings - unappropriated | 4,883,932 | (380) | - | 4,883,552 |
| Other components of shareholders' equity | (520,796) | 380 | - | (520,416) |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|--|-------------|---------|-----------|
| | The effect of financial reporting standards related to | | | |
| | 31 December | Financial | | 1 January |
| | 2019 | instruments | TFRS 16 | 2020 |
| Statement of financial position | | | | |
| Assets | | | | |
| Current assets | | | | |
| Current investments | 2,252,003 | (2,252,003) | - | - |
| Other current financial assets | - | 2,252,003 | - | 2,252,003 |
| Non-current assets | | | | |
| Property, plant and equipment | 729,443 | - | 40,034 | 769,477 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Current portion of lease liabilities | - | - | 8,764 | 8,764 |
| Non-current liabilities | | | | |
| Lease liabilities, net of current portion | - | - | 31,270 | 31,270 |

4.1 Financial instruments

- a) Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | Other components of | | Other components of | |
| | Retained earnings | shareholders' equity | Retained earnings | shareholders' equity |
| Classification of available-for-sale equity investments as financial assets at fair value through profit or loss | (380) | 380 | - | - |
| Recognition of derivatives at fair value through profit or loss | - | - | - | - |
| Impacts of the adoption of financial reporting standards related to financial instruments | (380) | 380 | - | - |

- b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|---|------------------|------------------|
| | The former carrying amount | Classification and measurement in accordance with TFRS 9 | | |
| | | Fair value through profit | | |
| | | or loss | Amortised cost | Total |
| Financial assets as at 1 January 2020 | | | | |
| Cash and cash equivalents | 76,571 | - | 76,571 | 76,571 |
| Trade and other receivables | 564,935 | - | 564,935 | 564,935 |
| Other current financial assets | 3,035,147 | 2,279,891 | 755,256 | 3,035,147 |
| Derivatives assets | - | -* | - | - |
| Other non-current financial assets | 18,525 | 4,525 | 14,000 | 18,525 |
| Total financial assets | 3,695,178 | 2,284,416 | 1,410,762 | 3,695,178 |

- * Although the warrants to purchase ordinary shares have an active market, the exercise price of those warrants is significantly higher than the market value of ordinary shares, thereby rendering it unprofitable to exercise the warrants or "out of the money". The Group's management considered that buying and selling prices of the warrants in the market do not represent the best fair value.

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|--|-------------------------------|---|------------------|------------------|
| | The former carrying amount | Classification and measurement in accordance with TFRS 9 | | |
| | | Fair value through profit | | |
| | | or loss | Amortised cost | Total |
| Financial assets as at 1 January 2020 | | | | |
| Cash and cash equivalents | 71,631 | - | 71,361 | 71,361 |
| Trade and other receivables | 385,762 | - | 385,762 | 385,762 |
| Other current financial assets | 2,252,003 | 1,776,747 | 475,256 | 2,252,003 |
| Long-term loans to related parties | 171,478 | - | 171,478 | 171,478 |
| Total financial assets | 2,880,604 | 1,776,747 | 1,103,857 | 2,880,604 |

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

| | (Unit: Thousand Baht) | |
|--|---|-------------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Operating lease commitments as at 31 December 2019 | 51,874 | 49,911 |
| Less: Short-term leases and leases of low-value assets | (209) | (209) |
| Less: Others | (136) | (273) |
| Less: Deferred interest expenses | (9,584) | (9,395) |
| Increase in lease liabilities due to TFRS 16 adoption | 41,945 | 40,034 |
| Liabilities under finance lease agreements as at | | |
| 31 December 2019 | - | - |
| Lease liabilities as at 1 January 2020 | 41,945 | 40,034 |
| Weighted average incremental borrowing rate (percent per annum) | 2.86 - 8.03 | 2.86 - 5.50 |
| Comprise of: | | |
| Current lease liabilities | 9,484 | 8,764 |
| Non-current lease liabilities | 32,461 | 31,270 |
| | 41,945 | 40,034 |

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of treated water

Sales of treated water are recognised when the Group supplies the water to the Provincial Waterworks Authority, and comprise the invoiced value, excluding value added tax, of the treated water supplied, after deducting discounts and allowances.

Service income

Service income is recognised at a point in the time upon completion of service, presents the invoiced value, excluding value added tax, of services rendered.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other income and expenses

Other income and expenses are recognised on an accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Raw materials and supplies

Raw materials and supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to treated water production costs whenever consumed.

5.4 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

Investment costs of subsidiaries are the values paid for their acquisition. The subsidiary is engaged in business under the agreement for the production and sale of treated water with the Provincial Waterworks Authority and concessions granted by state enterprises or government agencies, which have defined fixed periods of operation, as stipulated in the agreement and concessions; and the subsidiary has committed to transfer most of its assets used in the operation to the Provincial Waterworks Authority. Hence, parts of the investment cost are deemed to be investments in the acquisition of rights to operate business under the agreement and concessions, and are amortised on a straight-line basis over the remaining periods of the agreements, commencing from the date of investment in the subsidiary. This amortised amount is presented as amortisation of investments in subsidiaries, and recognised as an expense in profit or loss.

In addition, parts of the investment costs in the subsidiary to which the subsidiary transferred most of its operations after investment, in order to reduce future operating costs, was amounts paid for acquisition of such operations. These are amortised on a straight-line basis over the remaining period of the Water Purchase Agreement made between the Company and the Provincial Waterworks Authority, commencing from the date of investing in the subsidiary, and presented as amortisation of investments in subsidiaries. The amortised amount is recognised as expense in profit or loss.

5.5 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of assets is generally calculated by reference to their costs on the straight-line basis over estimated useful lives of 3, 5 and 10 years. However, depreciation of the Company's assets used for production of treated water is calculated using the units of production method, based on the following formula:

$$\text{Depreciation for the period} = \text{Net assets for production of treated water at the beginning of the period} \\ \times \text{Percentage of treated water produced in the period}$$

$$\text{Percentage of treated water} = \frac{\text{Current period's actual production of treated water}}{\text{(Actual production of treated water for the period + Projected total production of treated water over the remaining term of the Water Purchase Agreement or the end of useful live of the assets for production of treated water)}}$$

$$\text{Net assets for production of} = \text{Total assets for production of treated water - Accumulated depreciation} \\ \text{treated water at the} \quad \text{as at the beginning of the period} \\ \text{beginning of the period}$$

Assets for production of treated water consist of costs of construction of a water treatment plant and distribution system, and related interest expenses and financial costs.

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.6 Assets for production of treated water that must be transferred at end of concession and amortisation

Assets for production of treated water of Pathum Thani Water Company Limited that must be transferred to the Provincial Waterworks Authority at the end of the concession to produce and sell treated water (land, water treatment plant and distribution system) are stated at cost less accumulated amortisation and any impairment losses. Amortisation of assets for production of treated water is calculated using the units of production method, based on the following formula:

$$\text{Amortisation for the period} = \text{Net assets for production of treated water that must be transferred at end of concession at the beginning of the period} \times \text{Percentage of treated water produced in the period}$$

$$\text{Percentage of treated water produced in the period} = \frac{\text{Current period's actual production of treated water}}{(\text{Actual production of treated water for the period} + \text{Projected total production of treated water over the remaining term of concession for production and sale of treated water})}$$

$$\text{Net assets for production of treated water that must be transferred at end of concession at the beginning of the period} = \text{Total assets for production of treated water that must be transferred at end of concession} - \text{Accumulated amortisation as at the beginning of the period}$$

Amortisation is included in determining income.

No amortisation is provided on assets under installation.

5.7 Rights to produce and sell treated water and treat waste water and amortisation

The Company recorded cost of rights to produce and sell treated water and treat waste water ("Operation rights") at cost as at the acquisition date, and allocated such cost in line with forecasted revenues calculated as at the acquisition date.

a) Rights to produce and sell treated water

Rights to produce and sell treated water are stated at cost less accumulated amortisation and any impairment losses. Amortisation of the rights is calculated using the units of production method, based on the following formula:

Amortisation for the period = Net rights to produce and sell treated water as at the beginning of the period x Percentage of treated water produced in the period

Percentage of treated water produced in the period =
$$\frac{\text{Current period's actual production of treatment water}}{(\text{Actual production of treated water for the period} + \text{Projected total production of treated water over the remaining term of operation rights})}$$

Net rights to produce and sell treated water at the beginning of the period = Total rights to treated water - Accumulated amortisation as at the beginning of the period

Amortisation is included in determining income.

No amortisation is provided on construction in progress.

b) Rights to treat waste water

Rights to treat waste water are stated at cost less accumulated amortisation and any impairment losses. Amortisation of the rights is calculated using the units of production method, based on the following formula:

Amortisation for the period = Net rights to treat waste water at the beginning of the period x Percentage of waste water treatment in the period

Percentage of waste water treated in the period =
$$\frac{\text{Current period's actual treatment of waste water}}{(\text{Actual treatment of waste water for the period} + \text{Projected total treatment of waste water over the remaining term of operation rights})}$$

Net rights to treat waste water at the beginning of the period = Total rights to treat waste water - Accumulated amortisation as at the beginning of the period

Amortisation is included in determining income.

No amortisation is provided on construction in progress.

5.8 Rights to produce and sell treated water from business acquisition and amortisation

Rights to produce and sell treated water, which arose as a result of the acquisition of ordinary shares in Pathum Thani Water Company Limited being made at a cost higher than the fair value of this subsidiary, is regarded as an intangible asset with a definite life. It is carried at cost less accumulated amortisation and any impairment losses.

The Company amortises it on a straight-line basis over the remaining period of the subsidiary's agreement for the production and sale of treated water, starting from the acquisition date, (approximately 16 years) and tested for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for rights to produce and sell treated water are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

5.9 Intangible assets

The intangible assets are assets for maintenance, management project, waste water treatment and sludge management system of the subsidiary are carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life (10 years and 20 years) and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

No amortisation is provided on intangible assets under installation.

5.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

a) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

| | |
|----------------|-----------------|
| Land | 15 and 20 years |
| Motor vehicles | 1 - 5 years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right of use are presented as property, plant and equipment in the financial position.

b) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

5.11 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of rights to produce and sell treated water. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contribution is recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

5.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investment in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5.17 Hedge accounting - Cash flow hedges

Associate applies hedge accounting when the risk that has been hedged can be clearly identified and the effectiveness of the hedge can be measured.

Gains or losses arising from changes in the fair value of hedging instruments that effectively hedge exposure to fluctuations in cash flows that are either attributable to a particular risk associated with financial asset, financial liability, or highly probable forecast transactions, are recognised directly in other comprehensive income and transferred to be recognised in profit or loss when the hedged cash flow transactions occur. However, if the hedging instruments are not effective, any gains or losses from changes in the fair value of the hedging instruments are recognised immediately to profit or loss.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Assets for production of treated water and rights to produce and sell treated water and treat waste water

In determining recognised the amortisation expenses of the assets for the production of treated water, the rights to produce, sell treated water and treat waste water of the Company and the assets that must be transferred at the end of concession of the subsidiary. The Group used the units of production method which required an estimate of the number of units of treated water to be produced in the future, until the end of the concession period or the end of the operation contract or the end of useful live of the assets for the production of treated water of the Company or the end of the concession period of the subsidiary. The management must use judgement to estimate the amount of future production, based on present production volumes, production capacity, demand from customers, economic and industry conditions. This affect the amount of the amortisation expenses.

7. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

| (Unit: Thousand Baht) | | | | | |
|---|----------------------|------|----------------------|---------|---|
| | Consolidated | | Separate | | Transfer pricing policy |
| | financial statements | | financial statements | | |
| | 2020 | 2019 | 2020 | 2019 | |
| <u>Transactions with subsidiary companies</u> | | | | | |
| (eliminated from the consolidated financial statements) | | | | | |
| Interest income | - | - | 5,226 | 13,664 | Minimum Loan Rate minus stipulated margin per annum |
| Management income | - | - | 17,547 | 15,600 | Based on contract |
| Dividend income | - | - | 963,534 | 932,394 | As declared |
| Cost of sales and services | - | - | 36,732 | 36,897 | Based on contract |
| <u>Transaction with associate</u> | | | | | |
| Dividend income | - | - | 60,923 | 52,238 | As declared |

(Unit: Thousand Baht)

| | Consolidated | | Separate | | Transfer pricing policy |
|--|----------------------|---------|----------------------|---------|-----------------------------|
| | financial statements | | financial statements | | |
| | 2020 | 2019 | 2020 | 2019 | |
| <u>Transactions with related parties</u> | | | | | |
| Sales of treated water | 48,460 | 51,779 | 48,460 | 51,779 | Based on contract |
| Service income | 3,376 | 3,680 | 3,376 | 3,680 | Based on contract |
| Improvement of water supply | | | | | |
| pumping system expenses | - | 6,627 | - | 6,627 | Based on contract |
| Improvement of machinery, equipment of | | | | | |
| water supply and distribution system | 441,586 | 117,466 | 233,470 | 117,466 | Based on contract |
| Cost of sales and services | 6,564 | 5,368 | 6,555 | 5,346 | Based on contract |
| Electricity expenses | 13,614 | 7,161 | 13,614 | 7,161 | Based on contract |
| Purchase of raw materials | 9,321 | 8,344 | 9,321 | 8,344 | Selling prices as specified |

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

| | Consolidated | | Separate | |
|---|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <u>Trade and other receivables - related parties (Note 9)</u> | | | | |
| Subsidiaries | - | - | 3,995 | 1,391 |
| Related companies (related by shareholders or committees) | 4,376 | 4,177 | 4,376 | 4,177 |
| Total trade and other receivables - related parties | 4,376 | 4,177 | 8,371 | 5,568 |
| <u>Advance payment to subcontractor - related party</u> | | | | |
| Related company (related by committees) | 23,268 | 46,694 | - | 46,694 |
| Total advance payment to subcontractor - related party | 23,268 | 46,694 | - | 46,694 |
| <u>Trade and other payables - related parties (Note 21)</u> | | | | |
| Subsidiaries | - | - | 3,212 | 3,279 |
| Related companies (related by shareholders or committees) | 55,287 | 20,366 | 36,802 | 20,366 |
| Related companies (entities under the group of Companies of the shareholders) | 2,028 | 1,954 | 2,028 | 1,954 |
| Total trade and other payables - related parties | 57,315 | 22,320 | 42,042 | 25,599 |
| <u>Retention payable - subsidiary</u> | - | - | 5,000 | 5,000 |
| | - | - | 5,000 | 5,000 |

Long-term loans to related party

As at 31 December 2020 and 2019, the balance of long-term loans between the Company and a related party and the movement are as follows:

(Unit: Thousand Baht)

| Company's name | Related by | Separate financial statements | | | |
|---------------------------------------|------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------------|
| | | Balance as at 1 January 2020 | Increase during the year | Decrease during the year | Balance as at 31 December 2020 |
| Pathum Thani Water Company Limited | Subsidiary | | | | |
| Loan | | 171,440 | - | (57,140) | 114,300 |
| Interest receivable | | 38 | 5,226 | (5,244) | 20 |
| Total | | 171,478 | | | 114,320 |

(Unit: Thousand Baht)

| | Separate financial statements | |
|--|-------------------------------|----------------|
| | 2020 | 2019 |
| <u>Long-term loans to related party and interest receivable</u> | | |
| Pathum Thani Water Company Limited | | |
| Loan | 114,300 | 171,440 |
| Interest receivable | 20 | 38 |
| Total | 114,320 | 171,478 |
| Less: Current portion and interest receivable | (57,160) | (57,178) |
| Long-term loans to related party, net of current portion | 57,160 | 114,300 |

Long-term loans to subsidiary were subject to interest at the Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum. Repayment is to be made in quarterly installments and due in full within December 2022.

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------|--------------------------------------|--------|----------------------------------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| Short-term employee benefits | 61,910 | 62,406 | 52,362 | 47,748 |
| Post-employment benefits | 1,589 | 2,371 | 1,263 | 1,245 |
| Total | 63,499 | 64,777 | 53,625 | 48,993 |

8. Cash and cash equivalents

| | (Unit: Thousand Baht) | | | |
|---------------|-----------------------|--------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Cash | 497 | 493 | 139 | 136 |
| Bank deposits | 91,472 | 76,078 | 86,101 | 71,225 |
| Total | 91,969 | 76,571 | 86,240 | 71,361 |

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.125% and 0.250% per annum. (2019: between 0.125% and 0.750%)

9. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|----------|----------------------|----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <u>Trade receivables - related parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 4,368 | 4,171 | 4,368 | 4,171 |
| Past due | | | | |
| Up to 3 months | 8 | 6 | 8 | 6 |
| Total trade receivables - related parties | 4,376 | 4,177 | 4,376 | 4,177 |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 544,841 | 550,820 | 365,216 | 371,634 |
| Past due | | | | |
| Up to 3 months | 3,075 | 7,770 | 3,075 | 7,770 |
| Total trade receivables - unrelated parties | 547,916 | 558,590 | 368,291 | 379,404 |
| Total trade receivables | 552,292 | 562,767 | 372,667 | 383,581 |
| <u>Other receivables</u> | | | | |
| Other receivables - related parties | - | - | 3,995 | 1,391 |
| Other receivables - unrelated parties | 24,322 | 19,896 | 11,566 | 11,221 |
| Interest receivables - unrelated parties | 979 | 2,168 | 581 | 790 |
| Total other receivables | 25,301 | 22,064 | 16,142 | 13,402 |
| Less: Allowance for expected credit losses | | | | |
| (2019: Allowance for doubtful accounts) | (19,682) | (19,896) | (11,221) | (11,221) |
| Total other receivables - net | 5,619 | 2,168 | 4,921 | 2,181 |
| Total trade and other receivables - net | 557,911 | 564,935 | 377,588 | 385,762 |

10. Raw materials and supplies

| | (Unit: Thousand Baht) | | | |
|---------------|-----------------------|--------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Raw materials | 6,240 | 7,539 | 4,074 | 5,377 |
| Spare parts | 19,945 | 19,664 | 10,606 | 10,128 |
| Total | 26,185 | 27,203 | 14,680 | 15,505 |

11. Other current financial assets / Current investments

The balances represented investments in open-ended fund, debentures and fixed deposits, carrying interests and return on investments between 0.625% and 4.50% per annum (the Company only: between 0.625% and 0.75% per annum) (2019: between 0.65% and 1.85% per annum). The Company had maintained the fixed deposits according to the addition amendment of the agreement to the concession to operate treated water as described in Note 27 to the financial statements.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-----------|----------------------|-----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <u>Debt instruments at amortised cost</u> | | | | |
| Fixed deposits over 3 months but less than 1 year | 565,296 | 755,256 | 425,296 | 475,256 |
| Current portion of debentures | 5,000 | - | - | - |
| Total debt instruments at amortised cost | 570,296 | 755,256 | 425,296 | 475,256 |
| <u>Financial assets state FVTPL</u> | | | | |
| Investment in open-ended fund - | | | | |
| Government debt securities | 2,741,629 | - | 1,920,744 | - |
| Privet sector debt securities | - | 2,279,891 | - | 1,776,747 |
| Total financial assets at FVTPL | 2,741,629 | 2,279,891 | 1,920,744 | 1,776,747 |
| Total other current financial assets | 3,311,925 | 3,035,147 | 2,346,040 | 2,252,003 |

12. Other non-current financial assets / Other long-term investments

| (Unit: Thousand Baht) | | |
|--|---------|--------|
| Consolidated | | |
| financial statements | | |
| | 2020 | 2019 |
| <u>Debt instruments at amortised cost</u> | | |
| Debentures | 14,000 | 14,000 |
| Less: Current portion of debentures | (5,000) | - |
| Debentures - net of current portion | 9,000 | 14,000 |
| Total debt instruments at amortised cost | 9,000 | 14,000 |
| <u>Financial assets at FVTPL</u> | | |
| Real estate investment trust | 5,000 | 5,000 |
| Less: Unrealised loss on changes in value of investments | (1,225) | (475) |
| Real estate investment trust - net | 3,775 | 4,525 |
| Total financial assets at FVTPL | 3,775 | 4,525 |
| Total other non-current financial assets | 12,775 | 18,525 |

13. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

| (Unit: Thousand Baht) | | | | | | | | |
|---|-----------------|-----------|-------------------------|------|-------------|-------------|------------------------------------|---------|
| Company's name | Paid-up capital | | Shareholding percentage | | Cost | | Dividend received during the years | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | | (%) | (%) | | | | |
| Pathum Thani Water | | | | | | | | |
| Company Limited | 1,200,000 | 1,200,000 | 98.0 | 98.0 | 3,998,310 | 3,998,310 | 963,534 | 932,394 |
| Thai Water Operations | | | | | | | | |
| Company Limited | 60,000 | 60,000 | 68.5 | 68.5 | 700,000 | 700,000 | - | - |
| | | | | | 4,698,310 | 4,698,310 | 963,534 | 932,394 |
| Less: Accumulated amortisation of investments in subsidiaries | | | | | (2,984,724) | (2,762,623) | - | - |
| Less: Dividend received from income before purchase of shares | | | | | (20,000) | (20,000) | - | - |
| Total | | | | | 1,693,586 | 1,915,687 | 963,534 | 932,394 |

14. Investment in associate

| Company's name | Nature of business | Country of incorporation | Consolidated financial statements | | | | | | (Unit: Thousand Baht) |
|---------------------------------|--------------------------------------|--------------------------|-----------------------------------|-------|-----------|-----------|---|-----------|-----------------------|
| | | | Shareholding percentage | | Cost | | Carrying amounts based on equity method | | |
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | |
| | | | (%) | (%) | | | | | |
| CK Power Public Company Limited | Making investment in other companies | Thailand | 24.98 | 24.98 | 5,218,706 | 5,218,706 | 5,954,961 | 5,898,575 | |
| Total | | | | | 5,218,706 | 5,218,706 | 5,954,961 | 5,898,575 | |
| | | | | | | | | | |
| Company's name | Nature of business | Country of incorporation | Separate financial statements | | | | | | (Unit: Thousand Baht) |
| | | | Shareholding percentage | | Cost | | Carrying amounts based on cost method | | |
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | |
| | | | (%) | (%) | | | | | |
| CK Power Public Company Limited | Making investment in other companies | Thailand | 24.98 | 24.98 | 5,218,706 | 5,218,706 | 5,218,706 | 5,218,706 | |
| Total | | | | | 5,218,706 | 5,218,706 | 5,218,706 | 5,218,706 | |

14.1 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

| Associate | (Unit: Thousand Baht) | | | |
|------------------------------------|---|---------|---|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | Share of profit from investment in associate during the years | | Share of other comprehensive income from investment in associate during the years | |
| | 2020 | 2019 | 2020 | 2019 |
| CK Power Public Company Limited | 101,098 | 280,254 | 16,211 | 23,348 |
| Total | 101,098 | 280,254 | 16,211 | 23,348 |

14.2 Fair value of investment in listed associate

In respect of investment in associate that is listed company on the Stock Exchange of Thailand, its fair value is as follows:

| Associate | (Unit: Thousand Baht) | |
|---------------------------------|-------------------------------|---------------------------|
| | Fair values as at 31 December | |
| | 2020 | 2019 |
| CK Power Public Company Limited | 9,057,189 | 10,072,569 ⁽¹⁾ |
| Total | 9,057,189 | 10,072,569 |

⁽¹⁾ Excluding the fair value of warrants amounting to Baht 104 million.

14.3 Summarised financial information about material associate

Summarised information about financial position

| | (Unit: Thousand Baht) | |
|--|---------------------------------|--------------|
| | CK Power Public Company Limited | |
| | 2020 | 2019 |
| Current assets | 10,566,394 | 6,606,236 |
| Non-current assets | 56,472,057 | 57,584,694 |
| Current liabilities | (6,275,216) | (3,393,751) |
| Non-current liabilities | (25,725,247) | (25,250,474) |
| Net assets | 35,037,988 | 35,546,705 |
| Equity attributable to non-controlling interest of the associate | (11,263,573) | (11,998,021) |
| Net assets of the Company | 23,774,415 | 23,548,684 |
| Shareholding percentage | 24.98% | 24.98% |
| Share of net assets | 5,938,849 | 5,882,461 |
| Goodwill | 16,112 | 16,114 |
| Carrying amounts of associate based on equity method | 5,954,961 | 5,898,575 |

Summarised information about comprehensive income

(Unit: Thousand Baht)

| | CK Power Public Company Limited | |
|----------------------------|---------------------------------|-----------|
| | For the years ended 31 December | |
| | 2020 | 2019 |
| Revenue | 7,188,318 | 8,842,504 |
| Profit | 197,706 | 1,082,823 |
| Other comprehensive income | 67,490 | (46,815) |
| Total comprehensive income | 265,196 | 1,036,008 |

- 14.4 In May 2015, the Company received, at no cost, 490.64 million warrants to purchase newly issued ordinary shares at a ratio of 1 warrant to 1 ordinary share, and subsequently the associate adjusted the exercise ratio to 1 warrant to 1.0007 ordinary share with an exercise price of Baht 6 per share. The warrants have a term of 5 years from the date they were issued and offered and can be exercised every 3 months, beginning on 30 September 2015 and with the final exercise date on 28 May 2020.

15. Property, plant and equipment

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|-------------------------------|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Net book value: | | | | |
| Property, plant and equipment | 797,594 | 794,732 | 727,618 | 729,443 |
| Right-of-use assets (Note 24) | 72,942 | - | 63,901 | - |
| Total | 870,536 | 794,732 | 791,519 | 729,443 |

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements

| | Land | Construction in progress | Building and building improvement | Furniture and office equipment | Motor vehicles | Tools | Total |
|---|---------|-----------------------------|---|--------------------------------------|-------------------|--------|-----------|
| Cost: | | | | | | | |
| 1 January 2019 | 707,261 | 3,617 | 72,485 | 152,995 | 22,751 | 27,215 | 986,324 |
| Additions | - | 4,149 | 2,960 | 15,634 | 1,130 | 1,478 | 25,351 |
| Disposals/written off | - | - | - | (15,253) | (2,403) | - | (17,656) |
| Transfer in (out) | - | (2,844) | 191 | 2,653 | - | - | - |
| Adjustment | - | (773) | - | - | - | - | (773) |
| 31 December 2019 | 707,261 | 4,149 | 75,636 | 156,029 | 21,478 | 28,693 | 993,246 |
| Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4) | 30,370 | - | - | - | 11,575 | - | 41,945 |
| Additions | - | 8,888 | 3,412 | 7,064 | 46,350 | 968 | 66,682 |
| Disposals/written off | - | - | - | (1,352) | (10,061) | (82) | (11,495) |
| Transfer in (out) | - | (11,682) | 2,900 | 8,782 | - | - | - |
| 31 December 2020 | 737,631 | 1,355 | 81,948 | 170,523 | 69,342 | 29,579 | 1,090,378 |
| Accumulated depreciation: | | | | | | | |
| 1 January 2019 | - | - | 28,599 | 122,585 | 21,960 | 24,678 | 197,822 |
| Depreciation for the year | - | - | 6,088 | 10,791 | 419 | 1,046 | 18,344 |
| Depreciation on disposals/written off | - | - | - | (15,249) | (2,403) | - | (17,652) |
| 31 December 2019 | - | - | 34,687 | 118,127 | 19,976 | 25,724 | 198,514 |
| Depreciation for the year | 1,677 | - | 6,671 | 13,051 | 10,206 | 1,185 | 32,790 |
| Depreciation on disposals/written off | - | - | - | (1,319) | (10,061) | (82) | (11,462) |
| 31 December 2020 | 1,677 | - | 41,358 | 129,859 | 20,121 | 26,827 | 219,842 |
| Net book value: | | | | | | | |
| 31 December 2019 | 707,261 | 4,149 | 40,949 | 37,902 | 1,502 | 2,969 | 794,732 |
| 31 December 2020 | 735,954 | 1,355 | 40,590 | 40,664 | 49,221 | 2,752 | 870,536 |
| Depreciation for the year | | | | | | | |
| 2019 (Baht 8 million included in cost of sales of treated water and service, and the remaining balance in administrative expenses) | | | | | | | 18,344 |
| 2020 (Baht 13 million included in cost of sales of treated water and service, and the remaining balance in administrative expenses) | | | | | | | 32,790 |

(Unit: Thousand Baht)

Separate financial statements

| | Land | Construction in progress | Building and building improvement | Furniture and office equipment | Motor vehicles | Tools | Total |
|--|---------|-----------------------------|---|--------------------------------------|-------------------|--------|---------|
| Cost: | | | | | | | |
| 1 January 2019 | 652,529 | 3,617 | 72,485 | 99,498 | 12,487 | 12,150 | 852,766 |
| Additions | - | 4,149 | 2,960 | 12,681 | 1,019 | 348 | 21,157 |
| Disposals/written off | - | - | - | (7,502) | (734) | - | (8,236) |
| Transfer in (out) | - | (2,844) | 191 | 2,653 | - | - | - |
| Adjustment | - | (773) | - | - | - | - | (773) |
| 31 December 2019 | 652,529 | 4,149 | 75,636 | 107,330 | 12,772 | 12,498 | 864,914 |
| Adjustments of right-of-use assets due to IFRS 16 adoption (Note 4) | 30,370 | - | - | - | 9,664 | - | 40,034 |
| Additions | - | 8,888 | 3,412 | 4,312 | 33,863 | 56 | 50,531 |
| Disposals/written off | - | - | - | (702) | (5,333) | (81) | (6,116) |
| Transfer in (out) | - | (11,682) | 2,900 | 8,782 | - | - | - |
| 31 December 2020 | 682,899 | 1,355 | 81,948 | 119,722 | 50,966 | 12,473 | 949,363 |
| Accumulated depreciation: | | | | | | | |
| 1 January 2019 | - | - | 28,599 | 75,872 | 11,813 | 11,279 | 127,563 |
| Depreciation for the year | - | - | 6,088 | 9,344 | 374 | 336 | 16,142 |
| Depreciation on disposals/written off | - | - | - | (7,500) | (734) | - | (8,234) |
| 31 December 2019 | - | - | 34,687 | 77,716 | 11,453 | 11,615 | 135,471 |
| Depreciation for the year | 1,677 | - | 6,671 | 10,993 | 8,747 | 371 | 28,459 |
| Depreciation on disposals/written off | - | - | - | (672) | (5,333) | (81) | (6,086) |
| 31 December 2020 | 1,677 | - | 41,358 | 88,037 | 14,867 | 11,905 | 157,844 |
| Net book value: | | | | | | | |
| 31 December 2019 | 652,529 | 4,149 | 40,949 | 29,614 | 1,319 | 883 | 729,443 |
| 31 December 2020 | 681,222 | 1,355 | 40,590 | 31,685 | 36,099 | 568 | 791,519 |
| Depreciation for the year | | | | | | | |
| 2019 (Baht 7 million included in cost of sales of treated water and service, and the remaining balance in administrative expenses) | | | | | | | 16,142 |
| 2020 (Baht 9 million included in cost of sales of treated water and service, and the remaining balance in administrative expenses) | | | | | | | 28,459 |

As at 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 146 million (the Company only: Baht 90 million) (2019: Baht 152 million (the Company only: Baht 92 million)).

16. Assets for production of treated water with public sector agency - assets that are owned by the Company

(Unit: Thousand Baht)

| | Consolidated / Separate financial statements | | |
|----------------------------------|---|-----------------------------|------------|
| | Water treatment plant and distribution treated water system | Construction in progress | Total |
| Cost: | | | |
| 1 January 2019 | 14,381,371 | 31,403 | 14,412,774 |
| Additions | 9,477 | 117,466 | 126,943 |
| Transfer in (out) | 31,403 | (31,403) | - |
| 31 December 2019 | 14,422,251 | 117,466 | 14,539,717 |
| Additions | - | 236,372 | 236,372 |
| Transfer in (out) | 353,838 | (353,838) | - |
| 31 December 2020 | 14,776,089 | - | 14,776,089 |
| Accumulated amortisation: | | | |
| 1 January 2019 | 4,851,981 | - | 4,851,981 |
| Amortisation for the year | 477,814 | - | 477,814 |
| 31 December 2019 | 5,329,795 | - | 5,329,795 |
| Amortisation for the year | 480,940 | - | 480,940 |
| 31 December 2020 | 5,810,735 | - | 5,810,735 |
| Net book value: | | | |
| 31 December 2019 | 9,092,456 | 117,466 | 9,209,922 |
| 31 December 2020 | 8,965,354 | - | 8,965,354 |
| Amortisation for the year | | | |
| 2019 | | | 477,814 |
| 2020 | | | 480,940 |

Amortisation of such assets for production of treated water has been included as part of cost of sales of treated water.

17. Assets for production of treated water with public sector agency - assets that must be transferred at end of concession of subsidiary

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|----------------------------------|-----------------------------------|---|--------------------------|-----------|
| | Land | Water treatment plant and distribution treated water system | Construction in progress | Total |
| Cost: | | | | |
| 1 January 2019 | 413,401 | 6,548,349 | - | 6,961,750 |
| 31 December 2019 | 413,401 | 6,548,349 | - | 6,961,750 |
| Additions | - | 4,824 | 184,848 | 189,672 |
| 31 December 2020 | 413,401 | 6,553,173 | 184,848 | 7,151,422 |
| Accumulated amortisation: | | | | |
| 1 January 2019 | 331,669 | 4,696,244 | - | 5,027,913 |
| Amortisation for the year | 17,067 | 355,813 | - | 372,880 |
| 31 December 2019 | 348,736 | 5,052,057 | - | 5,400,793 |
| Amortisation for the year | 17,114 | 386,994 | - | 404,108 |
| 31 December 2020 | 365,850 | 5,439,051 | - | 5,804,901 |
| Net book value: | | | | |
| 31 December 2019 | 64,665 | 1,496,292 | - | 1,560,957 |
| 31 December 2020 | 47,551 | 1,114,122 | 184,848 | 1,346,521 |
| Amortisation for the year | | | | |
| 2019 | | | | 372,880 |
| 2020 | | | | 404,108 |

Amortisation of such assets for production of treated water has been included as part of cost of sales of treated water.

Assets for production of treated water of Pathum Thani Water Company Limited will be transferred to the Provincial Waterworks Authority after the end of the 25-year concession to produce and sell treated water. The concession will be expired in 2023.

18. Rights to produce and sell treated water and treat waste water from private sector agency

The net book value of rights to produce and sell treated water and treat waste water from private sector agency as at 31 December 2020 and 2019 are presented below.

(Unit: Thousand Baht)

| | Consolidated / Separate financial statements | | | |
|---|--|-------------------------|--------------------------|-----------|
| | Rights | Machinery and equipment | Construction in progress | Total |
| As at 31 December 2020: | | | | |
| Cost | 1,410,075 | 154,350 | 672 | 1,565,097 |
| Less: Accumulated amortisation/depreciation | (459,864) | (23,614) | - | (483,478) |
| Net book value | 950,211 | 130,736 | 672 | 1,081,619 |
| As at 31 December 2019: | | | | |
| Cost | 1,410,075 | 154,350 | - | 1,564,425 |
| Less: Accumulated amortisation/depreciation | (414,789) | (17,274) | - | (432,063) |
| Net book value | 995,286 | 137,076 | - | 1,132,362 |

A reconciliation of the net book of right to produce and sell treated water and treat waste water from private sector agency for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

| | Consolidated / Separate financial statements | | | |
|--|--|-------------------------|--------------------------|-----------|
| | Rights | Machinery and equipment | Construction in progress | Total |
| Net book value as at 1 January 2019 | 1,044,161 | 143,953 | - | 1,188,114 |
| Amortisation/depreciation for the year | (48,875) | (6,877) | - | (55,752) |
| Net book value as at 31 December 2019 | 995,286 | 137,076 | - | 1,132,362 |
| Acquisition at cost | - | - | 672 | 672 |
| Amortisation/depreciation for the year | (45,075) | (6,340) | - | (51,415) |
| Net book value as at 31 December 2020 | 950,211 | 130,736 | 672 | 1,081,619 |

Assets to produce and sell treated water and treat waste water from private sector must be transferred to the owner of the rights after the end of the 30-year concession. The concession will be expired in 2039.

19. Rights to produce and sell treated water from business acquisition

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|--|-----------------------------------|-------------|
| | 2020 | 2019 |
| Rights to produce and sell treated water from business acquisition | 3,169,109 | 3,169,109 |
| Less: Accumulated amortisation of rights to produce and sell treated water from business acquisition | (2,626,416) | (2,430,935) |
| Rights to produce and sell treated water from business acquisition, net | 542,693 | 738,174 |

20. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|--------------------------------|-----------------------------------|--------------------------|---|----------|
| | Waste water treatment system | Sludge management system | Sludge management system under installation | Total |
| As at 31 December 2020 | | | | |
| Cost | 14,104 | 12,000 | - | 26,104 |
| Less: Accumulated amortisation | (13,544) | (601) | - | (14,145) |
| Net book value | 560 | 11,399 | - | 11,959 |
| As at 31 December 2019 | | | | |
| Cost | 14,104 | - | 12,000 | 26,104 |
| Less: Accumulated amortisation | (12,380) | - | - | (12,380) |
| Net book value | 1,724 | - | 12,000 | 13,724 |

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---------------------------------------|-----------------------------------|--------------------------|---|---------|
| | Waste water treatment system | Sludge management system | Sludge management system under installation | Total |
| Net book value as at 1 January 2019 | 2,884 | - | - | 2,884 |
| Acquisition at cost | - | - | 12,000 | 12,000 |
| Amortisation | (1,160) | - | - | (1,160) |
| Net book value as at 31 December 2019 | 1,724 | - | 12,000 | 13,724 |
| Transfer in (out) | - | 12,000 | (12,000) | - |
| Amortisation | (1,164) | (601) | - | (1,765) |
| Net book value as at 31 December 2020 | 560 | 11,399 | - | 11,959 |

21. Trade and other payables

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Trade payables - related party | 2,028 | 1,954 | 5,240 | 5,233 |
| Trade payables - unrelated parties | 35,513 | 19,461 | 13,443 | 4,128 |
| Amounts due to related parties | 705 | 526 | 705 | 526 |
| Amounts due to unrelated parties | 25,589 | 27,014 | 22,083 | 21,509 |
| Construction payable - related party | - | 7,994 | - | 7,994 |
| Construction payable - unrelated parties | - | 7,768 | - | - |
| Retention payable for contract work - related party | 53,454 | 10,688 | 34,969 | 10,688 |
| Retention payable for contract work - unrelated parties | 5,438 | 4,314 | 4,050 | 3,491 |
| Accrued expenses - related party | 1,128 | 1,158 | 1,128 | 1,158 |
| Accrued expenses - unrelated parties | 81,136 | 78,627 | 52,963 | 49,680 |
| Total trade and other payables | 204,991 | 159,504 | 134,581 | 104,407 |

22. Long-term loans

| (Unit: Thousand Baht) | | | | |
|---|---|--|-------------------------|-------------|
| | | | Consolidated / Separate | |
| | | | financial statements | |
| Loan | Interest rate (% per annum) | Repayment schedule | 2020 | 2019 |
| 1 | The 6-month fixed deposit rate + a stipulated margin | Repayment in full by 9 May 2020 | - | 2,760,000 |
| 2 | Fixed rate at 2.95% | Quarterly installments as from March 2017 to December 2021 | 300,000 | 600,000 |
| 3 | The 12-month fixed deposit rate + a stipulated margin | Quarterly installments as from June 2020 to June 2026 | 2,560,000 | - |
| Total | | | 2,860,000 | 3,360,000 |
| Less: Current portion | | | (760,000) | (3,060,000) |
| Long-term loans, net of current portion | | | 2,100,000 | 300,000 |

Movement of long-term loans account during the year ended 31 December 2020 is summarised below:

| | (Unit: Thousand Baht) Consolidated / Separate financial statements |
|---|--|
| Balance as at 1 January 2020 | 3,360,000 |
| Add: Reclassify current portion of long-term loans to long-term loans, net of current portion* | 2,760,000 |
| Less: Repayment | (500,000) |
| Return loan from refinance* | (2,760,000) |
| Balance as at 31 December 2020 | 2,860,000 |

* During the year, the Company has signed a loan agreement with a commercial bank to refinance long-term loans from the other bank, totaling Baht 2,760 million.

The loan agreements contain several covenants which, among other things, require the Company to maintain certain debt to equity ratio, net debt to EBITDA and EBITDA to interest ratio at the rate prescribed in the agreements.

23. Debentures

| | | | | | (Unit: Thousand Baht) Consolidated / Separate financial statements | |
|--|------------------|------------------|------------------|---------------|--|-----------|
| Debentures | Life | Date of issue | Maturity date | Interest rate | 2020 | 2019 |
| | | | | (% per annum) | | |
| 1 | 10 years | 22 February 2012 | 22 February 2022 | 4.60 | 2,000,000 | 2,000,000 |
| 2 | 5 years | 6 February 2015 | 6 February 2020 | 3.37 | - | 500,000 |
| 3 | 10 years | 21 May 2015 | 21 May 2025 | 3.98 | 1,400,000 | 1,400,000 |
| 4 | 5 years | 1 February 2018 | 1 February 2023 | 2.33 | 1,000,000 | 1,000,000 |
| 5 | 7 years 2 months | 20 December 2019 | 20 February 2027 | 2.41 | 1,000,000 | 1,000,000 |
| Total | | | | | 5,400,000 | 5,900,000 |
| Less: Current portion of debentures | | | | | - | (500,000) |
| Less: Deferred debenture issuing costs | | | | | (3,477) | (4,160) |
| Debentures, net of current portion | | | | | 5,396,523 | 5,395,840 |

All debentures of the Company are unsecured, senior debentures with no trustees and with a par value of Baht 1,000 each. The interest is payable every 6 months throughout the life of the debentures.

The Company is required to maintain certain financial ratios i.e. debt to equity ratio, net debt to EBITDA and EBITDA to interest ratio at the rate prescribed.

24. Leases

The Group as a lessee

The Group has lease contracts in its operations. Land leases have lease terms of 15 and 20 years and motor vehicles leases have lease terms between 1 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|---|-----------------------------------|----------|----------|-------------------------------|----------|---------|
| | Motor | | | Motor | | |
| | Land | vehicles | Total | Land | vehicles | Total |
| 1 January 2020 | - | - | - | - | - | - |
| Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4) | 30,370 | 11,575 | 41,945 | 30,370 | 9,664 | 40,034 |
| Additions | - | 42,021 | 42,021 | - | 33,863 | 33,863 |
| Depreciation for the year | (1,677) | (9,347) | (11,024) | (1,677) | (8,319) | (9,996) |
| 31 December 2020 | 28,693 | 44,249 | 72,942 | 28,693 | 35,208 | 63,901 |

b) Lease liabilities

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------|-------------------------------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Lease payments | 84,869 | - | 74,562 | - |
| Less: Deferred interest expenses | (13,125) | - | (11,929) | - |
| Total | 71,744 | - | 62,633 | - |
| Less: Portion due within one year | (11,166) | - | (9,035) | - |
| Lease liabilities - net of current portion | 60,578 | - | 53,598 | - |

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

| | For the year ended 31 December 2020 | |
|--|-------------------------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| Depreciation expense of right-of-use assets | 11,024 | 9,996 |
| Interest expense on lease liabilities | 1,957 | 1,783 |
| Expense relating to short-term leases | 35,180 | 34,907 |
| Expense relating to leases of low-value assets | 227 | - |

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 50 million (the Company only: Baht 48 million), including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 42 million (the Company only: Baht 34 million).

25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Provision for long-term employee benefits | | | | |
| at beginning of year | 58,692 | 54,360 | 32,018 | 28,716 |
| Included in profit or loss: | | | | |
| Current service cost | 7,280 | 7,554 | 4,273 | 3,865 |
| Interest cost | 987 | 863 | 535 | 474 |
| Included in other comprehensive income: | | | | |
| Actuarial (gain) loss arising from | | | | |
| Demographic assumptions changes | - | 384 | - | 1,231 |
| Financial assumptions changes | - | 2,668 | - | 1,228 |
| Experience adjustments | - | (6,137) | - | (2,822) |
| Benefits paid during the year | (4,688) | (1,000) | (1,128) | (674) |
| Provision for long-term employee benefits | | | | |
| at end of year | 62,271 | 58,692 | 35,698 | 32,018 |

The Group expect to pay Baht 1 million of long-term employee benefits during the next year (the Company only: nil).

As at 31 December 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefits is 13.19 - 14.60 years (the Company only: 13.19 years).

Significant actuarial assumptions are summarised below:

| | Consolidated | | Separate | |
|----------------------|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| | (% per annum) | (% per annum) | (% per annum) | (% per annum) |
| Discount rate | 1.67 - 1.74 | 1.67 - 1.74 | 1.67 | 1.67 |
| Salary increase rate | 5.0 | 5.0 | 5.0 | 5.0 |
| Turnover rate | 0 - 13.0 | 0 - 13.0 | 0 - 12.0 | 0 - 12.0 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

| | As at 31 December 2020 | | | |
|----------------------|------------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (4,757) | 5,480 | (2,467) | 2,812 |
| Salary increase rate | 5,830 | (5,163) | 3,009 | (2,691) |
| Turnover rate | (5,011) | 3,306 | (2,588) | 1,596 |

(Unit: Thousand Baht)

| | As at 31 December 2019 | | | |
|----------------------|------------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (4,443) | 5,128 | (2,327) | 2,658 |
| Salary increase rate | 4,821 | (4,276) | 2,494 | (2,234) |
| Turnover rate | (4,681) | 3,122 | (2,441) | 1,535 |

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

27. Other reserve

According to the amendment of the concession to operate treated water dated 20 March 2008, prior to paying a dividend the Company is required to set aside 10% of its annual net profit to other reserve.

However, according to the additional amendment of the agreement to the concession to operate treated water dated 28 October 2016, amendment the articles above to prior to paying a dividend from net profit the Company is required to set aside 10% of its full registered share capital to the legal reserve.

Retained earnings set aside as the legal reserve are to be retained in cash and deposited at a bank or financial institution licensed by the Bank of Thailand.

28. Expenses by nature

Significant expenses classified by nature are as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Salaries, wages and other employee benefits | 191,036 | 185,852 | 98,151 | 94,254 |
| Depreciation and amortisation | 515,495 | 497,318 | 509,399 | 493,956 |
| Amortisation of assets for production of treated water that must be transferred at end of concession | 404,108 | 372,880 | - | - |
| Amortisation of investments in subsidiaries | - | - | 222,101 | 221,494 |
| Operating and maintenance expenses | - | - | 36,732 | 36,897 |
| Production and maintenance cost | 783,122 | 760,116 | 461,416 | 433,260 |

29. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Current income tax: | | | | |
| Current income tax charge | 682,103 | 694,043 | 501,227 | 517,861 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 3,284 | 2,934 | 7,767 | 4,864 |
| Income tax expenses reported in profit or loss | 685,387 | 696,977 | 508,994 | 522,725 |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|--------------|----------------------|-----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Deferred tax on loss from the change in value of available-for-sale securities | - | (40) | - | - |
| Deferred tax on actuarial gain | - | 617 | - | 73 |
| Deferred tax on share of other comprehensive income from associate | 4,053 | 4,696 | - | - |
| | 4,053 | 5,273 | - | 73 |

The reconciliation between accounting profit and income tax expenses is shown below.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-----------|----------------------|-----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Accounting profit before tax | 3,657,199 | 3,844,311 | 3,359,295 | 3,377,628 |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 731,440 | 768,862 | 671,859 | 675,526 |
| Effects of: | | | | |
| Promotional privileges (Note 30) | (72,556) | (61,507) | - | - |
| Non-deductible expenses | 48,203 | 48,689 | 45,138 | 45,566 |
| Additional expense deductions allowed | (3,719) | (1,865) | (3,521) | (1,930) |
| Exemption of income | - | - | (204,891) | (196,926) |
| Effect of elimination entry on the consolidated financial statements | (28,399) | (64,214) | - | - |
| Others | 10,418 | 7,012 | 409 | 489 |
| Total | (46,053) | (71,885) | (162,865) | (152,801) |
| Income tax expenses reported in profit or loss | 685,387 | 696,977 | 508,994 | 522,725 |

The components of deferred tax assets and deferred tax liabilities are as follows:

| | (Unit: Thousand Baht) | | | |
|---|--|--------|----------------------|-------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | Statements of financial position as at 31 December | | | |
| | 2020 | 2019 | 2020 | 2019 |
| Deferred tax assets | | | | |
| Allowance for expected credit losses | | | | |
| (2019: Allowance for doubtful accounts) | 3,936 | 3,979 | 2,244 | 2,244 |
| Provision for long-term employee benefits | 12,455 | 11,739 | 7,140 | 6,404 |
| Unrealised fair value loss on investment | 235 | 95 | - | - |
| Accrued expense | 500 | - | 500 | - |
| Leases | 14 | - | - | - |
| Total | 17,140 | 15,813 | 9,884 | 8,648 |

| | (Unit: Thousand Baht) | | | |
|--|--|-----------|----------------------|----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | Statements of financial position as at 31 December | | | |
| | 2020 | 2019 | 2020 | 2019 |
| Deferred tax liabilities | | | | |
| Accumulated depreciation - assets for production of treated water | (89,176) | (80,804) | (89,176) | (80,804) |
| Accumulated amortisation of rights to produce and sell treated water and treat waste water | (15,443) | (14,931) | (15,443) | (14,931) |
| Accumulated depreciation - assets for production of treated water that must be transferred at end of concession of subsidiary | (21,311) | (24,843) | - | - |
| Deferred debenture issuing costs | (695) | (830) | (695) | (830) |
| Fair value adjustment of assets for production of treated water that must be transferred at end of concession regarding business combination | (2,388) | (3,248) | - | - |
| Leases | (254) | - | (254) | - |
| Total | (129,267) | (124,656) | (105,568) | (96,565) |
| Net | (112,127) | (108,843) | (95,684) | (87,917) |

30. Promotional privileges

- a) The Company received promotional privileges from the Board of Investment for production of treated water, pursuant to the investment promotion certificate No. 59-0683-1-00-1-0 issued on 29 February 2016. Subject to certain imposed conditions, the main privileges include the following:
- Exemption from import duty on imported machinery under specified conditions.
 - Exemption from corporate income tax on net profit from the promoted operations for a period of five years from the date the promoted operations begin generating revenues (31 March 2019).
- b) The subsidiary received the promotional privileges extension for a period of eight years according to investment promotional privileges for restore investment after the floods, pursuant to the investment promotion certificate No. 5187(2)/2556 (replacing earlier investment promotion certificate No. 1451(2)/2551) and during the year 2015, the subsidiary received promotional privileges from the Board of Investment for expand production of treated water, pursuant to the investment promotion certificate No. 59-0392-1-00-1-0 issued on 1 September 2015. Subject to certain imposed conditions, the main privileges include the following:

- Exemption of import duty on imported machinery under specified conditions.
- Exemption from corporate income tax on net profit from the promoted operations for a period of five years from the date the promoted operations begin generating revenues (1 December 2017).

The Group's operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|------------------------|-----------------------------------|---------|-------------------------|-----------|-----------|-----------|
| | Promoted operations | | Non-promoted operations | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Sales of treated water | 672,758 | 623,594 | 5,386,659 | 5,369,825 | 6,059,417 | 5,993,419 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|------------------------|-------------------------------|--------|-------------------------|-----------|-----------|-----------|
| | Promoted operations | | Non-promoted operations | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Sales of treated water | 59,123 | 65,386 | 4,031,112 | 4,030,596 | 4,090,235 | 4,095,982 |

31. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

32. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is principally engaged in the production and sell of treated water. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographic area.

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customer

For the year 2020, the Group has revenue from a major customer in amount of Baht 5,857 million (2019: Baht 5,773 million) accounted for 95% of total revenues of the Group.

33. Provident fund

The Group and its employees have established provident funds jointly with their employees in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiaries and their employees contribute to the funds monthly at the rates of 5.0 - 15.0% (2019: 5.0 - 15.0%) of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 9 million (the Company only: Baht 5 million) (2019: Baht 9 million (the Company only: Baht 5 million)) were recognised as expenses.

34. Dividend paid

| Dividends | Approved by | Total dividends (Thousand Baht) | Dividend per share (Baht) |
|--|---|------------------------------------|------------------------------|
| Dividends from the earnings of the promoted operations for July to December 2018 | Annual General Meeting of the shareholders on 11 April 2019 | 59,850 | 0.015 |
| Dividends from the earnings of the non-promoted operations for July to December 2018 | Annual General Meeting of the shareholders on 11 April 2019 | 1,137,149 | 0.285 |
| Interim dividends from the earnings of the non-promoted operations for January to June 2019 | Board of Directors' meeting on 12 August 2019 | 1,197,000 | 0.300 |
| Total dividends for 2019 | | 2,393,199 | 0.600 |
| Interim dividends from the earnings of the non-promoted operations for July to December 2019 | Board of Directors' meeting on 1 April 2020 | 1,196,996 | 0.300 |
| Interim dividends from the earnings of the non-promoted operations for January to June 2020 | Board of Directors' meeting on 20 August 2020 | 1,196,568 | 0.300 |
| Total dividends for 2020 | | 2,393,564 | 0.600 |

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of Baht 11 million relating to the improvement project on assets for production of treated water and host computer system. (2019: Baht 199 million relating to the improvement project on water supply and distribution systems at Bang Len water supply plant (phase 1) with related company).

As at 31 December 2020, the subsidiary had capital commitments of Baht 132 million relating to the improvement project on water supply and distribution systems at Pathumthani water supply plant (2019: Nil).

35.2 Service commitments and other commitments

- a) The Group has entered into operation and maintenance agreements with Thai Water Operations Company Limited (“the subsidiary”), whereby the subsidiary is to manage and maintenance of production and supply of treated water system and to manage the waste water treatment system. Under the conditions of the agreements, the Group is to pay service fees at a rate stipulated in the agreements, which have an initial term of 1 year from 8 January 2010 and thereafter automatically renews each year for a further period of 1 year.
- b) As at 31 December 2020, the Group had commitments totaling Baht 29 million (the Company only: Baht 23 million) (2019: Baht 38 million (the Company only: Baht 27 million)) under other service agreements.

35.3 Bank guarantees

As at 31 December 2020, there were outstanding bank guarantees of Baht 303 million (the Company only: Baht 113 million) (2019: Baht 312 million (the Company only: Baht 123 million)) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Guarantee under the Water Purchase Agreement | | | | |
| with the Provincial Waterworks Authority | 230,650 | 230,500 | 63,000 | 63,000 |
| Guarantee electricity use | 68,976 | 68,521 | 46,836 | 46,836 |
| Guarantee for others | 3,101 | 13,101 | 3,101 | 13,101 |
| Total | <u>302,727</u> | <u>312,122</u> | <u>112,937</u> | <u>122,937</u> |

36. Fair value hierarchy

As of 31 December 2020 and 2019, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

| Consolidated financial statements | | | | |
|---|-----------|-----------|---------|-----------|
| As at 31 December 2020 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Financial assets measured at FVTPL | | | | |
| Investments in open-ended fund - debt securities | - | 2,741,629 | - | 2,741,629 |
| Real estate investment trust | 3,775 | - | - | 3,775 |
| Asset for which fair value are disclosed | | | | |
| Financial assets measured at amortised cost | | | | |
| Investment in associate | 9,057,189 | - | - | 9,057,189 |
| Current portion of debt investments - debentures | - | 5,022 | - | 5,022 |
| Debt investments - debentures | - | 9,099 | - | 9,099 |
| Liability for which fair value are disclosed | | | | |
| Debentures | - | 5,605,694 | - | 5,605,694 |

(Unit: Thousand Baht)

| Consolidated financial statements | | | | |
|---|------------|-----------|---------|------------|
| As at 31 December 2019 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Investments in trading securities | | | | |
| Unit trusts in open-ended fund | - | 2,279,891 | - | 2,279,891 |
| Investments in available-for-sale securities | | | | |
| Real estate investment trust | 4,525 | - | - | 4,525 |
| Asset for which fair value are disclosed | | | | |
| Investment in associate | 10,072,569 | - | - | 10,072,569 |
| Other long-term investments - debentures | - | 14,193 | - | 14,193 |
| Liability for which fair value are disclosed | | | | |
| Debentures | - | 6,094,102 | - | 6,094,102 |

(Unit: Thousand Baht)

| Separate financial statements | | | | |
|---|-----------|-----------|---------|-----------|
| As at 31 December 2020 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Financial assets measured at FVTPL | | | | |
| Investments in open-ended fund | - | 1,920,744 | - | 1,920,744 |
| Asset for which fair value are disclosed | | | | |
| Financial assets measured at amortised cost | | | | |
| Investment in associate | 9,057,189 | - | - | 9,057,189 |
| Liability for which fair value are disclosed | | | | |
| Debentures | - | 5,605,694 | - | 5,605,694 |

(Unit: Thousand Baht)

| Separate financial statements | | | | |
|---|------------|-----------|---------|------------|
| As at 31 December 2019 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Investments in trading securities | | | | |
| Unit trusts in open-ended fund | - | 1,776,747 | - | 1,776,747 |
| Asset for which fair value are disclosed | | | | |
| Investment in associate | 10,072,569 | - | - | 10,072,569 |
| Liability for which fair value are disclosed | | | | |
| Debentures | - | 6,094,102 | - | 6,094,102 |

During the current year, there were no transfers within the fair value hierarchy.

37. Financial instruments

37.1 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, long-term loans to related party, investments, trade and other payables, long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and there is a high concentration of risk since the Group has only one major customer, the Provincial Waterworks Authority. However, because the Provincial Waterworks Authority is a government agency, the Group does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposures to interest rate risk relate primarily to their cash at banks, other current financial assets, long-term loans to related party, other non-current financial assets, long-term loans and debentures. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

| | 2020 | | | | | | |
|------------------------------------|-----------------------------------|--------------|-----------------|------------------|-------------------------|-----------|--|
| | Consolidated financial statements | | | | | | |
| | Fixed interest rates | | | Floating | | Total | Effective interest rate (% per annum) |
| | Within 1 year | 1-5 years | Over 5 years | interest rate | Non-interest bearing | | |
| | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 2 | - | - | 60,486 | 31,481 | 91,969 | 0.125 - 0.250 |
| Trade and other receivables | - | - | - | - | 557,911 | 557,911 | - |
| Other current financial assets | 570,296 | - | - | - | 2,741,629 | 3,311,925 | 0.625 - 4.500 |
| Other non-current financial assets | - | 9,000 | - | - | 3,775 | 12,775 | 4.10 |
| | 570,298 | 9,000 | - | 60,486 | 3,334,796 | 3,974,580 | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 204,911 | 204,911 | - |
| Long-term loans | - | - | - | 2,860,000 | - | 2,860,000 | 1.875 - 2.950 |
| Debentures | - | 4,397,594 | 998,929 | - | - | 5,396,523 | 2.33 - 4.60 |
| | - | 4,397,594 | 998,929 | 2,860,000 | 204,911 | 8,461,514 | |

(Unit: Thousand Baht)

| | 2019 | | | | | | |
|------------------------------|-----------------------------------|--------------|-----------------|------------------|-------------------------|-----------|--|
| | Consolidated financial statements | | | | | | |
| | Fixed interest rates | | | Floating | | Total | Effective interest rate (% per annum) |
| | Within 1 year | 1-5 years | Over 5 years | interest rate | Non-interest bearing | | |
| | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 2 | - | - | 44,948 | 31,621 | 76,571 | 0.125 - 0.750 |
| Current investments | 755,256 | - | - | - | 2,279,891 | 3,035,147 | 0.650 - 1.850 |
| Trade and other receivables | - | - | - | - | 564,935 | 564,935 | - |
| Other long-term investments | - | 14,000 | - | - | 4,525 | 18,525 | 4.10 - 4.50 |
| | 755,258 | 14,000 | - | 44,948 | 2,880,972 | 3,695,178 | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 159,504 | 159,504 | - |
| Long-term loans | - | - | - | 3,360,000 | - | 3,360,000 | 2.75 - 3.10 |
| Debentures | 500,001 | 2,998,520 | 2,397,319 | - | - | 5,895,840 | 2.33 - 4.60 |
| | 500,001 | 2,998,520 | 2,397,319 | 3,360,000 | 159,504 | 9,415,344 | |

(Unit: Thousand Baht)

| | 2020 | | | | | | |
|------------------------------------|-------------------------------|--------------|-----------------|------------------|-------------------------|-----------|---|
| | Separate financial statements | | | | | | |
| | Fixed interest rates | | | Floating | | | |
| | Within 1 year | 1-5 years | Over 5 years | interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 2 | - | - | 55,213 | 31,025 | 86,240 | 0.125 - 0.250 |
| Trade and other receivables | - | - | - | - | 377,588 | 377,588 | - |
| Other current financial assets | 425,296 | - | - | - | 1,920,744 | 2,346,040 | 0.650 - 0.750 |
| Other non-current financial assets | - | - | - | 114,320 | - | 114,320 | 3.25 |
| | 425,298 | - | - | 169,533 | 2,329,357 | 2,924,188 | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 134,581 | 134,581 | - |
| Long-term loans | - | - | - | 2,860,000 | - | 2,860,000 | 1.875 - 2.950 |
| Debentures | - | 4,397,594 | 998,929 | - | - | 5,396,523 | 2.33 - 4.60 |
| | - | 4,397,594 | 998,929 | 2,860,000 | 134,581 | 8,391,104 | |

(Unit: Thousand Baht)

| | 2019 | | | | | | |
|----------------------------------|-------------------------------|--------------|-----------------|------------------|-------------------------|-----------|---|
| | Separate financial statements | | | | | | |
| | Fixed interest rates | | | Floating | | | |
| | Within 1 year | 1-5 years | Over 5 years | interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 2 | - | - | 40,194 | 31,165 | 71,361 | 0.125 - 0.750 |
| Current investments | 475,256 | - | - | - | 1,776,747 | 2,252,003 | 0.650 - 1.850 |
| Trade and other receivables | - | - | - | - | 385,762 | 385,762 | - |
| Long-term loans to related party | - | - | - | 171,478 | - | 171,478 | 4.25 - 4.40 |
| | 475,258 | - | - | 211,672 | 2,193,674 | 2,880,604 | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 104,407 | 104,407 | - |
| Long-term loans | - | - | - | 3,360,000 | - | 3,360,000 | 2.75 - 3.10 |
| Debentures | 500,001 | 2,998,520 | 2,397,319 | - | - | 5,895,840 | 2.33 - 4.60 |
| | 500,001 | 2,998,520 | 2,397,319 | 3,360,000 | 104,407 | 9,360,247 | |

Foreign currency risk

The Group does not consider themselves exposed to foreign currency risk because they have no significant foreign currency transactions.

37.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

| (Unit: Million Baht) | | | | |
|--|------------|------------------------|------------|-------|
| Consolidated / Separate financial statements | | | | |
| As at 31 December 2020 | | As at 31 December 2019 | | |
| Carrying amount | Fair value | Carrying amount | Fair value | |
| Financial liabilities | | | | |
| Debentures | 5,397 | 5,606 | 5,896 | 6,094 |

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

During the current year, there were no transfers within the fair value hierarchy.

38. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.67:1 (2019: 0.76:1) and the Company's was 0.76:1 (2019: 0.87:1).

39. Events after the reporting period

On 23 February 2021, a meeting of the Company's Board of Directors passed a resolutions to propose a dividend payment for the year 2020 of Baht 0.60 per share, of which Baht 0.30 per share was paid as an interim dividend and the remaining dividend payment will be Baht 0.30 per share. Dividend payment is subject to the approval of shareholders.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2021.

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Every step in the business operations of TTW moves further along the path of mutual awareness and a comprehensive understanding of economic, social and environmental dimensions for sustainable growth together.

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TTW Public Company Limited

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