



EastWater

ANNUAL REPORT 2013

Eastern Water Resources Development and Management PLC.



CONTENT





012	HIGHLIGHTS OF THE YEAR
014	VISION MISSION STRATEGY
015	MESSAGE FROM CHAIRMAN
016	BOARD OF DIRECTORS PROFILE
022	ADVISORY TO THE BOARD PROFILE
024	EXECUTIVES CORPORATE PROFILE
027	ORGANIZATION STRUCTURE
028	INDUSTRY AND COMPETITIVENESS ANALYSIS
030	NATURE OF BUSINESS & SHAREHOLDING RATIO IN SUBSIDIARIES
031	RISK FACTORS
034	MANAGEMENT DISCUSSION AND ANALYSIS FOR YEAR 2013
041	GOOD CORPORATE GOVERNANCE

060	ASSESSMENT OF THE SUFFICIENCY OF INTERNAL CONTROL SYSTEM FOR 2013
064	REPORT OF CORPORATE GOVERNANCE OF THE AUDIT COMMITTEE FOR 2013
066	REPORT OF CORPORATE GOVERNANCE AND NOMINATION COMMITTEE
067	REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY TOWARD FINANCIAL STATEMENT REPORT
068	AUDITOR'S REPORT
069	FINANCIAL STATEMENTS & NOTES TO THE COMPANY FINANCIAL STATEMENTS
131	RELATED PARTIES TRANSACTIONS
132	DISCLOSURE OF AUDITORS' REMUNERATION
132	GENERAL INFORMATION
136	TOP TEN SHAREHOLDERS
136	DIVIDEND POLICY



EastWater

GROUP



The Facts about “Water” IN OUR WORLD

The World Bank estimated that in 2025, 1.4 billion in 48 countries will face shortages of water.

Moreover, half of world’s population may undergo water shortage in 2035 if water is still used lavishly, said a World Bank expert.



“At home, we can save water by reuse, rethink and repair leaking faucet.”

Leaking faucet can waste as much as a liter of water per hour.

Put a filled water bottle in the toilet tank can save 1-2 liters of water per flush.

How many liters of water should we drink a day?

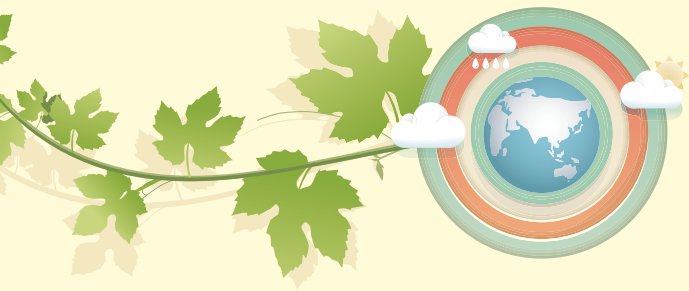
A woman should drink 2.2 liters of water (about 9 glasses) a day.
A man should drink 3 liters of water (about 13 glasses) a day.



A tiny leak

with around the clock constant flow of water can waste a considerable amount of water.

If everyone helps observe, watch, and fix the leaks, both money and water resource will be saved.



Wash your car properly

Clean your car with a feather duster before washing with a bucket of water. Do not use hose as it wastes up to 9 liters of water a minute.



Watering plants

by using a shower head or stored rainwater instead of a hose. Also, leftover water from washing fruits, vegetables, or dishes is replaceable.



A faucet

that is not turn off completely, leaks out more than 10,000 liters of water a month.



A toilet

with a leaky float ball, and has water running continuously, wastes more than 30,000 liters of water a month.



Plants,

You don't need fresh water from the tap to water plants.



Washing clothes

In a large load at a time. In case of washing in a container, water should not be left running because it can waste 9 liters of water a minute.



Washing dishes

in a big load at once. Remove food scraps before washing them with dishwashing liquid in container, and then clean them with water. Do not leave water on as 9 liters of water can be wasted in a minute.

The Earth's surface

is $\frac{3}{4}$ covered by water.

The Water

97.2% is seawater.

The Other 1.8%

is ice.

Only 1%

of water supply on earth is underground and surface water that can be consumed.

Are you wasting water today. ?
if you...

- leave the shower on when washing body with soap,
- leave the faucet on when brushing teeth,
- or use a hose to water plants, you are wasting water.

Let's use
water wisely.

How to Save Water in Household

Jan Feb Mar

Saving water at home is easy. It just to raise people's awareness of saving water in every activity.

Tips

Saving Water in the Bathroom:



- Choose a faucet with flow rate of about 7 liters per minute.
- Turn off the water while brushing your teeth or shaving. Save three gallons each day.



- As for a two-handle faucet, Instead of letting the tap run warm before using, fill a jug or glass of water for the later use.



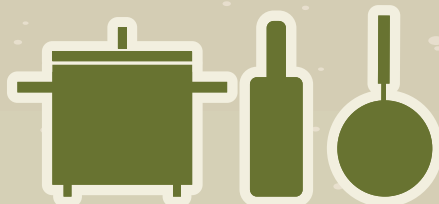
- Put a filled water bottle or a brick in the toilet tank to reduce the amount of water used in flushing.
- Choose a toilet with 3-6 liters per flush.
- Take a shower instead of a bath.

Tips Saving Water for Laundry:



- When choosing a washing machine, usage is the first thing to be considered, for example, the average amount, types of clothes, or regularity of washing. It will specify which model, type, or size of the washing machine you should buy to suit your home and your needs.
- Adjust the washing machine's water level to match the load size.
- Install a tank to store rainwater for laundry or watering plants.
- Use laundry waste to water plants.
- Water from the final rinse of your laundry is too clean to waste. Reuse it to clean other things.

Apr May Jun Jul Aug Sep Oct Nov Dec



Tips Saving Water in the Kitchen:



Do not defrost frozen food under running water. Instead, put it in a container filled with water or let it defrost itself.



Wash a large load of dishes at once. Remove food scraps before washing them with dishwashing liquid.



Do not wash dishes in running water. Instead, wash them with water in the sink.

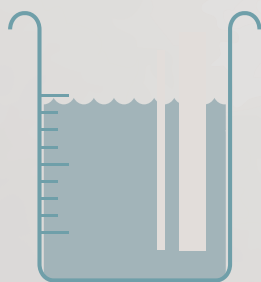
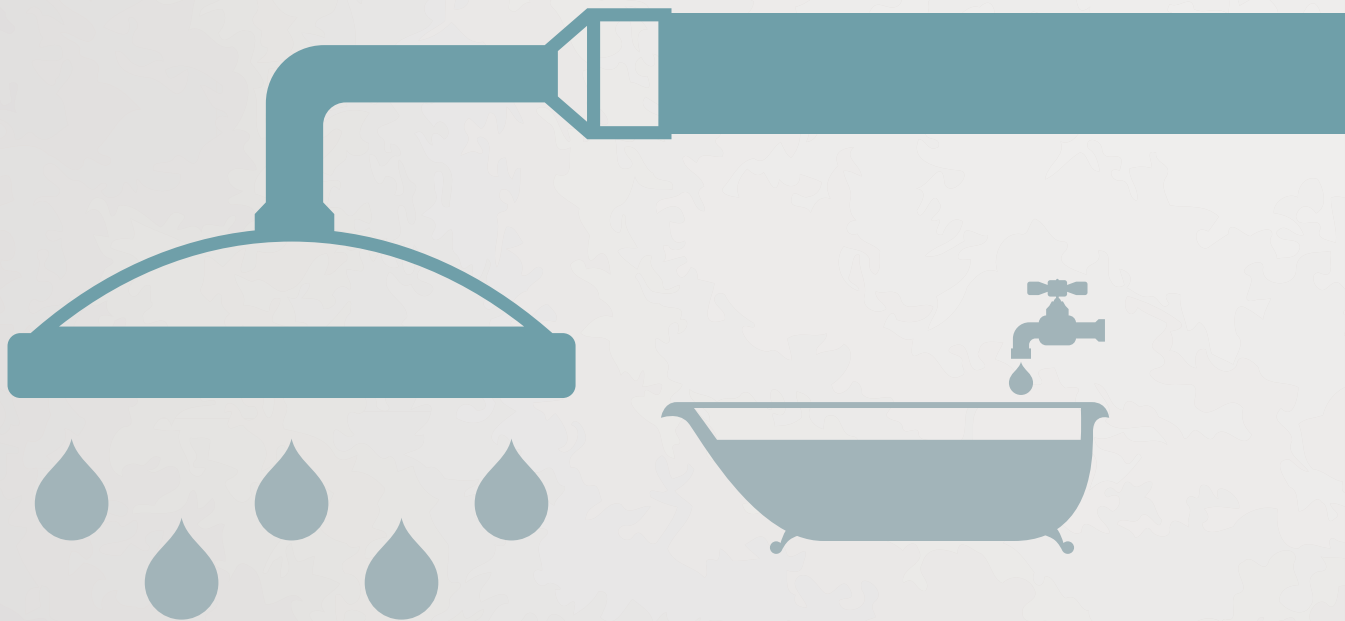


Try to get out of the habit of cleaning vegetables under a running faucet. Use a basin instead.

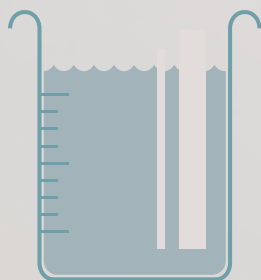


How to Bathe Without Wasting Water

In our daily lives, we use water in many activities. Most of the water used is fresh water, which is only 1% of all water on earth. If we do not know how to use it wisely, water shortage may come about in the future.



A shower
uses
200
liters of water.



A bath
uses
250
liters of water.



You can save up to

50
liters of water.



A person uses 250 liters of water to bath. In a day, people take a bath two times in average, which uses 500 liters of water. If a family has six members, 3,000 liters of water is used for a day.



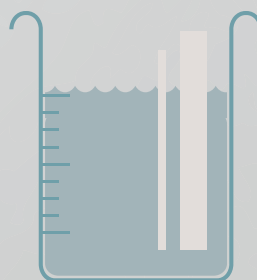
While bathing,

use low pH soap, namely liquid soap, because high pH soap can dry your skin and pollute water.



Moreover,

turn off the water while washing your body with soap. Leaving the shower on is an unnecessary waste of water.



10 minutes

waste of water

90 liters

Using Water in Daily Life is one of human pleasures.

Water plays an important part in human lives. People may not give precedence to water, because it is plenty. However, It is a misunderstanding since any energy resources is exhaustible. Therefore we should know how to use water wisely, especially in our daily lives.



● People need water for consumption – drinking or using for other purposes. In a day, a considerable amount of water is consumed, which can be excessive at times.

● Use water wisely can cut down water cost.

LET'S SEE

how much water is needed for a glass of drink ?



A cup of coffee needs **140** liters of water.



A cup of tea needs **34** liters of water.



A glass of milk needs **200** liters of water.



A glass of drinking water (half a liter)
needs **473** liters of water.



A glass of orange juice needs **170** liters of water.



A glass of apple juice needs **190** liters of water.

HIGHLIGHTS OF THE YEAR

Financial Highlights

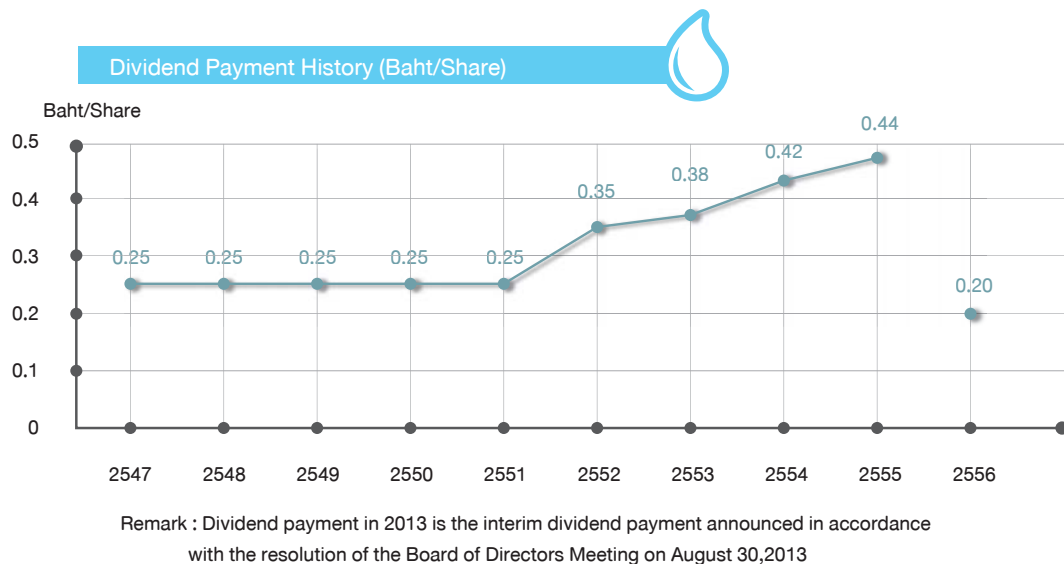
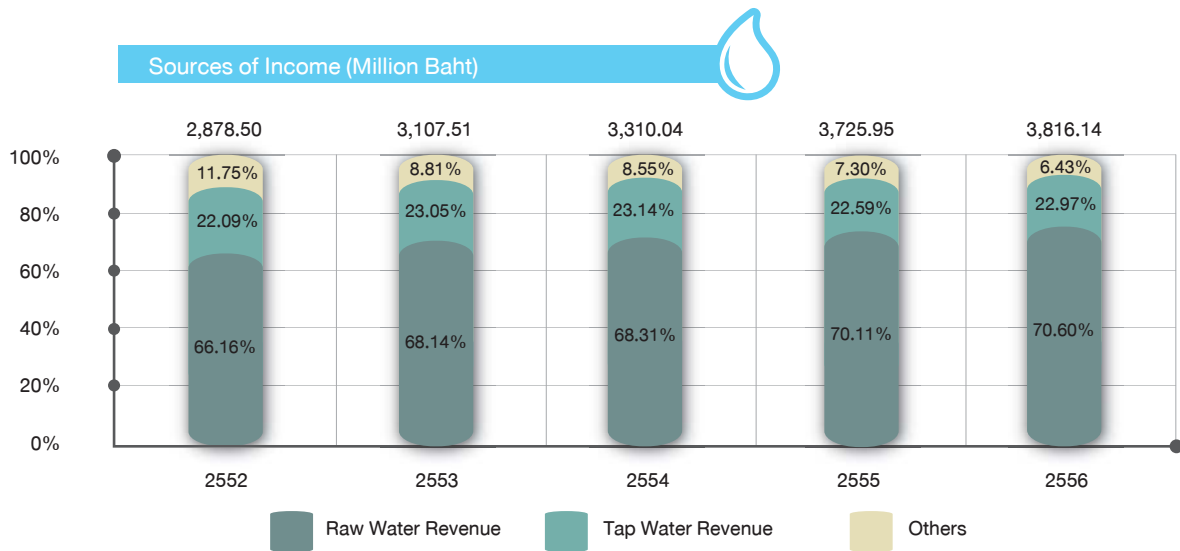
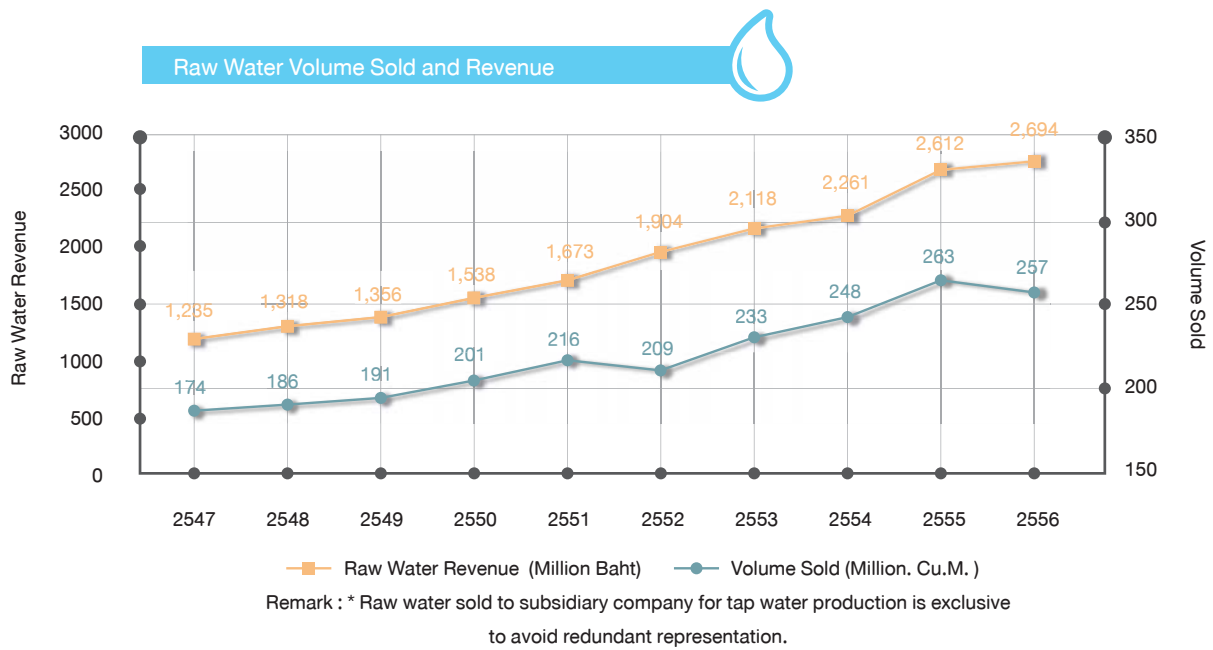
STATEMENT OF INCOME (Million Baht)	2009	2010	2011	2012	2013
Raw Water Revenue	1,904.36	2,117.50	2,261.02	2,612.22	2,694.30
Tap Water Revenue	635.93	716.23	765.85	841.60	876.38
Total Revenue	2,878.50	4,674.80	3,310.04	3,725.95	3,816.14
EBITDA	1,594.07	1,793.91	1,868.57	2,079.04	2,188.45
Net Profit (Loss)	807.71	912.13	1,008.02	1,240.17	1,315.97
Net Profit (Parent Company Portion)	807.27	911.75	1,007.55	1,239.74	1,316.06

STATEMENT OF FINANCIAL POSITION (Million Baht)	2009	2010	2011	2012	2013
Total Assets	9,147.78	9,884.57	10,784.47	12,440.09	13,485.21
Total Liabilities	2,804.06	3,296.96	3,848.27	5,119.62	5,557.83
Total Shareholders Equity	6,343.72	6,587.61	6,936.20	7,320.46	7,927.38
Parent Company Portion	6,341.18	6,584.82	6,933.08	7,316.94	7,897.58

FINANCIAL RATIOS		2009	2010	2011	2012	2013
Book Value (per share)	(Baht)	3.81	3.96	4.17	4.40	4.75
Net Profit (per share)	(Baht)	0.49	0.55	0.61	0.75	0.79
Dividend (per share)	(Baht)	0.35	0.38	0.42	0.44	0.20 ²
Net Profit to Total Revenue	(%)	28.04	27.87 ¹	30.45	33.27	34.49
Return on Equity (ROE)	(%)	12.96	14.10	14.90	17.40	17.30
Return on Assets (ROA)	(%)	8.73	9.58	9.75	10.68	10.15
Debt to Equity ratio (D/E)	(Time)	0.44	0.50	0.56	0.70	0.70

Remark ¹Excluding the revenue, cost and profit of project construction of pipeline connecting Prasae reservoir to Klong-Yai reservoir in Rayong Province.

²In Dividend payment in 2013 is the interim dividend payment announced in accordance with the resolution of the Board of Directors Meeting on August 30, 2013.



Vision

“Being leader in sustainable water management that grows in accordance with the country’s economy and expands to ASEAN region”

Mission

1. To expand the investment and develop the water business as well as other relevant businesses for continuous and sustainable growth
2. To increase the competitiveness with the right and up-to-date technology and innovation
3. To develop the competency of the staff and improve its structure to be more appropriate
4. To manage the business with efficiency and transparency according to the good governance principles
5. To be responsible for communities, societies and environment and maintain good relationships with the stakeholders

Strategy

1. Managing the business for the suitable growth, and raise the product value
2. Developing the new business to support the continuous growth in medium term and long term
3. Having highly efficient financial and investment management tools
4. Developing human resources, knowledge management, technology and innovation
5. Having good corporate governance with a sense of responsibility toward communities, society and environment



MESSAGE FROM CHAIRMAN

Dear Shareholders

The year 2013 was a very important year of East Water Group as it was the 21st year of our operation and the strong step into our 3rd decade. The Company has developed and maintained the constantly growing that net profit has increased by 9.7%, in comparison with the year 2012.

However, the Board of Directors and the executives have considered and agreed that East Water Group has to expand its business into the related fields or other potential areas. In order to strengthen the Company and prepare to be a part of the ASEAN Economics Community in the year 2016, the Company has determined the vision for “Being leader in sustainable water management, growing with the country's economy and expanding business in regional level to ASEAN.” This vision communicates the clearer operational goals and achievement indicators. The Board of Directors, the executives, and all employees of East Water Group force to operate our organization toward achieving the vision together. We will focus on extending the knowledge and expertise in management of large - scale pipeline system, and the experience in management of tap water production and distribution system for over two decades. The knowledge, under the effective supervision, good governance, and proper risk management shall access to the opportunity for related business or other potential areas, and lead the Company toward the sustainable growth.

On behalf of the Board of Directors, I would like to express my gratitude to all the customers, shareholders, business partners, and all stakeholders who are the great supporters of East Water. I also would like to appreciate all employees and executives for being a part of our success and for willing to grow with East Water onward.

Sqn. Ldr. Sita Divari
Chairman





BOARD OF DIRECTORS PROFILE



Sqn.Ldr. Sita Divari
Age 49 Years

Position

- Chairman
(Independent Director)

Education

- Air Command and Staff College (Class 43)
- Squadron Officer School (Class 81)
- Bachelor of Science, Royal Thai Air Force Academy
- Armed Forces Academies Preparatory School (Class 24)

Special Courses

- DCP 178/2013
- CMA 16

Work Experiences

11 Jun 13 - Present

- Chairman, Eastern Water Resources Development and Management Plc. (A)

8 Feb 13 - Present

- Chairman, Airports of Thailand Plc. (A)

2002 - Present

- Reserve Officer with pension of Royal Thai Airforce, Royal Thai Air Force

2012 - 2013

- Advisor to the Internal Affairs Minister

2005 - 2006

- Secretary to the Minister, Ministry of Agriculture and Cooperatives

2003 - 2004

- Deputy Secretary General to the Prime Minister

Summary Being a director in company and other companies

(A) Listed companies 2 companies

(B) Non-listed companies None



M.L.Panasarn Hasdin
Age 68 Years

Position

- Director
(Independent Director)
- Chairman of Executive and Investment Committee
- Director of Corporate Governance and Nomination Committee

Education

- Master of Architecture, University of Pennsylvania, U.S.A.
- Bachelor of Architecture (2nd Class Honours.), Chulalongkorn University

Special Course

- UFS 2/2006

Work Experiences

30 Apr 13 - Present

- Director, Eastern Water Resources Development and Management Plc. (A)

27 Sep 13 - Present

- Director, Universal Utilities Co., Ltd. (B)
- Director, Bangkok Water Supply Co., Ltd. (BWS) (B)
- Director, Nakhonsawan Water Supply Co., Ltd. (NWS) (B)
- Director, Chachoengsao Water Supply Co., Ltd. (CWS) (B)

2011

- Director of Town & Country Planning, Department of Public Works and Town & Country Planning

2006 - 2009

- Director, PTT Plc.

2002 - 2006

- Director of Audit Committee, Metropolitan Waterworks Authority

2003 - 2005

- Deputy Permanent Secretary to the Prime Minister, Office of the Permanent Secretary

1997 - 2003

- Deputy Secretary-General to the Prime Minister for Administrative Affairs, The Secretariat of the Prime Minister

Summary Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies 4 companies



Mr. Chotisak Asapaviriya
Age 59 Years

Position

- Director
(Independent Director)
- Chairman of Risk Management Committee
- Director of Executive and Investment Committee
- Director of Regulation Enforcement and Operating Result Assessment and Remuneration Committee

Education

- Master of Arts Program, Communication for Public and Business Sectors, Thammasat University
- M.S.T. (Business Ed.) Portland State, Oregon, U.S.A.
- Bachelor of Laws, Thammasat University

Special Course

-

Work Experiences

11 Jun 13 - Present

- Director, Eastern Water Resources Development and Management Plc. (A)

27 Sep 13 - Present

- Director, Universal Utilities Co., Ltd. (B)
- Director, Bangpakong Water Supply Co., Ltd. (BWS) (B)
- Director, Nakhonsawan Water Supply Co., Ltd. (NWS) (B)
- Director, Chachoengsao Water Supply Co., Ltd. (CWS) (B)

2011 - Present

- Advisor, Piyavate Hospital

2012 - 2013

- Advisor of Deputy Minister of Finance, Ministry of Finance

2011 - 2013

- Chairman, TV Direct Indochina Co., Ltd.

2011 - 2013

- Director, TV Direct Plc.

2011 - 2013

- Chairman, Filter Vision Co., Ltd.

2010 - 2013

- President, Business Air Centre Co., Ltd.

2006 - 2007

- President, Airports of Thailand Plc.

2003 - 2006

- President, SME Bank

Summary Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies 4 companies



Gen. Sahachart Pipithkul
Age 61 Years

Position

- Director
(Independent Director)
- Chairman of Corporate Governance and Nomination Committee
- Director of Executive and Investment Committee

Education

- Doctor of Medicine, Mahidol University
- Bachelor of Science, Mahidol University

Special Course

- DCP 180/2013

Work Experiences

11 Jun 13 - Present

- Director, Eastern Water Resources Development and Management Plc. (A)

27 Sep 13 - Present

- Director, Universal Utilities Co., Ltd. (B)
- Director, Bangpakong Water Supply Co., Ltd. (BWS) (B)
- Director, Nakhonsawan Water Supply Co., Ltd. (NWS) (B)
- Director, Chachoengsao Water Supply Co., Ltd. (CWS) (B)

25 Jun 13 - Present

- Director, The Government Pharmaceutical Organization (GPO) (B)

2011

- Director (Surgeon General), Army Medical Department

Summary Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies 5 companies



Mr. Thairatana Jotikabhukkana
Age 61 Years

Position

- Director
(Independent Director)
- Chairman of Audit Committee

Education

- Master of Science (Computer Science), California State University, Chico, California, U.S.A.
- Bachelor of Business Administrator (Accounting), Ramkhamhaeng University

Special Courses

- DCP 174/2013
- ACP 44/2013
- FID 1/2013

Work Experiences

20 Dec 12 - Present

- Director, Eastern Water Resources Development and Management Plc. (A)

28 Feb 13 - Present

- Director, Thai Credit Guarantee Corporation (TCG) (B)
- Acting for Chairman of the Corporate Governance and Corporate Social Responsibility

2006 - 2012

- Team Leader, Subsidiary Audit Department, PTT Plc.

2002 - 2005

- Audit Specialist, Office of Corporate Audit, PTT Plc.

2000 - 2001

- Senior Internal Auditor, Office of Corporate Audit, PTT Plc.

1987 - 2000

- Internal Auditor, Office of Corporate Audit, PTT Plc.

Summary Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies 1 company



Mr. Kallayana Vipattipumprates
Age 48 Years

Position

- Director
(Independent Director)
- Director of Corporate Governance and Nomination Committee
- Director of Audit Committee

Education

- Master of Science (Diploma and International Studies), University of London
- Bachelor of Political Science International Relations, Ramkhamhaeng University

Special Course

- FID 1/2013

Work Experiences

13 Dec 12 - Present

- Director, Eastern Water Resources Development and Management Plc. (A)

12 Nov 13 - Present

- Deputy Secretary - General to the Prime Minister, Secretariat of the Prime Minister

30 Aug 13 - 12 Nov 13

- Advisor to the Prime Minister for social affairs, Secretariat of the Prime Minister

2012 - 2013

- Deputy Director-General, Department of Consular Affairs Ministry of Foreign Affairs of Thailand

2009 - 2012

- Minister-counsellor and Minister Royal Thai Embassy, Yangon, Myanmar

2006 - 2009

- Director of the East Asia 2, Ministry of Foreign Affairs of Thailand

2005 - 2006

- Minister-counsellor, Royal Thai Embassy, Yangon, Myanmar

Summary Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies None



Mr. Prinya Nakchudtree
Age 72 Years

Position

- Director
(Independent Director)
- Chairman of Evaluation and Remuneration Committee

Education

- Doctor of Philosophy in Political Science (Hans), Ramkhamhaeng University
- Master of Science in Economic Development, Kasetsart University
- Master of Political Science, Sukhothai Thammathirat Open University
- Master Degree in Economics, Columbia University, U.S.A.
- Bachelor of Education, Srinakharinwirot University
- Bachelor of Political Science, Ramkhamhaeng University

Special Courses

- TLP 2
- FID 1/2013
- TEPCOT 4
- CMA 14
- KPI 6
- NDC 1989
- RCC 12/2011
- SFE 13/2011
- RCP 24/2010
- DCP 111/2008

Work Experiences

20 Dec 12 - Present

- Director, Eastern Water Resources Development and Management Plc. (A)

2012 - Present

- Chairman, The Commission on Local Government Personnel Standards

29 Mar 13 - Present

- Chairman, Universal Utilities Co., Ltd. (B), Bangpakong Water Supply Co., Ltd. (BWS) (B), Nakhonsawan Water Supply Co., Ltd. (NWS) (B), Chachoengsao Water Supply Co., Ltd. (CWS) (B)

14 Nov 11 - 29 Mar 13

- Director, Universal Utilities Co., Ltd. (B), Bangpakong Water Supply Co., Ltd. (BWS) (B), Nakhonsawan Water Supply Co., Ltd. (NWS) (B), Chachoengsao Water Supply Co., Ltd. (CWS) (B)

12 Jun 08 - 14 Nov 11

- Chairman, Universal Utilities Co., Ltd. (B), Bangpakong Water Supply Co., Ltd. (BWS) (B), Nakhonsawan Water Supply Co., Ltd. (NWS) (B), Chachoengsao Water Supply Co., Ltd. (CWS) (B)

2011 - Present

- Savant Director of Boxing Committee (B)

2008 - Present

- Director, Ekarat Engineering Plc. (A)
- Chairman, Ekarat Solar Co., Ltd. (B)

2001

- Chairman, The Provincial Electricity Authority
- Chairman, The Provincial Waterworks Authority
- Chairman, Eastern Water Resources Development and Management Plc.
- Director, PTT Exploration and Production Plc.
- Director, The Electricity Generating Plc.

Summary Being a director in company and other companies

(A) Listed companies 2 companies

(B) Non-listed companies 6 companies



Gen. Chuchai Boonyoi
Age 62 Years

Position

- Director
(Independent Director)
- Director of Audit Committee

Education

- Master of Science, Aerospace Engineering, University of Southern, California U.S.A.
- Bachelor of Science (ARMY), Chulachomklao Royal Military Academy

Special Courses

- DCP 174/2013
- ACP 44/2013
- FID 1/2013
- NDC 2004

Work Experiences

13 Dec 12 - Present

- Director, Eastern Water Resources Development and Management Plc. (A) 2008

- Commander, Armed Forces Security Center (AFSC)

2005 - 2006

- Deputy Commander, Armed Forces Security Center (AFSC)

2003 - 2005

- Assistance Commander, Armed Forces Security Center (AFSC)

1974 - 1986

- Instructor at Department of Ordnance Engineering, Chulachomklao Royal Military Academy

Summary Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies None



Mr. Verapong Chaiperm
Age 47 Years

Position

- Director

Education

- Doctor of Engineering in Environmental Engineering (Water and Wastewater Engineering) Asian Institute of Technology (AIT)
- Master of Science in Civil Engineering (Environmental Engineering), University of Missouri-Rolla, U.S.A.
- Bachelor of Science in Engineering (Civil Engineering), Chulalongkorn University

Special Courses

- DCP 161/2012
- KPI 15

Work Experiences

25 Apr 12 - Present

- Director, Eastern Water Resources Development and Management Plc. (A)

20 Mar 11 - Present

- Governor, Industrial Estate Authority of Thailand (IEAT) (B)

Jul 11 - Mar 12

- Deputy Governor (Corporate Strategy and Finance), The Industrial Estate Authority of Thailand (IEAT)

Oct 08 - Jun 11

- Deputy Governor (Industrial Port), The Industrial Estate Authority of Thailand (IEAT)

Jan 08 - Sep 08

- Acting Deputy Governor (Industrial Port), The Industrial Estate Authority of Thailand (IEAT)

Oct 04 - Sep 08

- Director, Industrial Estate and Port Directing Department, The Industrial Estate Authority of Thailand (IEAT)

Nov 03 - Oct 04

- Director, Strategy and Business Development Department, The Industrial Estate Authority of Thailand (IEAT)

Summary Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies 1 company



Mr. Sahust Pratuknukul
Age 58 Years

Position

- Director
- Director of Regulation Enforcement and Operating Result Assessment and Remuneration committee
- Director of Risk Management Committee

Education

- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University

Special Courses

- NDC 2008
- CMA14
- DCP 73/2006

Work Experiences

25 Apr 12 - Present

- Director, Eastern Water Resources Development and Management Plc. (A)

1 Oct 11 - Present

- President, The Electricity Generating Plc. (EGCO) (A)
- Director, Gulf Electric Plc. (A)
- Chairman, Khanom Electricity Generating Co., Ltd. (B)
- Chairman, EGCO Engineering and Service Co., Ltd. (B)
- Director, Xayaburi Power Co., Ltd. (B)
- Director, BLCP Power Co., Ltd. (B)

Oct 10 - Sep 11

- Deputy Governor-Policy and Planning, Electricity Generating Authority of Thailand (EGAT)

Jan 08 - Dec 10

- Director, EGAT International Co., Ltd.

Summary Being a director in company and other companies

(A) Listed companies 3 companies

(B) Non-listed companies 4 companies



Mr. Wanchai Lawattanatrakul
Age 57 Years

Position

- Director
- President & CEO
- Director of the Executive and Investment Committee
- Director of Risk Management Committee

Education

- Master of Engineering (Water Resources Development), Asian Institution of Technology (AIT)
- Bachelor of Engineering (Civil), Chulalongkorn University

Special Courses

- KPI 6
- JSP 19
- DCP 43/2004

Work Experiences

30 Aug 13 - Present

- President & CEO, Eastern Water Resources Development and Management Plc. (A)

15 Aug 13 - Present

- Director, Eastern Water Resources Development and Management Plc.

27 Sep 13 - Present

- Director, Universal Utilities Co., Ltd. (B)
- Director, Bangpakong Water Supply Co., Ltd. (BWS) (B)
- Director, Nakhonsawan Water Supply Co., Ltd. (NWS) (B)
- Director, Chachoengsao Water Supply Co., Ltd. (CWS) (B)

2012 - 2013

- Independent Director & Director of Audit Committee, SPCG Plc.

2010 - 2013

- Director & Technical Affairs, Thai Waterwork Association (TWWA)

Summary Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies 4 companies



ADVISORY TO THE BOARD PROFILE



Miss Krithpaka Boonfueng
Age 39 Years

Position

- Advisory to the board
- Director of the Executive and Investment Committee
- Director of Corporate Governance and Nomination Committee
- Director of Risk Management Committee

Education

- Doctor of Juridical Science (S.J.D.), American University, Washington College of Law, Washington DC., U.S.A.
- Master of Laws (LL.M.), University of Pennsylvania, Philadelphia, Pennsylvania, U.S.A.
- Master of Laws in International Legal Studies (LL.M.), American University, Washington College of Law, Washington DC., U.S.A.
- Barrister-at-Law 50th
- LL.M. (Business Law), Chulalongkorn University
- LL.B. (Second Honor), Thammasat University

Special Courses

- RNG 5/2013
- DCP 173/2013

Work Experiences

31 Jan 13 - Present

- Advisory to the board, Eastern Water Resources Development and Management Plc.

29 Mar 13 - Present

- Director, Universal Utilities Co., Ltd.
- Director, Bangpakong Water Supply Co., Ltd. (BWS)
- Director, Nakhonsawan Water Supply Co., Ltd. (NWS)
- Director, Chachoengsao Water Supply Co., Ltd. (CWS)

Present

- Intellectual property specialist, National Science and Technology Development Agency (NSTDA)
- Acting to The Secretariat of the Prime Minister

2012 - Present

- Director, Defence Technology Institute (DTI) (Public Organisation)

2008 - 2013

- Associate judge, The Central Intellectual Property and International Trade Court

2008 - 2009

- Intellectual property advisor, Corporate Technology (CTECH) The Siam Cement Public Company Limited

2006 - 2008

- Intellectual property specialist, Technology Licensing office (TLO) National Science and Technology Development Agency (NSTDA)

Remark

- DCP : Director Certification Program
- CMA : Capital Market Academy
- UFS : Understanding the Fundamental of Financial Statements
- ACP : Audit Committee Program
- FID : Financial Instrument For Directors
- TLP : Thammasat Leadership Program
- TEPCOT : Top Executive Program in Commerce and Trade
- KPI : King Prajadhipok's Institute
- NDC : National Defence College , The National Defence Course
- RCC : Role of the Compensation Committee
- SFE : Successful Formulation & Execution the Strategy
- RCP : Role of the Chairman Program
- JSP : National Defence College , The Joint State - Private Sector Course



water distribution gate Dokkrai reservoir



EXECUTIVES CORPORATE PROFILE



Mr. Wanchai Lawattanatrakul
Age 57 Years

Position

- President and CEO

Education

- Master of Engineering (Water Resources Development), Asian Institution of Technology (AIT)
- Bachelor of Engineer (Civil), Chulalongkorn University

Special Courses

- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executive Class 6
- Diploma, National Defence College, The Joint State - Private Sector Course Class 19
- Director Certification Program - DCP 43/2004

Work Experiences

Aug. 13 - Present

- Director Eastern Water Resources Development and Management Public Company Limited
- President and CEO Eastern Water Resources Development and Management Public Company Limited

Sep. 13 - Present

- Director Universal Utilities Company Limited
 - Director Bangpakong Water Supply Company Limited
 - Director Nakornsawan Water Supply Company Limited
 - Director Chavhoengsao Water Supply Company Limited
- 2012 - 2013**
- Independent Director and Director of Audit committee SPCG Public Company Limited
- 2010 - 2013**
- Director of Technical Affairs, Thai Waterwork Association (TWWA)



Mr. Jaroensuk Worapansopak
Age 50 Years

Position

- Executive Vice President, Operation

Education

- M.Sc. Hydraulic Engineering, International Institute for Hydraulic and Environmental Engineering (IHE), Delft, The Netherlands.
- B.E. in Water Resources, Kasetsart University

Special Courses

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012 (Module 1)
- Director Certification Program - DCP 146/2011
- Senior Executive Program - SEP 2010
- Executive Development Program (EDP) Class 3/2009

Work Experiences

Eastern Water Resources Development and Management Public Company Limited

Jan. 11 - Present

- Executive Vice President, Operation

Mar. 10 - Dec. 10

- Acting Executive Vice President, Operation

Jan. 09 - Feb. 10

- Vice President, Customer Service Department and Acting Executive Vice President Project Planning and Customer Service

Nov. 02 - Dec. 08

- Vice President, Project Planning Department

Aug. 08 - May. 09

- Director, Egcom Thara Co., Ltd



Mr. Namsak Wannavisute
Age 48 Years

Position

- Executive Vice President, Finance and Accounting

Education

- MS. (Finance) University of Colorado, USA.
- B.B.A. (Accounting and Finance), Thammasat University

Special Courses

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012 (Module 1)
- Advance Senior Executive Program - ASEP 2010

Work Experiences

Eastern Water Resources Development and Management Public Company Limited

Jan. 11 - Present

- Executive Vice President, Finance and Accounting

Jan. 09 - Dec. 10

- Vice President, Finance and Accounting Department

Jun.07 - Dec. 08

- Vice President, General Affairs Department and Acting Vice President, Human Resource Department

Nov. 02 - Jun. 07

- Vice President, Business Development Department

Nov. 01 - Oct. 02

- Acting Vice President, Business Development Department

Mar. 01 - Oct. 01

- Manager, Business Development Division



Mrs. Namphon Rassadanukul
Age 51 Years

Position

- Senior Vice President, President & CEO Office and Corporate Secretary

Education

- M. Pol. Sc. (Politics and Governments), Sukhothai Thammathirat Univeristy
- M.A. in Public Administration, Glasgow College of Technology, UK
- Certificate in Computer Programming and Information Processing, London school, UK
- B.A Pol.Sc. (Public Administration), Thammasat University

Special Courses

- The Management of administrative justice for Executive Class 5
- The Management of Sustainable Development Administrative for Executive Class 1
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012 (Module 1)
- Senior Executive Program - SEP 2011
- Advanced Certificate, Politics and Governance in Democratic systems for Executives, Class 11, KPI
- Advanced Certificate, Public Administration and Law for Executives, Class 1, KPI
- Director Certification Program - DCP 4/2000

Work Experiences

Eastern Water Resources Development and Management Public Company Limited
Jun. 07 - Present

- Senior Vice President, President and CEO Office and Corporate Secretary
- Feb. 04 - Jun. 07**
- Senior Vice President, Audit Department and Corporate Secretary
- Nov. 01 - Feb. 04**
- Vice President, Audit Department
- Mar. 01 - Oct. 01**
- Vice President, President and CEO Office
- 1994 - 2001**
- Vice President, Management Department



Mrs. Thidarut Kraiprasit
Age 50 Years

Position

- Senior Vice President, Audit Department

Education

- MBA, Kasetsart University
- BBA. (Accounting), Thammasat University
- Certified Public Accountant (CPA)

Special Courses

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012 (Module 1)
- Audit Committee Program (ACP) Class 26/2009
- Executive Development Program (EDP) Class 4
- Advanced Certificate Course in Public Economics Management for Executives, Class 5

Work Experiences

Eastern Water Resources Development and Management Public Company Limited
Jan. 09 - Present

- Senior Vice President, Audit Department
- Jun. 07 - Dec. 08**
- Senior Vice President, Finance and Accounting Department
- Oct. 04 - Jun. 07**
- Senior Vice President, Finance and Human Resources Department
- 2001 - Oct. 04**
- Vice President, Finance and Human Resources Department
- 1997 - 2001**
- Vice President, Finance and Procurement Department



Mr. Cherdchai Pitiwacharakul
Age 49 Years

Position

- Senior Vice President, Operation and Customer Service Department

Education

- M.S. (Information Technology), King Mongkut's Institute of Technology, Lat Krabang
- B.E Khon Kean University

Special Courses

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012 (Module 1)
- Executive Development Program (EDP) Class 3
- Integration Water Resources Management for Executives, Class 2
- Director Certification Program - DCP132/2010
- Mini MBA Kasetsart University Class 21 (2545)
- Mini MIS Kasetsart University Class 2 (2540)

Work Experiences

Eastern Water Resources Development and Management Public Company Limited
Sep. 13 - Present

- Senior Vice President, Operation and Customer Service Department
- Mar. 10 - Sep. 13**
- Vice President, Operation and Customer Service Department
- Jan. 09 - Mar. 10**
- Vice President, Business Development Department
- Aug. 08 - Jan. 09**
- Acting Managing Director Universal Utilities Co.,Ltd
- Nov. 07 - Jan. 09**
- Vice President, Special Project Department
- Nov. 01 - Nov. 07**
- Vice President, Chachoengsao Operation Center, Acting Vice President, Rayong Operation Center



Mrs. Wirawan Tharanont
Age 55 Years

Position

- Vice President, Human Resource Department

Education

- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- B.Acc. Chulalongkorn University

Special Courses

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012 (Module 1)
- Company Secretary Programme, Thai Institute of Directors (IOD)
- Occupational Safety and Environment at Work Committee
- Organizational Risk Management Program, Listed Companies Association

Work Experiences

Eastern Water Resources Development and Management Public Company Limited

Sep. 13 - Present

- Vice President, Human Resource Department
- Jan. 09 - Sep. 13**
- Vice President, Corporate Affairs Department
- Jun. 07 - Dec. 08**
- Vice President, Audit Department
- Oct. 06 - Jun. 07**
- Vice President, Department of President and CEO Office
- Oct. 05 - Sep. 06**
- Manager, Department of President and CEO Office
- 2004 - 2005**
- Corporate Risk Manager



Mr. Sombat Yusamart
Age 43 Years

Position

- Vice President, Finance and Accounting Department

Education

- MBA, Kasetsart University
- BBA, Kasetsart University (Accounting)
- Certified Public Accountant (CPA)

Special Courses

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012 (Module 1)
- Executive Development Program (EDP) Class 5/2010

Work Experiences

Eastern Water Resources Development and Management Public Company Limited

Feb. 11 - Present

- Vice President, Finance and Accounting Department
- Oct. 09 - Jan. 11**
- Assistant Vice President, Finance and Accounting Department
- Apr. 09 - Sep. 09**
- Acting Assistant Vice President, Finance and Accounting Department
- Apr. 09 - Sep. 09**
- Finance and Accounting Manager (Secondment - UU)
- Mar. 07 - Mar. 09**
- Accounting Manager, Finance and Accounting Department
- Apr. 05 - Feb. 07**
- Administrative and Finance Manager (Secondment - GWS)
- Nov. 03 - Mar. 05**
- Budget and Finance Manager, Finance and Human Resource Department
- Apr. 03 - Oct. 03**
- Acting Budget and Finance Manager, Finance and Human Resource Department



Ms. Kanyanart Viraphandu
Age 44 Years

Position

- Vice President, Corporate Communications Department

Education

- BBA. (Accounting), Assumption University

Special Courses

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012 (Module 1)
- Executive Development Program (EDP) Class 5/2010

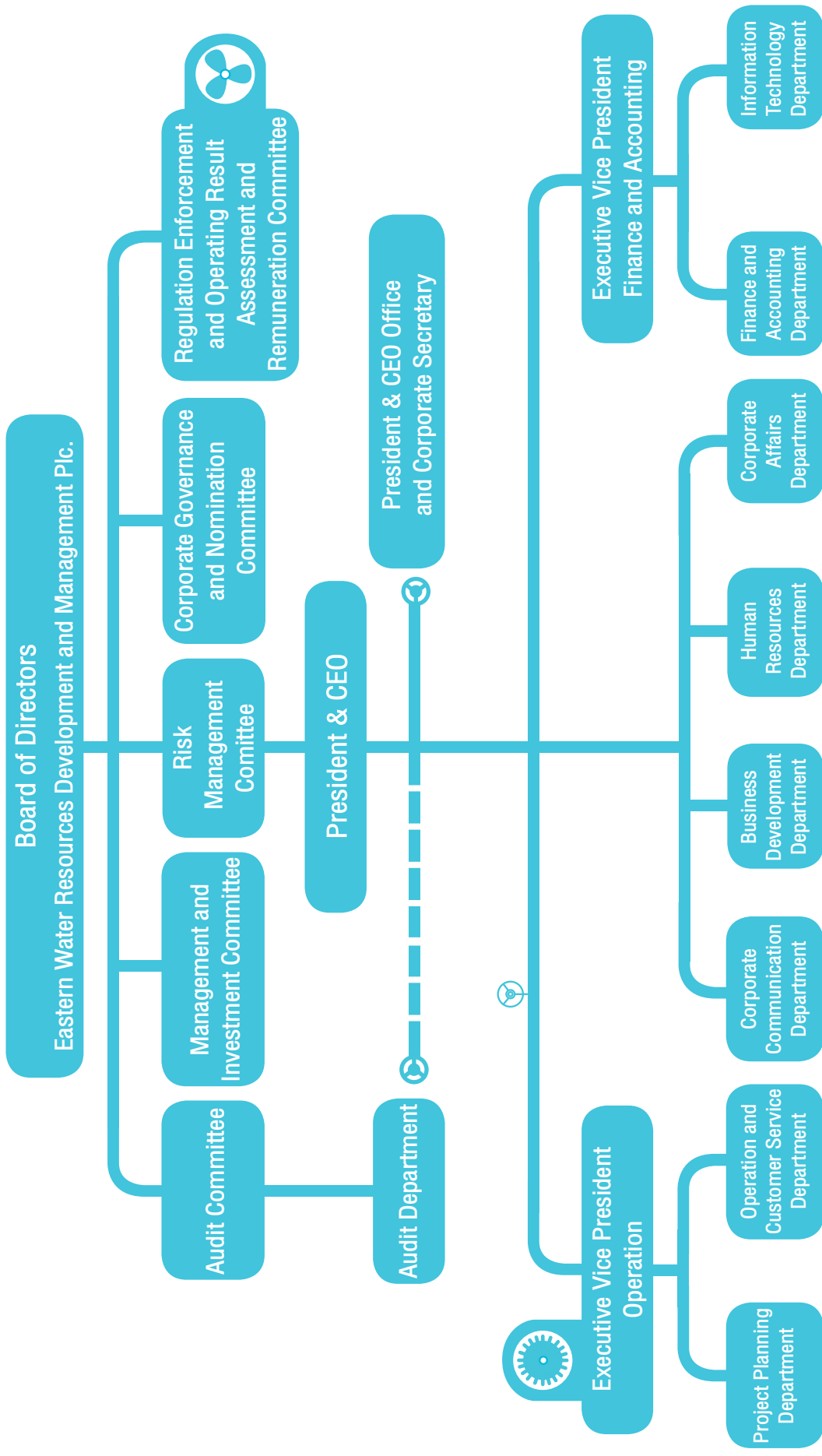
Work Experiences

Eastern Water Resources Development and Management Public Company Limited

Feb 11 - Present

- Vice President, Corporate Communications Department
- Aug. 07 - Jan. 11**
- Assistant Vice President, Corporate Communication Department
- Oct. 06 - July 07**
- Public Relations Manager, CEO Office
- Oct. 02 - Sep. 06**
- Administrative and General Cooperation Manager, (Secondment -EHP)
- Dec. 01 - Sep. 02**
- Corporate Relations Manager, General Affairs Department
- Mar. 01 - Nov. 01**
- Corporate Relations Manager, CEO Office
- Jan. 96 - Feb. 01**
- Public Relations Specialist, General Affairs Department

ORGANIZATION STRUCTURE



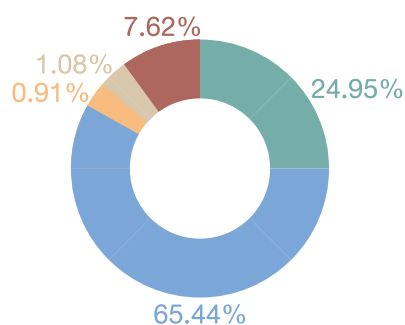
INDUSTRY AND COMPETITIVENESS ANALYSIS



The overall expansion of Thai economy in 2013 is expected to reach 3%, decreased from previous year as a result of global economic instability, which includes the economic fluctuations in G3 countries and emerging markets, the United States' Quantitative Easing (QE), Debt-ceiling Crisis and US Government Shutdown. These factors have strengthened Thai Baht currency and caused the export sector to plunge at 0.4%.

A number of negative domestic factors also contributed to slow down the economic growth, such as the rising production cost resulted from the implementation of 300 Baht minimum wage and the heightened energy, electricity, petrol and transportation costs. Beyond those, the political demonstration occurred during the last quarter of 2013 have severely shaken the nation's overall economic stability, causing investors to lose confidence and postpone their scheduled investments pending evaluation of the political situation.

The industrial production index has thus fallen; 5-6% less entrepreneurs applied for government's investment promotion program and 742 Projects, 3.38% less than the previous year, were granted industrial promotion support. Meanwhile, investment in industrial sector at the Eastern Seaboard has also faced declination. In this year, Rayong province possesses total investment sum of 346 billion Baht, followed by Chonburi with 112 billion Baht investment in production of metal parts for automobile, machineries and transport equipment, which were influenced by the developing labour potential, basic amenities and convenient transportation.



2013 = 277.96 million Cu.M.

- Private Industrial Estate
- Others
- Internal Use
- Household Consumers
- Government Industrial Estate

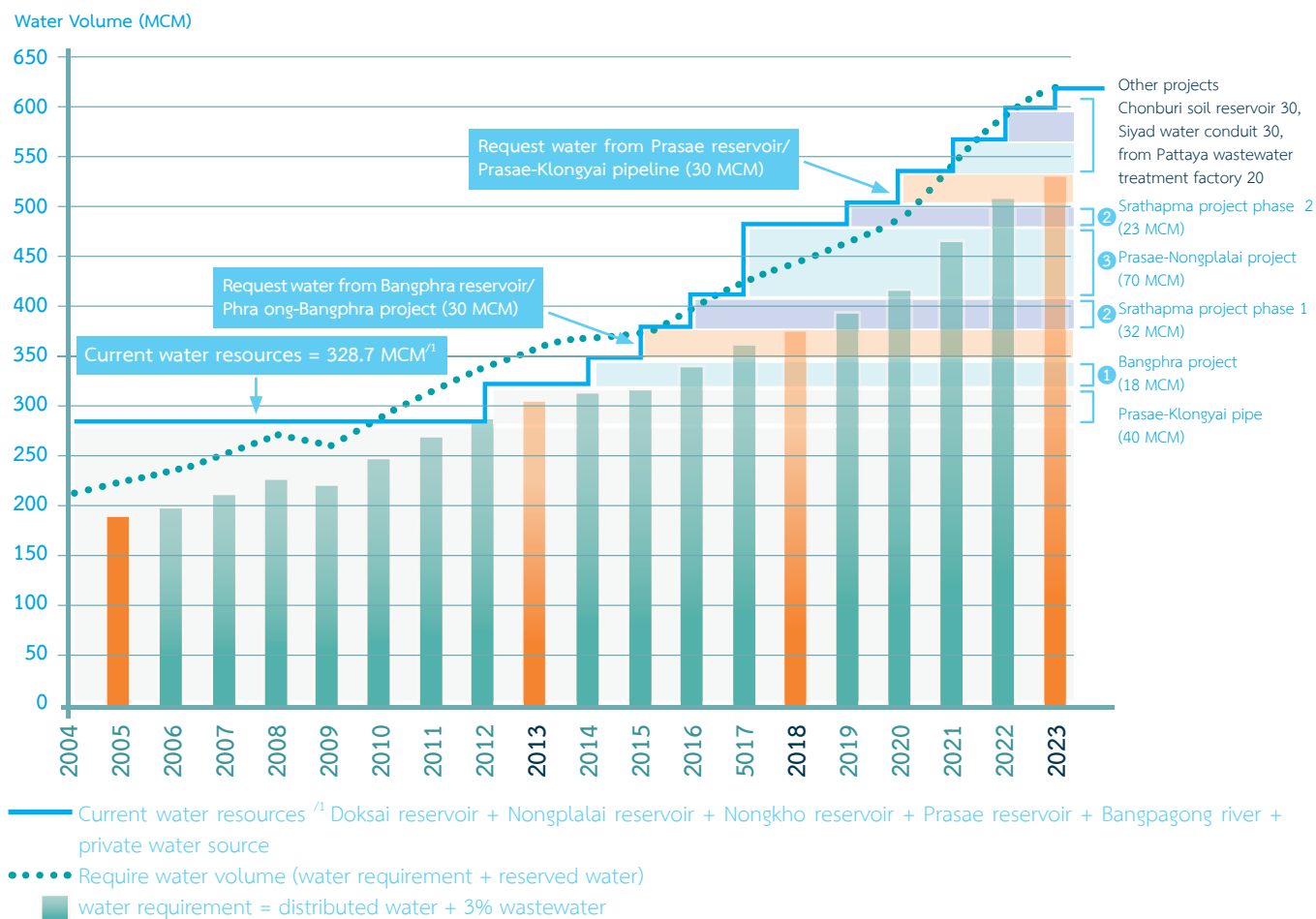
From the economic recession in 2013 and extreme weather condition, the company's water supply for both the industrial sector and consumption resembles that of the previous year at 277.94 million cubic metres. However, in 2014, it is likely that the economy will recover due to positive factors both at global and domestic level; namely, the government's water management plan and infrastructure development scheme. Also, local and foreign investors are preferred to situate their industrial estates in the East rather than the central plain after major flooding in recent years. The investments were mostly aimed at making preparation for the forthcoming ASEAN Economic Community in 2015, in industries as automobile, renewable energy, airfreight and agricultural processing. The implementation of the AEC will advance growth in the South East Asian region, unifying over 600 million populations and create one of the most powerful regions in the world. Most importantly, the move will benefit trade expansion for at least 25% especially in automobile, tourism and transportation industries.

According to Kasikornthai Bank's K-research centre analysis, construction business in the East has the capacity to grow progressively. Total productivity of the sector is likely to expand by 7.0-9.5% or 32.7-33.5 billion Baht, citing extension of industrial factories, commerce and real estate, which came in the wake of labour relocation. In the meantime, government's infrastructure development; namely the establishment of new industrial estates, expansion of Laem Chabang deep sea port and other transportation infrastructure development, will also contribute to continual growth of construction business in the Eastern part of the country.

Meanwhile, the low interest rate and inflation rate, as well as investment promotion scheme implemented during 2014,

including the SMEs promotion and eco-car project are likely to prompt the investment.

Therefore, East Water's advantageous position in raw water business together with 20-year of experiences provide a great opportunity to expand our customer base and enhance water supply stability in the Eastern part of Thailand to prevent water shortage crisis in the future. The company plans to invest in developing and improving water conduits as well as seeking for additional water resources, connecting pipeline system with government's investment plan to ready for the increasing requirement of water supply in the future.



In addition to current businesses, East Water also sees prospective opportunity to expand in other part of Thailand and neighboring countries; firstly, the company will conduct practicality study of water resources pipeline system in Pang-nga and Phuket, aiming to solve water shortage problem in the tourism region; secondly, a joint venture project is anticipated with the Republic of the Union of Myanmar and

Lao People's Democratic Republic to develop water resources, waterworks and wastewater management, since both countries are considered emerging markets which stand in need of regional infrastructure connection as part of their preparation for the AEC. In conclusion, East Water Group is moving forward relentlessly in order to be recognized as leader in water management business at a regional level.

NATURE OF BUSINESS & SHAREHOLDING RATIO IN SUBSIDIARIES



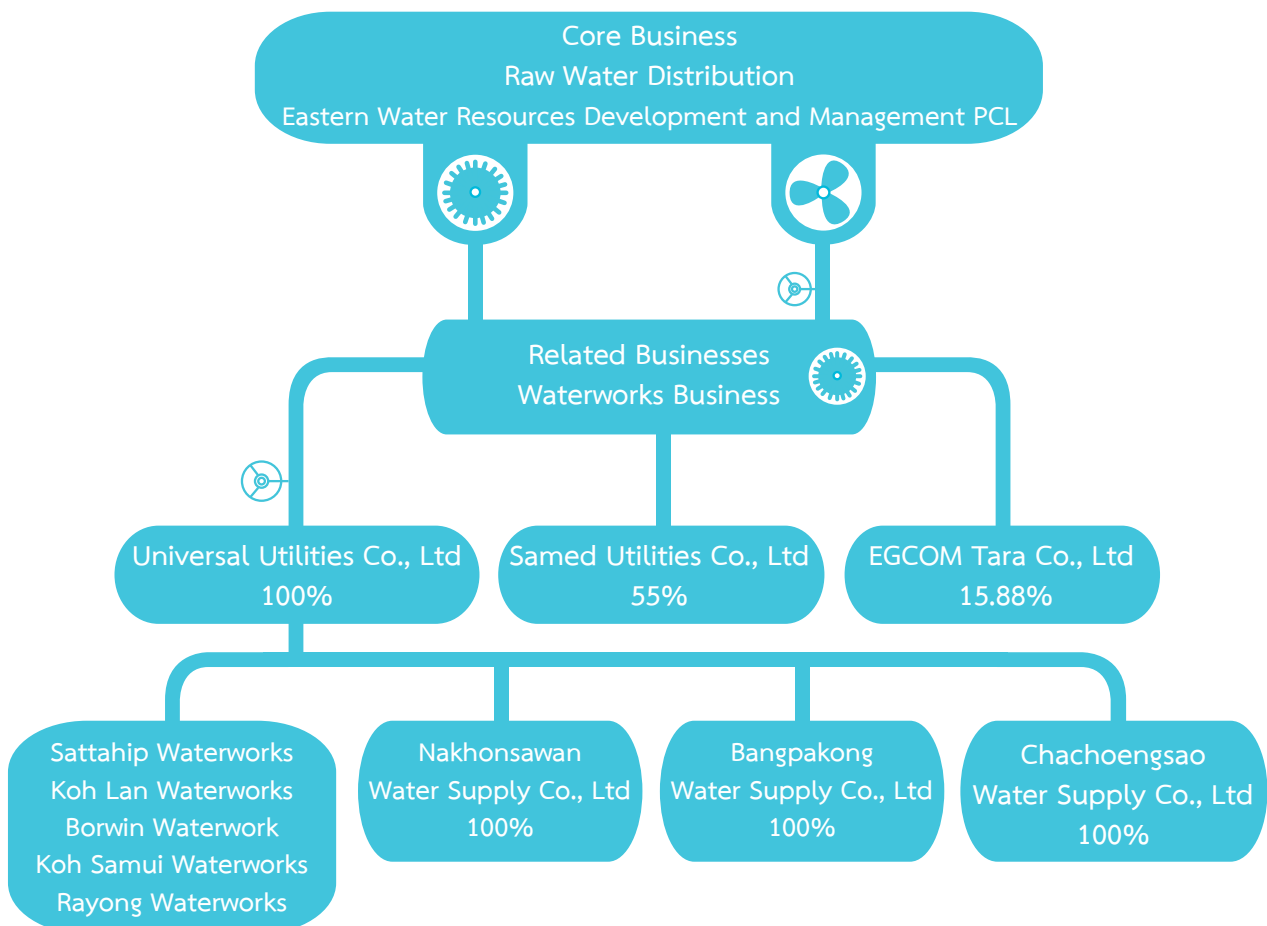
1. Raw Water Distribution

Eastern Water Resources Development and Management Plc. or East Water is engaged in the development and management of main water pipeline systems in the Eastern Seaboard of Thailand. The company provides raw water for industrial estates, factories and waterworks through the main water pipeline system, covering Chonburi, Rayong and Chachoengsao provinces with 378 kilometres pipeline and transferal capacity of 619 million cubic metres per year.

2. Related Businesses

With modernized technologies, East Water group and subsidiaries are also engaged in water related business lines which cover design, tap water production and management of wastewater. The comprehensive water management business line included

- Engineering consultation on pipeline system and water distribution
- Pipeline and equipment maintenance
- Merchandise of water distribution equipment
- Waterworks concessions



RISK FACTORS



Eastern Water Resources Development and Management Plc. has been aware of risk factors that might happen and affect business management so the company prepares interprise risk management plans to support.

Board of Directors assigned the duty to Risk Management Committee to set a policy and mitigate significant risks. The committee must improve risk evaluation criteria, approve ERM manual and monthly monitor progress in accordance with the plan. Significant risk factors are as follows.

1. The Risk on Water Resources & Water Distribution System

1.1 Shortage of water supply: Business of East Water Group needs to supply a large amount of raw water to serve a demand of customers from both waterwork and industrial sectors. Consequently, the company must keep track of water level in the reservoir every week. According to the forecasting of comparing the demand to the supply in main resources in 2013, water supply is sufficient enough to serve the demand in 2014. However, the company must monitor water supply in each resource regularly to ensure that the amount of water supply will always be enough for the demand in the future.

1.2 Damage of water pipelines: all pipelines and water distribution system was designed, installed in accordance with engineering standards. However, the system has been used for more than 20 years so the system itself and instruments may face problems for instance erosion or damage from construction along the pipelines which may cause breakage or a leakage. Thus, the company has arranged preventive maintenance plan, and regular maintenance. In addition, the company has made asset insurance with insurance company in order to cover all damage under any circumstances and public liability insurance which includes damage from disruption so that the company can still supply the water constantly and efficiently.



1.3 Rising fuel tariff (Ft) rate: electricity costs is the huge cost of pumping system of raw water business and tap water business. Ft rate, which is likely to increase every 4 months, is the main reason of the rising cost. The company has tried to mitigate such risk with several measures. For instance, the timing of water pumping is planned for off peak period of electricity demand while reserved water from reservation on emergency pond was distributed during on peak period. Moreover, the energy conservation project is initiated as well as application of modern technology to improve efficiency on water supply system. The measures also include conducting a research on how to apply energy-saving equipment such as Variable Speed Drive to water pumping system.



1.4 Quality of raw water in the rainy season and pollution nearby

water resources: Quality of water depends on weather, especially turbidity of raw water in the rainy season that affects quality and consequently, the cost of production and quality improvement increases. Nevertheless, customers demand consistency of water quality, the company must be responsible for increased water pumping cost. Since the company changed water source into a better but further one, the increased distance increases the operation cost.

In addition, the company is aware of the expansion of communities nearby the reservoir. The daily routine together

with agriculture in the area may affect the quality of water. Therefore the company is trying to maintain a relationship with the communities by asking for cooperation from local people to closely monitor the reservoir and continually fostering the environmental conservation awareness in the communities nearby main water sources

2. Risks from Operation Disruption

2.1 Water supply disruption from power outage: Since East Water operates a 24-hour water supply for the customers, having reserved water resources is a necessity. In case of emergency, for example, a power outage, maintenance, or installation of the new pipelines, the Company requires reservation of emergency ponds in order to continuously supply raw water to our customers. We currently have the reserved water resources with the total capacity of 116,300 cubic meters. In 2013, the Company has finished the construction of Mab Kha Emergency Pond 2, Rayong, and now we have enough reserved water for emergency case in Rayong area for up to 17 hours should the emergency arises.

2.2 Catastrophic accident and natural disaster: In case of a disaster or an accident on the catastrophic level, for example, an earthquake, a terrorist attack or sabotage (i.e. bombing), a riot, or a civil unrest caused by violent protesters, East Water has prepared back-up plans for various situations. The responsible personnel are ready to take control of the situations and set up emergency teams to cooperate with all the relevant sectors. The Company has increased the monitoring and defensive measures for the work areas by installing additional security equipment such as CCTV cameras, lights, restricted area signs, and other notices and instructions in the pump stations and office buildings to heighten the defensive and monitoring capabilities.

Besides, the Company is continuously insured, every year, for the damages that may occur to our business assets, business interruption, and damages caused by outsiders.

3. Risks from Finances

Risks from the interest rates rising: East Water has long-term debts that have been used in our large-scale construction

projects. The investment projects were approved under the capital investment criteria with project feasibility study and has planned its debt financing by acquiring the fixed-rate loans as needed. However, the rising interest rates may affect the overall achievement of the Company because some of the loans are floating-rate. The Company may have to take the risks from the rising interest rates, in accordance with the financial markets, for a certain period. Hence, we have contacted advisers to review the corporate financial structure and study the appropriate of debt financing for example, the issue of debenture stock or the restructuring of the Corporate's capital that sufficient for business expansions in the future.

4. Risks from Community Conflicts against the Company's Business Operations

The amount of water supply from the resources in each year is huge. Which may affect the corporate image and lead to the misunderstanding between the company and

the local communities about our water usage. Therefore, we have allocated the budget to improve the quality of life and environment in order to establish a long-term relationship with the communities, as well as giving them the accurate understanding of our business along with economic and social development. We have also continuously supported various development projects for the communities in order to minimize the conflicts and foster the positive attitude toward the Company.

The important projects that we have cooperated with the communities are, for example, canal dredging, mobile drinking water services, the East Water Young Leader Camp for water resources and environment conservation, youth scholarships, and mangrove reforestation projects. East Water has been the continuous supporter of the activities that improve the quality of life together with the centers of each community such as temples, schools, local administrations, and non-profit charity organizations.





MANAGEMENT DISCUSSION AND ANALYSIS FOR YEAR 2013

1. Economy and significant events affecting to business operation in 2013

1.1. Economic Situation

In 2013, the Thai economy expanded by 2.9 percent, slowed down from 6.5 percent in 2012 and grew less than the expectation last year at 5.3%. In the fourth quarter, the GDP expanded by only 0.6 percent, the slowdown in domestic consumption and exports brought about the slowdown in production of almost all sectors.

1.2. Water resources

In the early of 2013, all reservoirs in Rayong province were in good condition but not the case of reservoirs in Chonburi, especially Nongkho reservoir, the water level was much below from the average level. The company had to procure raw water from local private ponds and transferred raw water from Rayong province to Chonburi province to alleviate the drought problem in Chonburi province in the 1st half of 2013. However, the heavy rainfall during September and October improved water situation to above the average level of all our major reservoirs and secured water supply in 2014.

1.3. Raw water business

1.3.1 The procurement of raw water transmission system at Prasae - Nongplalai project has been postponed from early 2013 to February 2014.

1.3.2 The company reduced raw water tariff for the household and public sector by Baht 1.10 per cubic meter to alleviate the expenditure of the household sector. The new tariff was effective from 1 November 2013 onward and affected the average raw water to be decreased by 0.38 percent in 2013.

1.4. Tap water business

1.4.1 On 2 September 2013, the company sold the plant and equipment and assets under concession contracts at

Koh Srichang to Koh Srichang Municipality at a price of Baht 2.50 million (including VAT) because Koh Srichang Municipality claimed their right to purchase the system under the tap water concession (Department of Water Resources). Sichang waterworks is a 250 cubic meter per day desalination plant.

1.4.2 On 14 March 2006, Universal Utilities Company Limited, a subsidiary, was sued as a co-defendant together with the Provincial Waterworks Authority (“PWA”) in a case brought in connection with illegal acts performed by administrative agencies or state officials. The plaintiff petitioned the administrative court to void the selection process by which a private operator was selected to produce tap water for distribution to the PWA in the area belonging to the Rayong Waterworks. On 16 March 2007, the Rayong Administrative Court ordered the selection process voided in accordance with the plaintiff’s petition, and also declared void the agreement appointing a private firm to produce water for sale to the Rayong Waterworks, which had resulted from an illegal selection process. However, the PWA and the subsidiary lodged appeals with the Rayong Administrative Court on 12 April 2007 and the Rayong Administrative Court has issued a court receipt for such appeal and then passed it to the Supreme Administrative Court. On 8 November 2013, the Supreme Administrative Court had an order to recall a judgement of the Rayong Administrative Court for this case viewing that plaintiff have no authority to indict because they were not persons those affected from selection process. Therefore, this case has been finalised.

2. Performance analysis on the consolidated financial statement

2.1. Summary

In 2013, East Water Group had total consolidated revenue of Baht 3,816.14 million, increased by Baht 90.19 million or 2.42 percent compared to that of 2012. Net profit attributable to equity holders of the parent company was Baht 1,316.06 million, increased by Baht 76.32 million or 6.16 percent YoY.

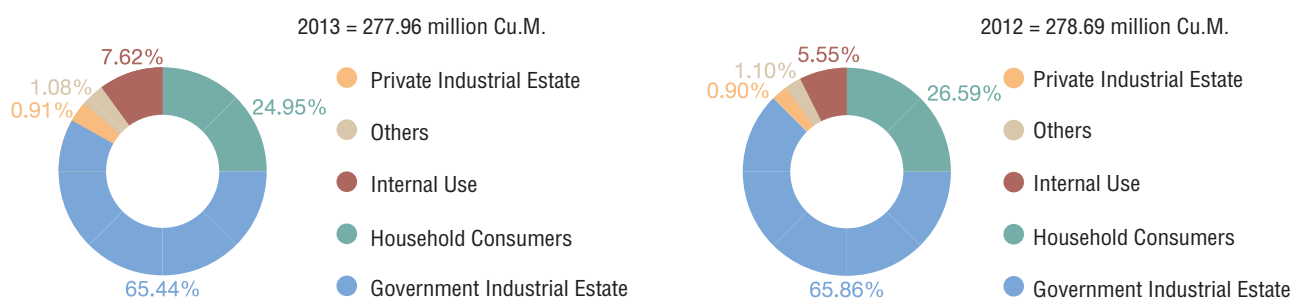
Table 1: Summary of Financial Performance

Items	Amount (Baht million: MB)				Increased (Decreased)	
	2013	%	2012	%	MB.	%
Raw Water Sold (Million. Cu.M.)	256.77	-	263.23	-	(6.46)	(2.45%)
Tap Water sold (Million. Cu.M.)	68.39	-	66.81	-	1.58	2.36%
Total Revenue	3,816.14	100.00%	3,725.95	100.00%	90.19	2.42%
Raw Water Revenue	2,694.30	70.60%	2,612.22	70.11%	82.07	3.14%
Tap Water Revenue	876.38	22.97%	841.60	22.59%	34.78	4.13%
Office Rental and services	189.51	4.97%	223.59	6.00%	(34.08)	(15.24%)
Other Income	55.95	1.47%	48.54	1.30%	7.41	15.26%
Costs of Sales and Services	1,645.83	43.13%	1,539.18	41.31%	106.66	6.93%
Raw Water costs	962.54	25.22%	881.19	23.65%	81.35	9.23%
Tap Water costs	502.17	13.16%	456.69	12.26%	45.49	9.96%
Rental and Services	181.13	4.75%	201.30	5.40%	(20.18)	(10.02%)
Gross Profit	2,170.30	56.87%	2,186.77	58.69%	(16.47)	(0.75%)
Sales and Administration expenses	390.23	10.23%	492.05	13.21%	(101.82)	(20.69%)
Earnings before interest and tax	1,780.07	46.65%	1,694.72	45.48%	85.35	5.04%
Interest	112.95	2.96%	89.99	2.42%	22.96	25.51%
Earning before tax	1,667.12	43.69%	1,604.73	43.07%	62.39	3.89%
Tax	351.14	9.20%	364.56	9.78%	(13.42)	(3.68%)
Net Profit	1,315.97	34.48%	1,240.17	33.28%	75.80	6.11%
Net Profit attributable to equity holders of the parent company	1,316.06	34.49%	1,239.74	33.27%	76.32	6.16%
Earnings per share	0.79	-	0.75	-	0.05	6.16%
EBITDA	2,188.45	57.35%	2,079.04	55.80%	109.42	5.26%

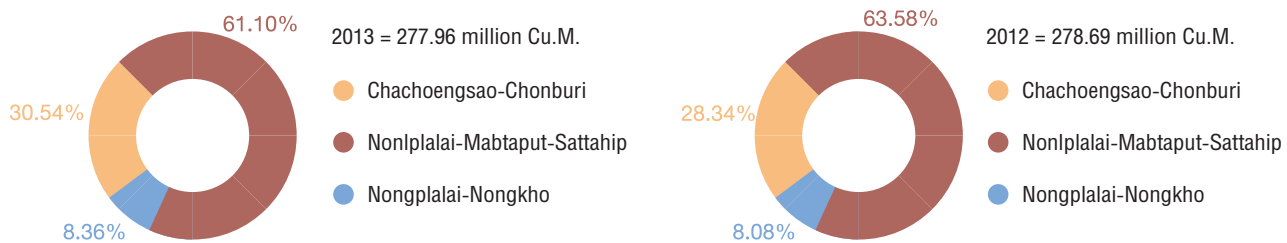
2.2. Raw water business

2.2.1 Raw water revenue in 2013 was Baht 2,694.30 million, increased by Baht 82.07 million or 3.14% YoY. Total volume sold was 256.77 million Cu.M. sold (excluding internal used for tap water production of 21.19 million Cu.M. within the group), which is decreased by 6.46 million Cu.M. or 2.45% YoY due to lower demand in the 4th quarter (the 4th quarter, decreased by 6.74 million Cu.M. YoY). This was because a number of customers used their own water resources during the rainy season along with lower production in response to global economic situation and weaker domestic investment and consumption. However, raw water tariff increased by Baht 0.57 per Cu.M. or 5.74% YoY from Baht 9.92 per Cu.M. in 2012 due to tariff adjustment policy effectively from 2012 to 2014.

Picture 1 : Raw Water Distribution by Customer Groups



Picture 2 : Raw Water Distribution by Areas



2.2.2 Costs of sales in raw water Business was Baht 962.54 million, increased by Baht 81.35 million or 9.23 percent YoY. Major costs of raw water are shown in Table 2 below:

Table 2: Major costs of Raw Water Business

Item	2013		2012		Change	
	MB.	%	MB.	%	MB.	%
Raw Water Revenue	2,694.30	100.00%	2,612.22	100.00%	82.07	3.14%
Cost of Goods and Service Sold	962.54	35.72%	881.19	33.73%	81.35	9.23%
Raw water	151.16	5.61%	144.61	5.54%	6.55	4.53%
Electricity	366.99	13.62%	373.59	14.30%	(6.60)	(1.77%)
Depreciation	259.44	9.63%	213.79	8.18%	45.65	21.35%
Maintenance	64.82	2.41%	45.52	1.74%	19.30	42.40%
Others	120.13	4.46%	103.68	3.97%	16.45	15.86%
Gross Profit (Raw Water)	1,731.76	64.28%	1,731.03	66.27%	0.73	0.04%

(1) **Cost of Raw water** was Baht 151.16 million, increased by Baht 6.55 million YoY, due to the costs of raw water procurement from private ponds to alleviate the drought in Chonburi province during the first half of 2013.

(2) **Electricity costs** was Baht 366.99 million, decreased by Baht 6.60 million due to lesser demand for water pumped from Prasae reservoir and Bangpakong river, as a sequence of heavy rainfall during the 4th quarter of 2013. The decrease was net from average increased of unit costs of electricity by 7.50 percent (from Baht 3.17 per Kwh to Baht 3.41 per Kwh)

(3) **Depreciation** was Baht 259.44 million, increased by Baht 45.65 million or 21.35 percent YoY, basically from partly transferred of Nongplalai-Mabtaput III pipeline in September 2012, and completed handed over of the system in November 2013.

(4) **Maintenance** was Baht 64.82 million, increased by Baht 19.30 million from the maintenance of Bangpakong-Chonburi and Nongkho-Lamchabang pipelines.

(5) **Other expenses** were Baht 120.13 million, increased by Baht 16.45 million mainly from increased of wage and salary Baht 13.83 million by reclassifying some of staff expenses to direct cost of raw water business. However, total staff expenses (COGS and SG&A) increased only 1.32 percent.

(6) **Gross profit of raw water business** in the end of 2013 was Baht 1,731.76 million or 64.28 percent of raw water revenue; resulting from the better levels of rainfall during mid-to late of 2013, so thus most unexpected cost were under controlled.

2.3. Tap water business

2.3.1 Tap water revenue was Baht 876.30 million, increased by Baht 34.78 million or 4.13 percent YoY from total tap water sold of 68.39 million Cu.M. or 1.58 million Cu.M. increased in 2013. The average tap water tariff in 2013 was Baht 12.81 per Cu.M., increased by Baht 0.22 per Cu.M. or 1.73 percent YoY.

2.3.2 Total cost of tap water was Baht 502.17 million, increased by Baht 45.48 million or 9.96 percent, basically from higher volume sold and change in operation from O&M outsourcing contracts in some waterworks to in-house operation to ensure higher quality and stability.

Table 3 : Major costs of Tap Water Business

Item	2013		2012		Change	
	MB.	%	MB.	%	MB.	%
Tap Water Revenue	876.38	100.00%	841.60	100.00%	34.78	4.13%
Cost of tap water	502.17	57.30%	456.69	54.26%	45.48	9.96%
Tap water costs	-	0.00%	63.23	7.51%	(63.23)	(100.00%)
Raw Water	90.29	10.30%	59.06	7.02%	31.23	52.87%
Electricity	124.87	14.25%	107.77*	12.81%	17.09	15.86%
Chemical	20.92	2.39%	26.16*	3.11%	(5.24)	(20.01%)
Wages and salary	36.99	4.22%	34.57	4.11%	2.42	7.01%
Outsourcing expenses	116.44	13.29%	70.29*	8.35%	46.14	65.65%
Depreciation	81.15	9.26%	76.41	9.08%	4.73	6.20%
Other expenses	31.51	3.60%	19.19	2.28%	12.33	64.26%
Gross Profit (Tap Water)	374.21	42.70%	384.92	45.74%	(10.70)	(2.78%)

Note : * Electricity (Baht 78.43 Million) and chemical expenses (Baht 22.06 Million) were reclassified from the outsourcing expenses in 2012 for comparison only.

(1) Tap water costs decreased Baht 63.23 million from termination of tap water purchase and sales agreement with the private company of Chonburi Waterworks due to undeliverable of tap water at minimum required volumes, as stated in the contract.

(2) Total cost of tap water production was Baht 502.17 million, increased by Baht 45.48 million or 9.96 percent YoY, basically from (1) termination tap water production purchase and sales agreement of Chonburi Waterworks to self-investment and operation and (2) termination of Rayong, Sattahip, Bangpakong and Chachongsao O&M outsourcing contracts to in-house operation.

(3) Depreciation was Baht 81.15 million, increased by Baht 4.73 million or 6.20 percent, due to recognition of assets and depreciations of Chonburi Waterworks in 2013.

(4) Gross profit of tap water business was Baht 374.21 Million or 42.70 percent of total tap water revenue.

2.4 Selling and administrative expenses

Selling and Administrative expenses in 2013 was Baht 390.23 million, decreased by Baht 101.82 Million or 20.69 percent YoY, as a result of expenses control policy and lower marketing and advertising expenses compared to those of the company's 20th year anniversary activities in 2012.

Table 4 : Selling and administrative expenses

Items	2013 (MB.)	2012 (MB.)	Change	
			MB.	%
Selling expenses	17.49	53.02	(35.53)	(61.01%)
Administrative expenses	326.76	376.81	(50.05)	(13.28%)
Life and Environment development expenses	45.98	62.22	(16.24)	(26.10%)
Total	390.23	492.05	(101.82)	(20.69%)

2.5 Financial expenses

Financial expenses was Baht 112.95 million in 2013, increased by Baht 22.96 million or 22.51 percent YoY, due to partial transferred of Nongplalai-Mabtaput III pipeline in September 2012, and completed handed over of Nongplalai-Mabtaput III in November 2013.

2.6 Tax

In 2013, a total tax expense was Baht 351.14 million, decreased by Baht 13.42 million or 3.68 percent YoY, due to lower corporate income tax rate from 23 percent to 20 percent.

3. Statement of financial position

Table 5 : Summary of the statement of Financial Position

Items	Amount (MB.)		Increased (Decreased)	
	As of 31 December 2013	As of 31 December 2012	MB.	%
Assets	13,485.21	12,440.09	1,045.13	8.40%
Liabilities	5,557.83	5,119.62	438.21	8.56%
Owners' equity	7,927.38	7,320.46	606.92	8.29%
Equity attributable to owners of the parent	7,897.58	7,316.94	580.64	7.94%

3.1. Assets

As of 31 December 2013, total assets were Baht 13,485.21 million, increased by Baht 1,045.13 million or 8.40 percent YoY due to:

1) Accounts receivable decreased by Baht 63.78 million to Baht 410.18 million, because of re-classifying accounts receivable between a subsidiary and a private company to other non-current liabilities Baht 43.8 million according to raw water sales and purchase agreement between the subsidiary and the private company.

(2) Property, plant and equipment was Baht 10,621.90 million, increased by Baht 1,079.13 million from several investment (after net of depreciation) such as Nongplalai – Mabtaput III (Baht 238.34 million), Bangpra pumping station (Baht 413.37 million), Tabma (Baht 297.48 million), Prasae-Nongplalai (pipeline and pumps - Baht 113.24 Million) and Bangpakong-Chonburi pipeline (Baht 164.90 million).

(3) Assets under concession contracts was Baht 555.57 million, increased by Baht 63.81 million, mainly from Sattahip-Pattaya pipeline (Baht 38.46 million), the rest were maintenance and replacement projects in the tap water business.

3.2. Liabilities

As of 31 December 2013, total liabilities were Baht 5,557.83 million, increased by Baht 438.21 million or 8.56 percent YoY, due to:

(1) Payable for purchase of fixed assets was Baht 264.23 million, increased by Baht 225.76 million, from the company's construction projects.

(2) Long-term loan from financial institutions was Baht 4,410.36 million, increased by Baht 216.39 million from loan drawdown for investment projects (net after debt repayment).

3.3. Shareholder's equity

As of 31 December 2013, Shareholders' equity was Baht 7,897.58 million, increased by Baht 580.64 million or 7.94 percent YoY, basically from net profit in 2013 after dividend paid of Baht 732.04 million.

4. Cash flow analysis

Table 6 : Summary of East Water Group's Cash flow

Items	Amount (MB.)		Increased (Decreased) MB.
	2013	2012	
Operating Cash Flow	1,634.57	1,635.21	(0.64)
Investing Cash Flow	(1,183.64)	(2,017.28)	833.64
Financing Cash Flow	(446.10)	491.85	(937.96)
Net increase of cash and equivalent	4.83	109.78	(104.95)
B/F	238.47	128.69	109.78
C/F	243.31	238.47	4.83

In general, East Water Group had positive cash flow by 4.83 Million Baht from positive operating cash flow against financing and investing cash flow.

5. Key financial ratios

Table 7 : Key Financial Ratios

Items	As of 31 December 2013	As of 31 December 2012	Change
Profitability ratio			
Gross profit/ total revenue (%)	56.87%	58.69%	(1.82%)
Net profit/ total revenue (%)	34.49%	33.27%	1.22%
Return on Equity (ROE) (%)	17.30%	17.40%	(0.10%)
Return on Assets (ROA) (%)	10.15%	10.68%	(0.53%)
Financial structure and liability ratio			
Debt to Equity ratio	0.70	0.70	-
Debt Service Coverage ratio (DSCR) (time)	2.53	2.87	(0.34)

In 2013, East Water Group generated gross profit and net profit margin at 56.87 and 34.49 percent, respectively. Return of Equity (ROE) and Return on Assets (ROA) were 17.30 and 10.15 percent, due to a period of high investment on reservoirs and pipeline system to increase the capacity to serve the future demand.

6. Water situation at major reservoirs

Table 8 : Water Situation at Major Reservoirs as of 3 February 2014

Unit: Million Cu.M.

Items	Chonburi		Rayong			
	Bangpra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
Water reserve	69.45	15.95	58.07	139.24	32.41	214.52
% of total capacity	59%	75%	81%	85%	81%	87%
Average (2006 – 2013)	62.84	12.88	52.91	130.42	30.84	207.03
Above (below) average (2006 – 2013)	+6.61	+3.07	+5.16	+8.82	+1.57	+7.49

As of 3 February 2014, water reserves in our main reservoirs in Rayong and Chonburi provinces are above average during 2006 to 2013. With this water level, the 2014 water demand can be fulfilled and 2014 electricity cost is expected to be controlled.

Customer Satisfaction

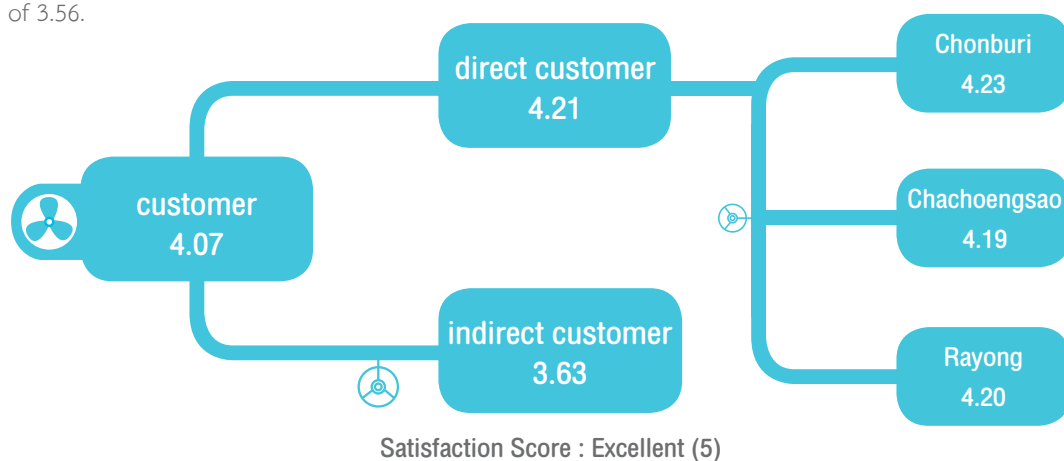
The overview of the customer satisfaction in 2013 is at “good” level with an average score of 4.07, equivalent to the KPI score of 81.4 percents which is an 8.6 percents, increase from 2012. Looking into each category, direct customers rated “excellent,” which is an upgrade from “good,” with an average score of 4.21, a 0.3-point which increase from 2012. Categorizing by the province, the customers in every province has increased their satisfaction from the prior year. The most increased average score was given from the customers in Chonburi, which is 4.23, a 0.28 increase from 2012.

On the other hand, indirect customers have a 0.09 score decrease in satisfaction compared to 2012, which is still at “good” level with an average score of 3.63.

As for the customer engagement with East Water, the 2013 overview is “good” with an average score of 4.20, a 0.27 increase compared to 2012. Considering the direct customers in each province, customers in Chachoengsao has the most increase in the satisfaction in engagement with East Water, which elevates from “average” to “good.” The average score for 2013 is 4.19. For indirect customers, the 2013 score, 3.71, is decreased from 2012 by 0.32. The satisfaction in the engagement is still maintained in “good” level.

For the corporate image in customer perception, the 2013 overview is “good” with a 0.23 increase in average score compared to 2012. Direct customers increase their corporate image satisfaction by 0.26, raised from “good” to “excellent”. The average score for 2013 is 4.26. The satisfaction level of all the direct customers in each province is increased from “good” to excellent”.

In contrast, indirect customers decrease the satisfaction in corporate image from 2012 by 0.19, which results in the 2013 score of 3.56.





GOOD CORPORATE GOVERNANCE



The Board of Director continues great emphasis on conducting the business in accordance with good governance standards to maximize its return to shareholders, taking into account the benefits of all stakeholders, including responsibilities to society, communities and environment. In the past year, by company has revised the Principle of good corporate governance by concentrating on its implementation of the Principle of Good Corporate Governance in accordance with the Principle of Good Corporate Governance for Listed Companies 2012, a guideline from the Stock Exchange of Thailand (SET). In addition, the Company organized many activities that promote good governance practices in the business group with expectation to instill the company's core value of "Transparency, Honesty, Responsibility and Competitiveness" into the mindset of all employees.

Corporate Governance

The Board of Directors defined the Company's Vision, Mission and Policy for corporate governance on August 1st, 2003. The Corporate Governance and Nominating Committee is assigned to periodically review and propose to revise the governance policy to appropriately respond to the dynamic of the situation and present to the Board of Directors.

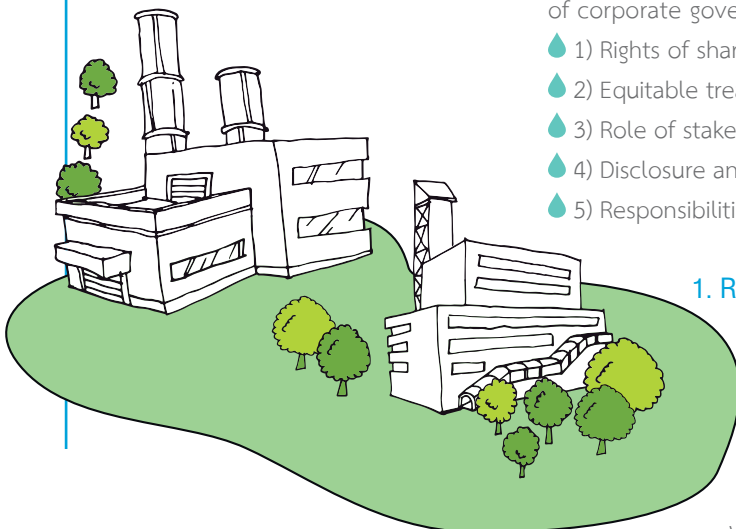
To encourage the conscious of business ethics as stated as one of the main topics in the principle of good governance, the company requires its new employees committed themselves by signing on the Business Ethics Acknowledgement Form on the orientation day. Members of the Board of Directors are also required to sign on the Board of Directors' Handbook. This indicates the company's strong determination to adopt good governance in all of its levels of operation.

Principles of Good Corporate Governance is consisted of principle and guideline of corporate governance in five categories as follows:

- ◆ 1) Rights of shareholders
- ◆ 2) Equitable treatment of shareholders
- ◆ 3) Role of stakeholders
- ◆ 4) Disclosure and transparency
- ◆ 5) Responsibilities of Board

1. Rights of Shareholders

The Company realizes its fiduciary duty to shareholders and so places great importance on promoting shareholders' rights, such as the right to jointly determine the company's policies and guidelines, and the right to receive the company's information in an accurate, transparent and timely manner, which will lead company to sustainable business growth.



1.1 Shareholders' Meeting

Before the Meeting Date

◆ The Company allowed the minority shareholders the right to nominate the Company's directors and propose the meeting agenda through the company's website prior to the meeting date. The minority shareholders could nominate directors starting from October 1 to December 31, 2012 through EASTW's website and SET information System.



◆ The Company notified the information of the date and agenda for the year 2012 Annual General Meeting of Shareholders through the SET's Information System and EASTW's website 30 days prior to the meeting date.

◆ The Company distributed the invitation letters, the agenda details (the objectives and reasons of the meeting, and the Board's opinion), with the proxy form (in Thai and English) to all shareholders and announced of the distribution of the meeting document at least 14 days prior to the meeting date. The Company published its annual meeting date and agenda in the newspaper for 3 consecutive days at least 3 days prior to the meeting date. The Company also posted its invitation letters and meeting document on its website 30 days before the meeting took place.

◆ In the case that any shareholder could not attend the meeting, he could proxy vote using the proxy form issued by the Department of Business Development, Ministry of Commerce (Form A, B and C). The Shareholder should

identify his proxy or appoint one of the three independent directors (arranged by the Company) to attend the meeting and vote on behalf of him.

On the Meeting Date

◆ The 2012 Annual General Meeting of Shareholders was held on April 30, 2013 at 1.30 p.m. at Jupiter Room, 3rd floor, Miracle Grand Convention Hotel, Vipavadeerangsit Road, Laksi, Don Muang, Bangkok. The voting procedure was facilitated with the use of a special electronic voting system developed by the Thai Security Depository Co.,Ltd (Barcode and E-Voting).

◆ 11 Directors attended the meeting (100% of the directors), including Chairman of the Board of Directors, Chairman of Executive and Investment Committee, Chairman of Audit Committee, Chairman of Corporate Governance and Nominating Committee, Chairman of Evaluation Committee and Remuneration Committee

◆ Top Executives, corporate secretary, auditors and legal advisers also attended the meeting to explain any question and acknowledge the shareholders' opinion.

◆ Prior to the commencement of the meeting, the Chairman informed the Meeting the governing rules, including the voting process for each business agenda. Before each voting, the Chairman encouraged the Meeting to raise queries and discussed on issues in an appropriate timeframe. The Chairman then allowed the relevant directors and/or executives to clarify the points to the Meeting's thorough satisfaction. Then the Chairman commenced the voting. For the election of the directors, the Chairman advised the Meeting to discretely vote in the individual ballot papers.

◆ The Chairman announced the results of the voting for each agenda before considered next agenda or declared the meeting adjourned. The Chairman adhered to the rules of the company to conduct the meeting in the order of the declared agenda, unless more than two-thirds (2/3) of the shareholders present in the meeting voted for a change of the order of the agenda. After the declared agenda were scrutinized, the Chairman informed the Meeting that the shareholders with the total of one-third (1/3) of the shares



subscribed could request additional agenda. In 2012, there was no change in order of agenda and additional agenda proposed.

After the meeting date

◆ The Company published the resolution of the 2012 Annual General Meeting of Shareholders through SET's Information System and the Company's website immediately after the meeting is adjourned.

◆ The Company prepared the minutes of the 2012 Annual General Meeting of Shareholders and submitted to SET and the Securities and Exchange Commission (SEC) within 14 days from the date of the meeting. The discussion and the meeting resolution were recorded clearly. The voting results were recorded as "Approve, Disapprove, and Abstain".

◆ Thai Investors Associations AGM Assessment Project rated EASTW's administration of its 2012 Annual General Meeting of Shareholders at "Excellence" level.

2. Equitable Treatment of Shareholders

The Company ensures its equitable treatment to all of its shareholders. For example, the Company facilitates shareholders to attend and vote in the shareholder's meeting and also grants the right of minority shareholders to propose person to be director and the right to propose the meeting agenda in advance. The Company also prepares the translation version of document to facilitate its foreign shareholders in the meeting. In addition, the Company has the policy for director who may have conflict of interest to abstain for consideration in such related agenda.



3. Role of Stakeholders

3.1 Responsibilities to Stakeholders

The Company incorporated its business philosophies in every operation to emphasize responsible and equitable treatment to all relevant stakeholders. Such philosophies are as follows:

(1) Fiduciary duties to shareholders: The Company generates appropriate returns to its majority shareholders, minority shareholders, and investors and maintain its financial stability to support sustainable business growth.

(2) Responsibilities to customers: The Company continually develops and manages water resources with good quality and services to maximize customer satisfaction. The Company emphasizes the excellent satisfaction to the customer by manage water resources to be sufficient for customer utilization with care and equal service. The Company also continuing concentrates in solving the related problem for best service in appropriate timely manner in all served areas.

(3) Responsibilities to Creditors: The Company adheres to the terms and conditions and covenants set forth in the loan agreements, refrain from misrepresenting financial status of the company and the group, and abstain from misappropriating loans for inappropriate purposes.

(4) Responsibilities to employees: The Company acknowledges and respects employees' legal rights. It ensures that a good working environment, appropriate welfare arrangements and fair employee treatment are conducted, and the compensation schemes are aligned with the industry. It encourages equitable self-development opportunities and employees' participation in the company's decision process, with expectation to fortify the bond within the organization and promote the employee's sense of devotion.

(5) Responsibilities to business partners: The Company certifies that its relationship with its contractors, suppliers and investors are based on mutual agreement with objective to optimize the benefits of all parties involved.

(6) Responsibilities to society and environment: The Company conducts its business with full awareness of its potential externalities. It adheres to laws, related regulations and

relevant standards regarding hygiene, safety and welfare of the society to avoid any harm on the lives and the properties of people and to avoid any damages on the environment.

(7) Responsibilities to competitors: The Company conducts the business under fair justice commercial law, legally and not assess competitors information with inappropriate or dishonest method.

3.2 Policy of Non-involvement in Human Right Violation

The company respects the equality and the rights of the employees by following the human right principles protected by the Constitution of the Kingdom of Thailand, Thai laws and other treaty obligations. The company will not take any actions that violate human dignity, right, and liberty, and will not be irrespective of their origins, races, languages, sexes, ages, physical or health conditions, personal statuses, economic or social statuses, religions, educations, political views, or personal matters unrelated to work.

3.3 Policy and Practice against Corruptions and Business Frauds

The company has shown its commitment by joining the Private Sector Collective Action Coalition against Corruption supported by the government and the Office of The National Anti-Corruption Commission (NACC).

The company also has policy to prevent the Board of Directors and other employees from exploiting their power and position. They are to negate the offers such as money, gifts, recreations, trips, or other measurable benefits that are free of charge or the price is exceptionally low; avoid giving presents or souvenirs to the persons or the organizations that may affect any decisions regarding their duties. In case of bestowing unusually expensive presents or souvenirs upon business associates are unavoidable, permission from the supervisor is required. Moreover, beside the fact that all employees' opinions and suggestions concerning the subject are welcomed, the company has initiated trainings regarding Good Governance.

3.4 Filing of Complaints

EASTW set up a specific channel to handle complaints regarding illegal or unethical practices in accurate accounting entries, and inadequate internal control. It also put in place a Whistleblower Protection Plan to promote effectiveness of the detection and the resolution of

misconducts and errors. Complaints can be filed to the Audit Committee via:

E-mail

Audit committee: AC_EW@eastwater.com

President & CEO: CEO@eastwater.com

Mail

Audit Committee Eastern Water Resources Development and Management Public Company Limited 1, East Water Building Fl. 25, Soi Vipavadeerangsit 5, Vipavadeerangsit Road, Chompol, Chutuchak, Bangkok 10900

The policy for complaints is disclosed in the annual report (Form 56-2) and complaints channel could be raised through the company website (www.eastwater.com)

4. Information Disclosure and Transparency

The Board of Directors of the company and the affiliates make certain that the administrative department have the appropriate communication system in order to distribute important information for the benefits of the stakeholders in receiving the financial information verified by independent auditors according to the Accounting Standards of Thailand. The company is willing to make an adjustment based on the suggestions of the auditors and other general information with accuracy, completeness, transparency, and rationality in accordance with the announcement of the Stock Exchange of Thailand. The company also supports the administrative department to make public other information considering the good measure in keeping confidentiality of non-public information that may affect the decision-making in securities trading or the change in the company's securities price.

The information will be distributed through the communication system of the Stock Exchange of Thailand, which to be passed down to www.eastwater.com and www.uu.co.th in both Thai and English version. The administrative department is engaged in updating the most recent information and notifying the Investor Relations unit to convey the company's information beneficial to the shareholders, investors, securities analysts, and other related parties. The contact information is as follows:

Telephone: 02-272-1600 ext. 2332, 2378, 2311

E-mail: IR@eastwater.com

Website: <http://eastw-th.listedcompany.com/home.html>

In addition, the company assigns a Compliance Unit to inspect the operation to be conformed to rules and regulations regarding the Stock Exchange of Thailand and the Office of The Securities and Exchange Commission, as well as to release information through various channels, such as the company website, the Office of The Securities and Exchange Commission website, and Annual Reports. In order to ensure the investors' confident of the company's operation, the information is presented with accuracy, sufficiency, punctuality, and completeness according to the related laws.

5. Board of Director's Responsibilities

The Board of Directors are confident that good governance is one of the keys toward achieving the company's ultimate goal - to maximize the benefit of the shareholders. It is a legal obligation to put good governance principles into practice. As for the responsibility toward the stakeholders, the board closely monitors the company's management to ensure its effectiveness and efficiency on behalf of the company, the affiliates, and the stakeholders.

5.1 Leadership and Vision

The Board of Director has significant role in determining the company's vision, policy and strategic plans through its Corporate Plan with 3-year revision. The Board of Director jointly with the executives analyze the business plan for 10 years by taking the dynamic of the external environment factors such as geographic, global economic, development in technology into consideration. The Operation for each year, the Executive will report the Strategic and Action Plan to the Executive and Investment Committee for recommendation and further present as Operational Plan and Budgeting to the Board of Director for approval. Apart from this, the Executive reports the progress of the action plans including problems arising from implementation plan on timely basis to the Audit Committee and the Board of Director for their acknowledgement. The Executive also propose for approval in project with investment value over B 200 MM from the Board of Director.

The Board of Directors evaluating management's performance by comparing its performance with objectives and the company's overall business performance. Quarterly management performance is reported in the meeting of the Board of Director under the agenda "Quarterly Financial Status Report". In addition, the board also required the management to inform any changes in rules and regulations

set by SET and SEC including other related legal issues that may affect the business.

5.2 Conflicts of Interest

The Board of Directors set up policies on conflict of interest in the Corporate Governance Framework and the Board of Directors' Handbook. Such Policies are as follows :

◆ Directors who assign the proxy to other person(s) to execute any legal transaction must do as written documents or have the authorized matters recorded in the minutes of the meeting of the Board of Directors. The authorization must be specific, and must not be given to the persons with possible conflict of interest in the authorized transaction.

◆ All personnel in every level must put his/her best effort to avoid any action that will create conflicts of interest, which will destroy the group's overall interest and derail working relationship.

◆ Every employee must disclose the transactions that may create conflicts of interest to the knowledge of his/her supervisor, attaching any document depicting details of the said transactions. The document is to be reported to the Chief Executive Officer.

◆ Directors of the company or its subsidiaries must refrain from seeking personal benefits for themselves, families, or friends, directly and indirectly, by using power, privileges, and information provided by their position in the company.

The Board of Directors and executives are required to disclose the following information:

◆ Transactions on which the directors, executives, or their related parties may have interests. The company's secretary shall gather the information on those transactions and report to Chairman of the Board of Directors and Chairman of Audit Committee.

◆ Possession of securities by the directors, executives, or their related parties. The company shall report the summary of such possession to the Board of Directors in each of the meeting of the Board of Directors.

For the case of related transactions, the company will strictly conduct adhere to the regulations set forth by SET

and SEC. The company management will report the Board of Directors of the said transactions and the directors related to the said transactions will abstain for the vote and be requested to leave the meeting during that agenda.

The company also provides the related transaction report to the executives to avoid procuring from suppliers or contracting contractors that may generate conflicts of interest. Related transactions are carefully examined before approval, with the price and conditions that are the same as would be applied to a normal third-party commercial transaction. Related transactions are disclosed in the annual report and Form 56-1.

5.3 Business Ethics

To manifest its devotion to the principle of good corporate governance, the Board of Directors approved the Group's Corporate Governance Framework, the Board of Directors' Handbook, and the Handbook of Business Ethics on August 17, 2006. These guidelines, are continually reviewed to reflect the changing condition and regulation, provide standards for good governance practices for the Company's personnel of every level. Substantially, members of the Board of Directors are required to sign on the Board of Directors' Handbook. Employees of the Group are also educated about good governance practices through constant training programs.

5.4 Power check and balance of Non-Executive Directors

As of December 31, 2013, the Board of Directors is composed of eleven (11) members consisting of the following:

One (1) of its members to be Executive Director
Ten (10) of its members to be Non-Executive Directors, and
Eight (8) of its members to be Independent Directors

5.5 Centralization and Decentralization of Power

The Board of Directors focuses an importance upon transparency of business operation, decentralization of decision making, clear separation of power of screening and consideration of approval. Chairman of the Board must not be the same person as President & CEO. The members of the Audit Committee shall be Independent Directors with no authority to sign approval legal binding to the Company, no financial and management conflicts of interest with the Company and its affiliated companies.

5.6 Board of Directors, Chief Executive Officer, and Executives in Taking Position in Other Company's Board

1. A company Director can take a position in the Board of Directors of no more than three other listed companies and no more than five, including other companies and state enterprises.
2. Chief Executive Officer and Executives can take a position in the Board of Directors of no more than four other listed companies.

5.7 Remunerations of Directors and Executives

The Board of Directors' has stipulated the remunerations policy for the Board of Directors' and Executives as par with the industries in order to keep and maintain the directors and executives with the company. The Remunerations Committee shall consider the remunerations following the period of the position based on the net profit, dividend payment, and operating result of the company which are considered on the annual basis. The appropriate remunerations shall be proposed to the Board of Directors' for approval prior to the consent from the Annual General Meeting. In the fiscal year 2013, the remunerations paid to Directors and Executives are as follows:





1. Monthly allowance and Meeting allowance

The 2012 Annual General Meeting on Tuesday April 30, 2013 has consented the remunerations for directors for the year 2013 as follows:

Board of Directors

Monthly allowance 30,000 baht/person

Meeting allowance 10,000 baht /meeting/person

If there is more than 1 meeting in a month, only 1 meeting allowance is paid. The meeting allowance for the Chairman of Board of Directors' receives 25% on top.

Sub-Committee

1. Audit Committee

Monthly allowance - none

Meeting allowance 20,000/meeting/person

2. Other Sub-Committee

Monthly allowance - none

Meeting allowance 10,000/meeting/person

The sub-committee receives meeting allowance according to number of meeting attending but not exceed 20,000 baht.

2. Bonus for Board of Directors'

The Board of Directors in the meeting of 12/2005 (December 28,2005) has stipulated policy on bonus remunerations that bonus remunerations is paid to the Board of Directors only when the company gains net profit and the amount paid will not exceed 5% of annual net profit. The Chairman of Board of Directors' receives 25% on top. Bonus is calculated on the basis of duration in the position.

Report of the Remunerations of the Directors' and Executives for the Fiscal Year 2013

The remunerations of the Directors' from January 1, 2013 - December 31, 2013

(Baht)



Names of Directors			Period in the position in 2013	Meeting Allowance of the Board of Directors ⁵	Meeting Allowance of the Sub-Committee ⁵	Directors' Remuneration depend on the months in the position	Bonus from the operating result in 2012 paid in 2013 (after tax deduction)
1	Sqn.Ldr. Sita Thiwaree	Chairman	7	87,500	-	262,500	-
2	Mr. Chanchai Soontharamut	Former Chairman ¹	-	-	-	-	445,560.50
3	Mr. Chanin Yensudjai	Former Chairman ³	5	62,500	-	187,500	40,505.50
4	Mr. Somchai Choomrat	Former Director ²	-	-	-	-	437,459.40
5	Mr. Poonsak Pranootnaraparn	Former Director ²	-	-	-	-	437,459.40
6	Mr. Rungson Sriworasat	Former Director ²	-	-	-	-	401,004.45
7	Mr. Vichian Udamratanasil	Former Director ²	-	-	-	-	109,364.85
8	Mr. Permsak Rattana-ubon	Former Director ²	-	-	-	-	162,022.00
9	Mrs. Arunee Arkaraprasertkul	Former Director ²	-	-	-	-	437,459.40
10	Pol.Gen. Wuthi Phuawade	Former Director ²	-	-	-	-	401,004.45
11	Miss Narinee Talomsin	Former Director ²	-	-	-	-	401,004.45
12	Mr. Jiratt* Nithianantporn	Former Director ³	5	30,000	110,000	150,000	36,454.95
13	Mr. Chinawat Assavapokee	Former Director ³	5	50,000	150,000	150,000	-
14	Mrs. Rattana Kitehawan	Former Director ³	5	50,000	20,000	150,000	291,639.60
15	Mr. Praphant ⁶ Asava-Aree	Former Director ³	4	10,000	60,000	120,000	486,066.00
16	Mrs. Namphon ⁶ Rassadanukul	Former Director ³	-	- ⁷	-	-	40,505.50
17	ML. Panasarn Husadinthorn	Director	8	70,000	170,000	240,000	-
18	Mr. Kallayana Vipattipumiprates	Director	12	50,000	170,000	360,000	36,454.95
19	General Chuchai Boonyai	Director	12	120,000	200,000	360,000	36,454.95
20	Mr. Prinya Nakchudtree	Director	12	120,000	80,000	360,000	-
21	Mr. Thairatana Jotikabhukkana	Director	12	120,000	200,000	360,000	-
22	Mr. Verapong Chaiperm	Director	12	70,000	60,000	360,000	255,184.65
23	Mr. Sahust ⁴ Pratumkukul	Director	12	110,000	130,000	360,000	324,044.00
24	Pol.Gen. Sahachart Pipithkul	Director	7	60,000	170,000	210,000	-
25	Mr. Chotisak Arsapawiriya	Director	7	50,000	180,000	210,000	-
26	Mr. Wanchai ⁶ Lawatanatrakul	Director	4	40,000	90,000	120,000	-
27	Miss Kritpaka Boonfeung	Sub - Director	11	-	230,000	-	-

Remark: Currently, Mr. Jiratt changed his name to Mr. Piboonketh

1. Passed away on December 2, 2012

2. Former Directors whose terms were expired before January 31, 2013

3. Former Chairman and former Directors whose terms were expired before December 31, 2013

4. The remunerations of Mr. Permsak Rattanaubon of 924,044 Baht followed the regulations of Electricity Generating Public Company Limited (EGCO) which were directly transferred as director's remuneration of directorship in other companies to the account of the Thai Rakpa Foundation.

5. The numbers of the meeting attendances are summarized on next page

6. The deduction of the withholding tax is calculated in the Directors' remunerations.

7. Mrs. Namphon Rassadanukul informed not to receive the meeting allowance of the Director.

Executive Remuneration

The 9 members of the Executive Directors and Executives received salary and compensation remunerations for the 2013 operation results for 39,396,305.00 Baht.

Securities Holding

The 11 members of the Board of Directors' who were in office as of December 31, 2013 were not holding securities of the company.

The 9 members of the Executive Directors and Executives held 2,011,160 common shares (as of December 31, 2013).

5.8 The Board of Directors' Meeting

The Board of Directors' monthly meetings are normally scheduled on the fourth week of the month. The meetings are planned in advance for the whole year to facilitate the directors' availabilities to attend every meeting.

President& CEO, performs as the Secretary to the Board of Directors, arranges the meeting agenda including the scope and importance of agendas. The significant matters shall be included as the meeting agendas for consideration and shall be arranged in order by their importance and urgency. The invitation to the meeting with agendas and other relevant documents shall be sent in advance to the Board of Directors to review the information prior to the meeting. After the presentation from in the management meeting, the Chairman shall request the directors to raise questions or express their opinion, and mutually discuss problems. Hence, the conclusion is received, the Chairman shall provide conclusion as the meeting's resolution for clarification, accuracy and mutual acknowledgement, leading to careful consideration as well as providing sufficient time for the directors to discuss together. If there is no objection to the meeting's resolution, the Chairman shall lead to the consideration of the next agenda.

For the fiscal year 2013, the Board of Directors held total 14 meetings. The details and each individual director attendances could be summarized as follows:

	Name of Directors		Meeting attended/ No. of Meetings	Effective Period
1	Sqn.Ldr. Sita Divari	Chairman	7/7	Effective on Jun 11, 2013
2	Mr. Chanin Yensudchai	Former Chairman	6/6	Dec 13, 2012 – May 28, 2013
3	Mr. Jiratt Nithianantporn	Former Director	3/5	Dec 13, 2012 – May 17, 2013
4	Mr. Chinnawat Assavapokee	Former Director	5/5	Dec 20, 2012 – May 17, 2013
5	Mr. Praphant* Asava-Aree	Former Director	1/4	Jan 26 , 2007 – Apr 30, 2013
6	Mrs. Rattana Kitehawan	Former Director	6/6	Apr 1, 2012 – Jun10, 2013
7	Mrs. Numphon Rassadanukul	Former Director	1/1	Mar 29, 2012 – Apr 17, 2012
8	M.L. Panasarn Husdin	Director	8/10	Effective on Apr 30, 2013
9	Mr. Kallayana Vipattipumirates	Director	6/14	Effective on Dec 13, 2012
10	Gen. Chuchai Boonyoi	Director	14/14	Effective on Dec 13, 2012
11	Mr. Prinya Nakchudtree	Director	14/14	Effective on Dec 20, 2012
12	Mr.Thairatana Jotikabhukkana	Director	14/14	Effective on Dec 20, 2012
13	Mr. Verapong Chaiperm	Director	8/14	Effective on Apr 25, 2012
14	Mr. Sahust Pratuknukul	Director	13/14	Effective on Apr 25, 2012
15	Gen. Sahachart Pipithkul	Director	6/7	Effective on Jun 11, 2013
16	Mr. Chotisak Asapaviriya	Director	5/7	Effective on Jun 11, 2013
17	Mr. Wanchai Lawattanatrakul	Director	4/4	Effective on Aug 30, 2013

Remark * Absences from meeting by permission of the Chairman total 3 times

Independent Directors' meeting and Non-Executive Directors' meeting

The Board of Directors has a policy to set up Independent Directors' that was held in September 2013 and the Non-Executive Directors' meeting Directors to express problems related to the company's business and other interested issues that was held in December 2013.

5.9 The Sub-Committees

The Board of Directors has appointed the sub-committees which consist of members with appropriate expertise to study and screen particular works to ensure their accuracy and clarity following the company's missions and policies, prior to proposing them to the Board of Directors for approval, ratification or recommendations, depending on each case. Details on the committees appointed by the Board of Directors and their meeting attendance during the 2013 fiscal year are as follows:

5.9.1 The Audit Committee, as of December 31, 2013, comprised three independent directors and an advisor

	Name-Surname	Position	Meeting Attendance/ No. of Meetings
1	Mr. Thairatana Jotikabhukkana	Chairman of Committee	11/11
2	Gen. Chuchai Boonyoi	Director	11/11
3	Mr. Kallayana Vipattipumiprates	Director	6/11
4	Mr. Jakkrit Parapantakul	Advisor	9/11

The Audit Committee is obliged to ensure accuracy and credibility of the company's financial statement in accordance with national standard of the Federation of Accounting Professions before presenting to the Board of Directors, while also establishes effective, independent and transparent audit procedures among the Board, the Internal Audit Department and External Auditor, in order for them to revise and provide appropriate recommendation for the company's internal control system in terms of efficiency and effectiveness assessment to comply with the law and regulations. Also, consideration of connected transactions or conflict of interest transactions shall be performed with lawful and reasonable implementation and maintain the utmost benefit of the company. The Auditing Report shall also be included in the company's annual report. In addition, the committee is responsible to directly oversee the auditors in a bid to ensure transparent processing. It is also required to provide initial approval of the appointment and remuneration of the external auditors, which will later be presented to the Board of Directors and shareholders.

5.9.2 The Management and Investment Committee, as of December 31, 2013, comprised five members and two advisors

	Name-Surname	Position	Meeting Attendance/ No. of Meetings
1	M.L. Panasarn Hasdin ¹	Chairman of Committee	12/12
2	Gen. Sahachart Pipithkul ²	Director	11/12
3	Mr. Chotisak Asapaviriya ²	Director	10/12
4	Mr. Wanchai Lawattanatrakul ³	Director	6/7
5	Miss Krithpaka Boonfueng ²	Director	9/10
6	Rear Admiral Samarn Sukwiboon ⁴	Advisor	7/7
7	Mr. Prempracha Supasamut ⁴	Advisor	5/7
	Mr. Jiratt Nitiantaporn	Former Chairman	9/10 (Resigned May 17, 2013)
	Mr. Chinnawat Assavapokee	Former Director	9/10 (Resigned May 17, 2013)

Mr. Prapant Asava-aree ⁵	Former Director	6/10 (Resigned April 30, 2013)
Mr. Nakorn Jirasawetkul ⁶	Former Advisor	6/6 (Resigned August 14, 2013)
Mr. Peerasak Dechapitkul ⁶	Former Advisor	2/2 (Resigned May 20, 2013)
Dr. Suttichai Chan-arak ⁶	Former Advisor	1/2 (Resigned May 20, 2013)

Remark : 1. M.L. Panasarn Hasdin was appointed as Chairman of the Management and Investment Committee on May 16, 2013.
2. Gen. Sahachart Pipithkul, Mr. Chotisak Asapaviriya and Miss Krithpaka Boonfueng were appointed as Directors of the Management and Investment Committee on July 5, 2013.
3. Mr. Wanchai Lawattanatrakul was appointed as Director of the Management and Investment Committee on August 30, 2013
4. Rear Admiral Samarn Sukwiboon and Mr. Prempracha Supasamut were appointed as advisors on August 30, 2013
5. Mr. Prapan Asawa-aree were granted four leaves of absence by Chairman of the Board
6. Mr. Nakorn Jirasawetkul and Mr. Peerasak Dechapitkul were appointed as advisors on March 14, 2013

The Management and Investment Committee has been assigned by the Board of Directors to oversee the company's business operation, ensure work efficiency and strength in accordance with the Board's policy. The committee is to screen and revise business plans, operation plans, annual budgets and especially the procurement of investment projects under the budgets allocated from the Board of Directors. In addition, the Management and Investment Committee is responsible to determine the company's procedures and other criteria of company's projects, including financial investment projects, while also support other managerial tasks in order to constantly achieve the company's goals and objectives.

5.9.3 The Corporate Governance and Nomination Committee, as of December 31, 2013, comprised four members

	Name - Surname	Position	Meeting Attendance/ No. of Meetings
1	Gen. Sahachart Pipithkul ¹	Chairman of Committee	5/5
2	M.L. Panasarn Hasdin ²	Director	5/5
3	Mr. Kallayana Vipattipumiprates ²	Director/ Former Chairman ³	4/6
4	Miss Krithpaka Boonfueng ²	Director	5/5
	Mr. Jiratt Nitianantaporn	Former Director	0/1 (Resigned May 17, 2013)
	Mr. Chinnawat Assavapokee	Former Director	1/1 (Resigned May 17, 2013)
	Mr. Verapong Chaiperm ⁴	Former Director	1/1 (Resigned July 3, 2013)

Remark : 1. Gen. Sahachart Pipithkul was appointed as Chairman of the Corporate Governance and Nominating Committee on July 5, 2013
2. M.L. Panasarn Hasdin, Mr. Kallayana Vipattipumiprates and Miss Krithpaka Boonfueng were appointed as Directors on July 5, 2013
3. The Board of Directors' meeting (No. 1/2013 on 31 January 2013) appointed Mr. Kallayana Vipattipumiprates as Chairman of the Corporate Governance and Nominating Committee from January 30 to July 4, 2013
4. Mr. Verapong Chaiperm resigned from all sub-committees, effective from July 3, 2013

Corporate Governance

The Corporate Governance Committee is accountable for supporting operations of the Board of Directors with accuracy and transparency, while maintaining benefit of the company's shareholders and stakeholders by screening the Board of Directors' manual, Business Ethics and Staff Ethics. In the meantime, the committee is required to ensure that the practices of Good Corporate Governance contribute to the company's development, and that the company follows important practice guidelines of effective corporate governance procedure in accordance with notifications of the Stock Exchange of Thailand. The assessment as per policy shall be performed periodically.

Nomination

The Nominating Committee is appointed by the Board of Directors to select and nominate suitable persons to take on roles as members of the Board of Directors, Sub-committees, or as President and CEO of the company and its affiliates. It is also responsible for screening qualified applicants to be appointed as advisors to the Board and other Sub-committees, as well as providing recommendation to the committees' managerial structure before presenting to the Board of Directors for further consideration.

5.9.4 The Risk Management Committee, as of December 31, 2013, comprised four members and an advisor

	Name - Surname	Position	Meeting Attendance/ No. of Meetings
1	Mr. Chotisak Asapaviriya ¹	Chairman of Committee	4/4
2	Mr. Sahust Pratuknukul	Director	5/5
3	Mr. Wanchai Lawattanatrakul ²	Director	3/4
4	Miss Krithpaka Boonfueng ²	Director	4/4
5	Mr. Wuttipong Wechayanond ³	Advisor	3/4
	Mr. Chinnawat Assavapokee	Former Chairman	1/1 (Resigned May 17, 2013)
	Mrs. Rattana Kitehawan	Former Director	1/1 (Resigned June 10, 2013)
	Mr. Prapant Asava-Aree	Former Director	1/1 (Resigned April 30, 2013)

Remark : 1. Mr. Chotisak Asapaviriya was appointed as Chairman of the C Risk Management Committee on August 30, 2013

2. Mr.Wanchai Lawattanatrakul and Miss Krithpaka Boonfueng were appointed as Directors on August 30, 2013

3. Mr. Wuttipong Wechayanond was appointed as Advisor on August 30, 2013

The Risk Management Committee's major role is to oversee and review the risk management policy and plan, as well as other standard practices, strategies and risk assessment. Its responsibilities include providing recommendation for the administrative department to ensure appropriate implementation of risk management policy and objectives by proposing to the Board of Directors at least twice a year.

5.9.5 The Regulation Enforcement, Operating Results Assessment and Remuneration Committee, as of December 31, 2013, consisted of three members

	Name - Surname	Position	Meeting Attendance/ No. of Meetings
1	Mr. Prinya Nakchudtree	Chairman of Committee	10/10
2	Mr. Sahust Pratuknukul	Director	10/10
3	Mr. Chotisak Asapaviriya ¹	Director	6/7
	Mr. Jiratt Nitianantaporn	Former Director	1/2 (Resigned May 17, 2013)
	Mr. Verapong Chaiperm ²	Former Director	1/3 (Resigned July 17, 2013)

Remark : 1. Mr. Chotisak Asapaviriya was appointed as Chairman of the Regulation Enforcement, Operating Results Assessment and Remuneration Committee on July 5, 2013

2. Mr.Verapong Chaiperm resigned from all sub-committees, effective from July 3, 2013



Regulation Enforcement and Operating Result Assessment

The Board of Directors has appointed and assigned the Regulation Enforcement and Operating Result Assessment Committee to regulate and review the annual Key Performance Indicators (KPIs) of the company to be in accordance with the business operating policy. The committee is also to quarterly follow up the operating results and provides suggestions to the administration department in terms of operation. The accumulated results will be reported to the Board of Directors at the end of the year to make an approval.

Remuneration

The Remuneration Committee is mainly engage to propose the policy regarding remuneration and other financial and non-financial interests of the employees of all levels and the annual remuneration of the Board of Directors of the company, the Committees, the Advisors to the Board of

Directors, the Advisors to the Committees of the committees to the Board of Directors, the President & CEOs, the Directors, and the employees of the company group, along with the shareholders by considering the assigned duties, responsibilities, and missions to the Board of Directors. The committee is as well to report the operating results to the Board of Directors at least twice a year.

The Board of Directors and sub-committees Assessment for the year 2013

The Board of Directors (No. 10/2003 dated 20 November 2003) approved the annual self-assessment of the Board of Directors to review the success, problems, and obstacles throughout the past year and consider the suitable improvements for the efficiency of the operations conformed to the Good Corporate Governance.

In addition, the charter of each committee specifies the committee to assess their operation and report the problems and obstacles that not achieve from accomplishing the missions, authorizations, and duties (if any) to the Board of Directors once a year.

1. The Board of Directors, self-assessment

In 2013, the Board of Directors has completed for 2013 assessment as both individual and group. They acknowledged the results and the suggestions for improvements for the three lowest scoring subjects in both assessments in the Board meeting (No. 1/2014 dated 22 January 2014). The main subjects of the group assessment are as follows:

1. The readiness
2. Strategy and business planning
3. Risk management and internal audit
4. Preventing the conflicts of interest
5. Financial and operation reporting
6. The Board of Directors meeting
7. Others

The results of assessment of the sub-committees in 2013 are as follows:

	Sub-Committee	Results (Group) In percentage	Results (Individual) At the average scores in percentage
1	Management and Investment Committee	95.32	94.40
2	Corporate Governance and Nomination Committee	95.00	96.50
3	Risk Management Committee	97.35	98.00
4	Regulation Enforcement and Operating Result Assessment and Remuneration Committee	95.93	95.33
5	Audit Committee	100.00	97.19

5.10 Director Orientation

In 2013, the Company has a policy to provide the first orientation for the new directors. In the orientation, President & CEO, the Corporate Secretary, and the Executives will present business policy and other related internal information such as the shareholder structure, the Company organization chart, operating results, related law and regulations, including the past Board of Directors' resolution, problems and obstacles, and future plans, etc. The following documents are submitted to the new directors:

- ◆ The Company's Profile
- ◆ The Company's operating results and activities

The results of the Board of Directors Assessment in 2013 are as follows:

- ◆ The result (as a group) is at the average score of 94.60%
- ◆ The result (as an individual) is at the average score of 95.64%

2. Sub-Committees Assessment in 2013

Each sub-committee has considered self-assessment both individual and group, also analyzed the weaknesses in order to find the improvements for both assessments. In addition, they presented the results in the Board meeting (No. 1/2014 dated 22 January 2014).

- ◆ Form 56-1
- ◆ Annual Report (Thai version)
- ◆ The Board of Directors Manual
- ◆ Principles of Good Corporate Governance
- ◆ Minutes of the Board of Directors' meeting
- ◆ The Risk Management Manual
- ◆ The Company's Article of Association, Certificates, rules and regulations.

In addition, the Company has a policy for the new directors to visit the Company's operation areas to promote their understanding of the business.

5.11 Training of Directors

Name of Directors and Advisory to the board	IOD Training						
	DCP ¹	ACP ²	RCC ³	RCP ⁴	SFE ⁵	RNG ⁶	UFS ⁷
Sqn. Ldr. Sita Divari	178/2013	-	-	-	-	-	-
M.L. Panasarn Hasdin	-	-	-	-	-	-	2/2006
Mr. Chotisak Asapaviriya	-	-	-	-	-	-	-
Gen. Sahachart Pipithkul	180/2013	-	-	-	-	-	-
Mr. Thairatana Jotikabhukkana	174/2013	44/2013	-	-	-	-	-
Mr. Prinya Nakchudtree	111/2008	-	12/2011	24/2010	13/2011	-	-
Mr. Kallayana Vipattipumiprates	-	-	-	-	-	-	-
Gen. Chuchai Boonyoi	174/2013	44/2013	-	-	-	-	-
Mr. Verapong Chaiperm	161/2012	-	-	-	-	-	-
Mr. Sahust Praturukkul	73/2006	-	-	-	-	-	-
Mr. Wanchai Lawattanatrakul	43/2004	-	-	-	-	-	-
Advisory to the board							
Miss Krithpaka Boonfueng	173/2013	-	-	-	-	5/2013	-

- Remark :
1. DCP : Director Certification Program
 2. ACP : Audit Committee Program
 3. RCC : Role of the Compensation Committee
 4. RCP : Role of the Chairman Program
 5. SFE : Successful Formulation & Execution the Strategy
 6. RNG : Role of the Nomination and Governance Committee
 7. UFS : Understanding the Fundamental of Financial Statements

5.12 Nomination of Directors and Management

The Company provides the Board of Directors' manual which stated the requirement to follow the Company's Article of Association and Stock Exchange of Thailand's regulations regarding the nomination and appointment of suitable candidate for position in the Board of Directors. The Corporate Governance and Nomination Committee (Meeting No. 6/2556 dated December 25, 2013) agreed to revise some principles on the nomination of Directors to comply with Good Corporate Governance for Listed Companies of the Stock

Exchange of Thailand of year 2555 and Guideline for assessment the survey of Corporate Governance for Listed Company of Thai Institute of Directors Association : (IOD). The resolution from the Corporate Governance and Nomination Committee Meeting No. 6/2556 will be proposed for approval from the Board of Directors with details as follows:

- ☛ Must be reasonably qualified, does not have forbidden characteristics as prescribed under the Stock Exchange of

Thailand's regulations and if hold an independent director's status one must have all the qualifications as specified.

◆ Must be consisted of persons who have qualified knowledge in water resources or other related business with at least one director must be qualified expertise in accounting and finance.

◆ For the nominating director, person will be appointed by considering on various of skills including business, industry, finance and accounting, skill in management and making decision, business in global industry, business strategy, crisis management, good corporate governance and legal issues.

◆ The Chairman of the Board should be an independent director and should not be chairman or member of Sub-committees.

◆ The Company has specified the policy to appoint its Board of Directors to be the Board of Directors of its subsidiary in the event when the Company holds more than 50 percent or above shares in its subsidiary. The Company should have the rights to appoint the Company's Directors or qualified person to be a member of Board of Directors in its subsidiary, of which the rights to appoint the Executive Director with proportion of no less than half of the total or future number of the Executive Directors in its subsidiary. In addition, if the Company holds more than 50 percent of shares, the Company should have the rights to appoint the Board of Directors in proportionate to the percentage of its holdings.

◆ The number of listed companies that directors can take position is limited to Executive Director (ED) position of not exceeding to four (4) listed companies and Non-Executive Director (NED) position of not exceeding to three (3) listed companies with not exceeding to five (5) for other companies and state-enterprises.

◆ Director shall not over the age of seventy-five (75) years and not limiting for the consecutive terms in order not to lose the opportunity for the appointment of directors with knowledge, ability and experience. Independent Director's consecutive terms must not exceed 9 years. However, the

renewal for over 9 years consecutive terms must be rational considered by the Board of Director.

◆ Director must not hold shares of the company, parent Company, subsidiary, affiliated company or conflict of interest party (including related persons under Section 258 of the Securities and Exchange Act B.E. 2551)

In addition, the Company realized the importance of efficient management, therefore Management Succession Plan is stated in the plan with objectives to be principles and guidelines for the Company to develop potential officers for the management positions under transparency, fairness and verifiability.

(1) The Corporate Governance and Nomination Committee has the responsibilities to define the criteria of nominating and approval of Succession Plan, and recruit method of management or outsider for the position of Chief Executive Officer, then report to the Board of Directors for further approval.

(2) Chief Executive Officer and related parties have the responsibilities to set up criteria in nominating and developing qualified officers, including nominating Executive Vice President and others.

5.13 Inside Information Control

The Company stipulates the inside information for directors, managements and employees according to the principles of good corporate governance as follows:





(1) The policy regarding the Company's securities trading

The Company's managements and employees including their spouses and child(ren) below the legal age are not allowed to buy, sell or transfer the Company's securities within 1 month prior to the disclosure of the financial statements to the Stock Exchange of Thailand (SET) and 3 days after the disclosure of the financial statements to the SET. This is the act of letting shareholders and investors to access and understand the important information or financial statements that has been disclosed to the SET.

(2) The policy regarding the Company's business information

1. Directors, managements, employees, outsourcers and freelancers of the Company shall have to work with information and documents that could not be disclosed to the public and/or confidential trading information such as content in contracts, blueprints, maps, numbers, formulas, innovation, etc. which are the rights of the Company. Therefore, the protection of such information is highly important for the Company's success in the future and the stability of all employees as well.

The directors, managements, employee, outsourcers and freelancers of the Company have the obligations to enter into an agreement following the laws and code of conducts and do not to disclose any confidential information and document or trading information.

2. Level of confidential information.

Confidential trading information is the Company's internal information which must be well protected to prevent the

leakage to outsiders. Levels of confidential information can be classified according to its importance from the least to the most such as defined information, disclosed information, classified information and confidential information etc.

The use of internal information must be done under the assigned duty and responsibility only.

3. The disclosure of information to the public.

The disclosure of information to the public must be approved under the consent of President and CEO or designated person. The disclosure of information that related to other joint-investors must be received the consent from relevant joint-investors as well.

The central divisions which responsible for the disclosure of information to the public are Public Relations Department, Corporate Communications Department, and Investor Relations Department. The Corporate Communications officer is also responsible for providing information to the Company's staff. The Activity Owner is responsible for providing details and coordinating with manager in charge and must be approved by President and CEO prior to the disclosure.

5.14 Definition of Independent Directors

Independent Director plays an important role in good corporate governance. Independent Director supports policy that is conducted in the best interests of shareholders. Additionally, Independent Director opposes the non-transparent decision of management which has impact on benefits of shareholders and other stakeholders.

Therefore, Independent Director must be free from the control of management and major shareholder as well as be free of any exercise in finance and management. The company has defined the definition of “Independent Director” in congruence with the good corporate governance and stricter than the Notification of the Capital Market Supervisory Board¹ as follows:

(1) Non-Executive Director not being involve with day-to-day management and not being a shareholder of the company, parent company, subsidiary company, affiliated company, and not being a director appointed as representative of major shareholder as qualified to be in accordance with relevance laws.

(2) Not being a person related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the company or subsidiary company.

(3) Not undertaking any business in the same nature and in competition to the business of the company, or subsidiary company, or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in the competition to the business of the company or subsidiary company.

(4) Not having a business relationship with the company, parent company, subsidiary company, affiliated company, or juristic person who may have conflict of interest which may interfere with the exercise of his independent judgment.

(a) Relationship Characteristics

Relationship in characteristics of professional services

(1) Auditor and other professional services including those as legal advisor, financial advisor, property appraiser, etc.

(2) Significant level of not independent

◆ Auditor: Prohibited

◆ Other Professional services: Transaction value of exceeding Baht 2 million per year.

Trading/Business relationship (which is in line with the SET’s connected transaction guideline)

◆ Relationship characteristics: Covering all types of business such as normal business transaction, real estate, rental transaction, property/ service transaction and providing or receiving financial aids.

◆ Significant level of not independent: Transaction value of exceeding or equal to Baht 20 million or exceeding equal to 3% of the Net Tangible Asset (NTA) of the company, subject to which is lower. When considering the value of transaction, transaction occurring during 6 months prior to the transactions date must be aggregated.

(b) In case the relationship characteristics under (a) with the juristic person, persons of dependency are such as major shareholders, directors (except independent Directors/ Audits Committee)

(c) Relationship in (a) and (b) shall not be involved at present and at least 2 years before an appointment.

(5) Not being director appointed as representative of director of the company, major shareholder, or shareholder related to major shareholder of the company.

(6) Not having any characteristics which may prevent incapable of expressing independent opinions.

(7) Independent directors who have qualifications under 1-6 may be authorized by the Company’s Board of Directors to determine the business operation of the company, parent company, subsidiary company or juristic persons, associated company, same- level subsidiary company or juristic persons which shall be possible of any conflict of interest under collective decision basis.

(8) The term of independent director should not exceed 9 consecutive years start from the day first appointed. To extend the term of that independent director, appropriate rational consideration should be performed by the Board of Directors.²

¹ Notification of the Capital Market Supervisory Board No.Tor Chor 28/2551
Re: Applicable for and Approval of Offer Sale of Newly Issued Shares

² Resolution of the Corporate Governance and Nomination Committee (6/2556 dated December 25, 2013)

ASSESSMENT OF THE SUFFICIENCY OF INTERNAL CONTROL SYSTEM FOR 2013



The Board of Directors meeting held on 22 January 2014 had considered and approved the internal control reports proposed by the audit committee, including control, environment risk assessment, control activities, information & communication, and monitoring activities, and came to the conclusions as follows;

Environment Control

One of the Board of Directors' role is specifying visions, policies and strategies of the company by providing opinions, and approving annual business plans, to practice with designated goals, objectives, budgets, risk factors, key activities to proceed for each period of time, and the expected measurable returns to achieve the overall objectives. The Key Performance Indicators (KPIs) are applied to gauge the performance all across the corporation for the fairness, effectiveness, and systematic of the monitoring and the assessment, along with the conformance to goals and objectives of the organization.

The organisation structure is set for segregation of duty and for balancing during the Board of Directors, management and shareholders as well as providing communication channels for investors and consistently distributing the company's information to the public. Additionally, the company has sub-committees appointed to consider, screen, and decide with important matters to protect shareholders' interests.

Moreover, the company has announced the application of the good corporate governance, the code of conducts for the Board of Directors and of the employees, at all levels to practice and any violations will be interrogated and penalized in accordance with the regulations.

In addition, concerning the importance of the employees, the company has initiated the Individual Development Plan (IDP), career management policy, and succession plan to be prepared for transitions, especially in executive and business levels.

Risk Assessment

The company implemented the Enterprise Risk Management by assessing risks in every process by analyzing risk factors and the current control methods, along

with specifying additional control measures. The company also has a risk management division to develop a risk management plans and follow the results, in order to control risks into acceptable level and reported to the Risk Management Committee before submitting to the Board of Directors quarterly for consideration and make decisions.

The policies and regulations regarding risk management have been informed to every employees and put into practice as a part of an organizational culture. Everybody shares a duty and responsibility to take care of the organization through the common understanding of risk management. Also, the company has created the Business Continuities Plan (BCP).

Control Activities

The company defined responsibilities, and financial authorities in accordance to corporate governance. In addition all the working procedure and operation manual has been developed and complied according the ISO 9001 : 2008 and 14001 : 2004 standards.

If there is any connected transactions between the company and its subsidiaries, the audit committee, management team and consultant will consider the case in according to SET and close those information in the note annexed in the financial statement. It should be note that the company has to report the connected transactions to the Securities and Exchange Commission (SEC).

The company has assign a committee to follow up the continual follow-up on the affiliates' operations and reported all the progresses to its Board of Directors. The special unit is act as a coordinator of operations to ensure that all subsidiary are working in the same direction as parent firm. Moreover, the company has assigned the corporate secretary to supervise legal and compliance matters to ensure that the company's operation is compliant with related laws and regulations.

Information & Communication

The company provides adequately information to the board of Directors through various communication for consideration. All Board of Directors and sub-committee's meeting agenda



always come with support information background summary, supporting reasons, previous meeting's resolutions, law related subjects (if any), operation progress of the managements according to the different assembly of committees, and suggestions and options for further considerations.

The Board of Directors has appointed the audit committees to review financial statements and make certain that they are in accordance with the Generally Accepted Accounting Principles (GAAP), credibly consistent, and satisfactorily transparent.

Besides, the company has provided a special communication channel known as AC_EW or CEO Mail Box for the employees and external organizations to make notifications or file complaints.

In addition, the company has internal database system accessible for all employees. Work-related details and information is retrieved appropriately with the apparent

access authorizations controlling restriction areas and document clearance levels. As well, the employees has been informed and are conscious of following the information-related laws, including the Official Information Act and the Electronic Transaction Act, to prevent any violations via the company's communication channels, such as announcements or emails, and to emphasize the importance of the regular information control.

Monitoring Activities

The company has the ongoing monitoring for those goals that designated in the long-term business plan and annual

operation plans. The actual foreseen of the operation result are presented during the Board of Directors' meeting in every quarter of the year. The Board is to consider and decide to make improvements according to the ever changing situation and focus on immediate solutions.

To escalate corporate values, the company gives precedence to the internal auditing by applying the organization's risk assessment reports together with the Risk Based Audit. The Audit Department along with internal audit consultants are assigned to evaluate the efficiency and the effectiveness of every work procedures and report to the managements and the Audit Committee quarterly.

The audit division follows all the suggestions found in the audit committee's reports. Additionally, there is also a monitoring process through the internal quality and environment audit system, which is certified to ISO 9001:2008 and ISO 14001:2004.

According to the consideration of the essence of the sufficiency of internal control system as mentioned above, the Board of Directors concurs with the Audit Committee and the auditors that the company's internal control system is sufficient and appropriate for the business. It has transparency and supports the effectiveness of sustainable business operations.

In addition, according to the company's structure, the audit section is regulated and directly supervised by the audit committee. Currently Ms.Thidarut Kraiprasit is the internal audit department, Senior Vice President and the head of the department. The company has appointment from KPMG Phoomchai Business Advisory Ltd. (KMPG) to an internal audit, the consultant regarding the internal audit. However, the Senior Vice President of the Internal Audit Department is evaluated by the Audit Committee together with CEO. The results indicate that her performance is good and efficient to the position. In addition the Audit Committee is who authorize any designations, transfers, or discharges of the head of the Audit Department.

“The company focuses on internal audit by utilizing risk assessment, together with constant planning and review, in order to enhance the organization efficiency.”





REPORT OF CORPORATE GOVERNANCE OF THE AUDIT COMMITTEE FOR 2013

The Board of Directors of Eastern Water Resources Development and Management Public Company Limited appointed three the Stock Exchange of Thailand (SET) qualified independent directors, as an audit committee. The Audit Committee, which consists of three independent directors whose possess the qualifications required by the Stock Exchange of Thailand (SET). The Board of Directors also specified the qualifications, the length of term, and duties and responsibilities of the Audit Committee in the charter of the Audit Committee. Currently, the Audit Committee comprises of Mr.Thairatana Jotikabhukkana as the Chairman of the Audit Committee and Gen. Chuchai Boonyoi and Mr. Kallayana Vipattipumiprates as the members of the committee.

In 2013, the Audit Committee held the meeting eleven times, including the meetings with the internal auditors, the company's executives, and the auditor, then reported the results of the meetings and the operation in the Board of Director meeting held every quarter. As well, the Audit Committee has completed every duty and responsibility as designated in the charter as summarized follows:

1. Review of Financial Reporting

The Audit Committee, together with the auditor and the internal auditors, reviewed Company's quarterly and annual financial statements for 2013 and the consolidated financial statements, as well as received the explanation from the management to ensure the accuracy, the reliability, the adequacy, and the appropriateness of accounting recording, and the timely and balanced disclosure of information. The committee also provided comments that potentially benefit the company. In addition, the Audit Committee and the auditor held a meeting without the presence of the management to acknowledge the independence and the scope of work of the auditor.

2. Review of the Effectiveness of Internal Control System

The Audit Committee approved the internal audit plan for 2013, which included the Risk Based Internal Audit Plan and all the operating procedures of the company and the affiliates,

by using several information from the corporate risks assessment report, executive interview requirements and worries, analyzing financial statements, and receiving comments from the auditor.

The Audit Committee reviewed the internal control assessment report of the company and its affiliates in accordance with international standards. The Audit Committee also provided the suggestions that would benefit to the improvement of the company's operations to be more efficient and the effective, as well as constantly followed up the management's corrective actions according to the committee's suggestions and had the management to report the results during every Audit Committee meeting.

3. Regulatory Compliance

The Audit Committee supervised the transparency of the information disclosure and conducted the review to ensure the company's regulatory compliance with the related business operation laws, the Securities and Exchange Act, and the regulations of the Stock Exchange of Thailand, along with assigned the management to conduct an annual report on the results of regulatory compliance of the company.



4. Supervision of the Internal Audit

The Audit Committee considered and approved the action plan, the annual budget, and the manpower framework of the Internal Audit Department, as well as supported and encouraged the independency of the Internal Audit Department to increase the efficiency of the operation by making the Internal Audit Department report directly to the Audit Committee.

In 2013, the Audit Committee also considered and approved hiring KPMG Phoomchai Business Advisory Ltd. to be a consultant and join the Internal Audit Department in internal audit operation to exchange knowledge and experiences in order to develop the internal auditing of the company and its affiliates. In addition, presenting the issues found during the audit operation would continuously add more values to the company.

The Audit Committee revised the manual and the charter of the Internal Audit Department to correspond to the international standards and the changing situation.

5. Review of Auditor's Operation and the Appointment of Auditor for 2014

The Audit Committee had a private meeting with the auditor to ensure the independency and to comprehend the operation plan and the scope of work of the auditor.

Considering the appointment of auditor for 2014, the Audit Committee received the operation assessment results of PricewaterhouseCoopers ABAS Ltd. (PwC) conducted by the management of the company and its affiliates. The Audit Committee reported the results, including the experience, qualifications, and the fee, to the Board of Directors to make an approval, and then ask the approval from the 2013 Annual General Shareholders' Meeting for appointing PricewaterhouseCoopers ABAS Ltd. to continue being the company's auditor for 2014.

6. Self-Assessment and Review of Audit Committee's Manual and Charter

The Audit Committee conducted a self-assessment based on the Good Corporate Governance and reported the results to the Board of Directors. The results were "excellent". In addition, the Audit Committee reviewed the charter and the manual of the Audit Committee to ensure that the



operation is conform to the changing situation and complete according to the past year assignments, as well as comply with the guideline of practice of the Stock Exchange of Thailand (SET). Then, the Audit Committee proposed the results in the Board of Directors Meeting for an approval.

In conclusion, the Audit Committee completed its duties as designated in the Audit Committee Charter approved by the Board of Directors in compliance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee and the auditor agreed that the financial statements of the company were presented with accuracy according to the Generally Accepted Accounting Standards of Thailand. In addition, the company had set up the internal audit system and the appropriate internal audit with effectiveness. There were no significant issues or mistakes found throughout the operation in 2013. The continuous improvements of the operation were made to conform to the current context of the business operation.

Mr. Thairatana Jotikabhukkana
Chairman of the Audit Committee

REPORT OF CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

Eastern Water Resources Development and Management Public Company Limited emphasizes importance on Good Corporate Governance and follows the regulations of the Securities and Exchange Commission. The Principles of Good Corporate Governance for Listed Companies 2012, has been applied to conform to social and economic changes in order to be ready for the competition in the ASEAN region.

The corporate Governance and Nomination Committee held six meetings in 2013 with the conclusive resolution as the following details .

1. Nomination: the Committee presented to the Board of Directors by selecting the qualified candidates to be the Board of Directors, Board of Directors of the affiliate company, sub-committees and advisors who can protect the equal interests of all shareholders without any conflict of interests. Moreover, they must be able to dedicate their knowledge and skills to provide opinion with their liberty and not had been in a situation of incompatibility according to the law concerned.

2. Corporate Governance: the Committee received the approval from the Board of Directors for reviewing the Good Corporate Governance principles, stipulated the regulations on the operation regarding corporate governance, and provided suggestions to the management as follows.

2.1 Specified the criteria for minor shareholders to propose agenda and nominate candidates for the Board of Directors election in advance in the shareholder annual general meeting.

2.2 Suggested the Non-executive Directors to hold private meeting without presence of the management in order to give an opportunity to discuss any issues freely.

2.3 Encouraged Board of Directors and sub-committees to conduct self-evaluation to inspect and improve performance

according to the Charter, policies, and visions of the company.

2.4 Reviewed code of conducts for the employee to be in accordance with the revised good corporate governance principles.

2.5 Assigned the Secretary of the Corporate Governance and Nomination Committee and the Human Resources Department to communicate the corporate governance policy (CG), the code of conducts, with all stakeholders by implementing various activities to reinforce the morality and also the awareness in the safety and the occupational health in the work environment.

2.6 Provided complaint and whistleblowing system for any witness of an illegal or unethical action through the Committee's direct suggestion box as an addition to the current channels for filing complaint, via CEO Mailbox and the Audit Committee.

The Corporate Governance and Nomination Committee emphasizes all the Board of Directors, executives, employees, and the related parties to strictly follow the principles specified in the Board of Directors' charter, as well as the code of conducts for the employee to improve efficiency, transparency, honesty and responsibility in the operating system. As a result, all the stakeholders will receive the most benefits along with the company's sustainable growth in the future.



General Sahachart Pipithkul
Chairman of the Corporate Governance
and Nomination Committee

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY TOWARD FINANCIAL STATEMENT REPORT

The Board of Directors of the Company had initiated financial statement preparation to present the Company's financial positions and operating results for the year ended December 31, 2013 under the Public Company Act B.E. 2535. The Company's Board of Directors has realized its duties and responsibility as Directors of listed company in the Stock Exchange of Thailand to be responsible for financial statements and consolidated financial statements of the Company, including financial information appeared in the annual report for the year ended December 31, 2013.

Thus, the Company's Board of Director appointed the Audit Committee which consists of independent Directors and Non-Executive Directors of the Company who are responsible for the quality of financial statements and reviewing the adequacy and effectiveness of the internal control system of the Company and its affiliated companies to reasonably

ensure that the records of accounting information are accurate, complete, and adequate to protect the Company's assets, including being guidelines for the Company and its affiliated companies to significantly prevent corruption or irregular activity. The opinion of the Audit Committee shall appear in the Corporate Governance Report of the Audit Committee of the fiscal year 2013 as shown in this Annual Report.

Therefore, the Board of Directors considered that the Company's financial statements were carefully and reasonably prepared with the best estimations under the appropriate accounting policies and consistent conformity with Thai generally accepted accounting standards, including the sufficient important information is already disclosed in the Notes to financial statements.



Sqn.Ldr. Sita Divari
Chairman



Mr. Wanchai Lawattanatrakul
Chief Executive Officer

AUDITOR'S REPORT

To the Shareholders of Eastern Water Resources Development and Management Public Company Limited

I have audited the accompanying consolidated and company statements of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries and of Eastern Water Resources Development and Management Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries and of Eastern Water Resources Development and Management Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to Note 37 to the financial statements regarding the compensation for the Company's pipeline connecting project. The Company is paying the compensation at a preliminary rate because the government agency is considering a deal for the Company to rent/manage the connecting projects and the compensation rate, which might change. My opinion is not qualified in respect of this matter.



Vichien Khingmontri

Certified Public Accountant (Thailand) No. 3977
PricewaterhouseCoopers ABAS Ltd.

Bangkok
24 February 2014

STATEMENTS OF FINANCIAL POSITION

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2013

(Unit: Baht)

	Notes	Consolidated		Company	
		2013	2012	2013	2012
Assets					
Current assets					
Cash and cash equivalents	6	243,306,452	238,473,244	133,894,733	199,660,046
Temporary investments	7	86,878,547	96,307,798	-	-
Trade and other receivables	8	410,178,434	473,962,507	308,345,969	340,767,324
Water loss treatment service income receivable - related party	34.2	4,096,219	7,678,851	-	-
Inventories	9	10,536,370	7,745,450	-	-
Other current assets		45,639,764	23,864,564	25,587,790	12,616,953
Total current assets		800,635,786	848,032,414	467,828,492	553,044,323
Non-current assets					
Investments in subsidiaries	10	-	-	543,749,985	510,887,500
Other long-term investments	11	91,470,300	91,470,300	91,470,300	91,470,300
Investment property - net	12	199,601,448	208,381,751	212,074,988	221,461,717
Property, plant and equipment - net	13	10,621,901,420	9,542,766,521	10,200,121,005	9,149,633,324
Assets under concession contracts - net	14	555,571,905	491,762,394	-	-
Deferred concession rights acquisition costs - net	15	522,445,956	531,792,478	-	-
Intangible assets - net	16	153,016,142	160,762,148	34,163,252	33,560,520
Deferred tax assets	17	6,610,085	9,676,475	-	-
Other non-current assets	18	533,959,936	555,440,550	461,038,238	520,021,697
Total non-current assets		12,684,577,192	11,592,052,617	11,542,617,768	10,527,035,058
Total assets		13,485,212,978	12,440,085,031	12,010,446,260	11,080,079,381



Sqn.Ldr. Sita Divari
Chairman



Mr. Wanchai Lawattanatrakul
Chief Executive Officer

The accompanying notes on pages 78 to 131 are an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D)

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2013

(Unit: Baht)

	Notes	Consolidated		Company	
		2013	2012	2013	2012
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	156,000,000	111,000,000	156,000,000	-
Trade accounts payable	20	144,146,713	157,560,565	103,625,335	147,543,436
Payable for purchase of fixed assets		264,227,195	38,465,477	244,234,406	16,341,354
Current portion of long-term liabilities under					
finance lease agreements	21	300,864	2,023,942	300,864	2,023,942
Current portion of long-term loans from					
financial institutions	22	568,610,000	737,690,000	490,250,000	690,250,000
Corporate income tax payable		131,518,767	135,652,998	125,265,126	123,233,324
Accrued expenses	23	133,155,312	119,999,719	86,382,393	92,441,651
Other current liabilities		57,278,691	55,852,366	38,677,340	44,952,043
Total current liabilities		1,455,237,542	1,358,245,067	1,244,735,464	1,116,785,750
Non-current liabilities					
Long-term liabilities under finance lease agreements	21	-	300,864	-	300,864
Long-term loans from financial institutions	22	3,841,751,206	3,456,280,694	3,261,750,000	2,943,750,000
Deferred tax liabilities	17	38,526,297	32,530,438	13,184,606	5,990,441
Employee benefit obligations	24	91,423,543	89,385,385	60,295,155	58,605,991
Other non-current liabilities	25	130,893,399	182,882,384	110,523,109	157,828,907
Total non-current liabilities		4,102,594,445	3,761,379,765	3,445,752,870	3,166,476,203
Total liabilities		5,557,831,987	5,119,624,832	4,690,488,334	4,283,261,953

STATEMENTS OF FINANCIAL POSITION (CONT'D)

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2013

(Unit: Baht)

		Consolidated		Company	
	Notes	2013	2012	2013	2012
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	26				
Registered share capital					
Ordinary shares, 1,663,725,149 shares of par Baht 1 each		1,663,725,149	1,663,725,149	1,663,725,149	1,663,725,149
Issued and paid-up share capital					
Ordinary shares, 1,663,725,149 shares of par Baht 1 each		1,663,725,149	1,663,725,149	1,663,725,149	1,663,725,149
Share premium	26	2,138,522,279	2,138,522,279	2,138,522,279	2,138,522,279
Retained earnings					
Appropriated - legal reserve	27	166,500,000	166,500,000	166,500,000	166,500,000
Unappropriated		3,900,477,044	3,316,436,717	3,322,853,397	2,796,315,376
Other components of equity	28	28,357,101	31,754,624	28,357,101	31,754,624
Equity attributable to owners of the parent		7,897,581,573	7,316,938,769	7,319,957,926	6,796,817,428
Non-controlling interests		29,799,418	3,521,430	-	-
Total shareholders' equity		7,927,380,991	7,320,460,199	7,319,957,926	6,796,817,428
Total liabilities and shareholders' equity		13,485,212,978	12,440,085,031	12,010,446,260	11,080,079,381

The accompanying notes on pages 78 to 131 are an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

	Notes	Consolidated		Company	
		2013	2012	2013	2012
Revenues	34				
Sales - raw water		2,694,295,164	2,612,221,083	2,854,127,184	2,761,605,128
Sales - tap water		876,384,672	841,601,777	281,727,583	285,894,423
Rental and service income		189,512,767	223,588,164	80,328,127	73,247,613
Total sales and service income		3,760,192,603	3,677,411,024	3,216,182,894	3,120,747,164
Other income	30	55,945,753	48,538,082	70,209,156	90,037,950
Total revenues		3,816,138,356	3,725,949,106	3,286,392,050	3,210,785,114
Expenses	34				
Costs of sales - raw water		962,535,750	881,188,378	996,230,226	931,580,547
Costs of sales - tap water		502,169,873	456,685,807	263,385,535	283,397,482
Costs of rental and services		181,128,437	201,303,332	67,432,341	66,278,677
Total costs of sales and services		1,645,834,060	1,539,177,517	1,327,048,102	1,281,256,706
Selling expenses		17,489,498	53,018,153	14,893,922	50,690,973
Administrative expenses		372,744,289	439,031,398	276,477,832	350,291,315
Finance costs		112,951,617	89,990,782	82,490,738	63,474,844
Total expenses	31	2,149,019,464	2,121,217,850	1,700,910,594	1,745,713,838
Profit before income tax		1,667,118,892	1,604,731,256	1,585,481,456	1,465,071,276
Income tax	32	(351,143,906)	(364,559,726)	(326,926,369)	(318,224,098)
Net profit for the year		1,315,974,986	1,240,171,530	1,258,555,087	1,146,847,178

The accompanying notes on pages 78 to 131 are an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

	Notes	Consolidated		Company	
		2013	2012	2013	2012
Other comprehensive income (expense):					
Write off asset transferred from customer		(3,397,523)	(3,397,523)	(3,397,523)	(3,397,523)
Actuarial losses on defined employee benefit plans	24.1	-	(25,812,692)	-	(22,359,221)
Income tax relating to components of other comprehensive income for the year	32	-	5,162,538	-	4,471,844
Other comprehensive expense for the year, net of tax		(3,397,523)	(24,047,677)	(3,397,523)	(21,284,900)
Total comprehensive income for the year		1,312,577,463	1,216,123,853	1,255,157,564	1,125,562,278
Profit attributable to:					
Owners of the parent		1,316,057,393	1,239,741,859	1,258,555,087	1,146,847,178
Non-controlling interests		(82,407)	429,671	-	-
		1,315,974,986	1,240,171,530	1,258,555,087	1,146,847,178
Total comprehensive income attributable to:					
Owners of the parent		1,312,659,870	1,215,694,182	1,255,157,564	1,125,562,278
Non-controlling interests		(82,407)	429,671	-	-
		1,312,577,463	1,216,123,853	1,255,157,564	1,125,562,278
Earnings per share for profit attributable to owners of the parent (Baht)	33				
Basic earnings per share		0.79	0.75	0.76	0.69

The accompanying notes on pages 78 to 131 are an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

Consolidated

	Notes	Owners of the parent									
		Retained earnings					Other components of shareholders' equity				
		Assets					Other comprehensive income				
		Issued and paid-up share capital	Premium on share capital	Appropriated - legal reserve	Unappropriated	transferred from customers-net	Total other component of equity	Total owners of the parent	Non-controlling interests	shareholders' equity	Total
Opening balance as at 1 January 2012		1,663,725,149	2,138,522,279	166,500,000	2,929,182,087	35,152,147	35,152,147	6,933,081,662	3,119,278	6,936,200,940	
Proceeds from shares issued of subsidiary		-	-	-	-	-	-	-	-	112,500	112,500
Comprehensive income for the year		-	-	-	1,239,741,859	-	-	1,239,741,859	429,671	1,240,171,530	
- Net profit for the year		-	-	-	(20,650,154)	(3,397,523)	(3,397,523)	(24,047,677)	-	(24,047,677)	
- Other comprehensive expense											
Comprehensive income for the year		-	-	-	1,219,091,705	(3,397,523)	(3,397,523)	1,215,694,182	429,671	1,216,123,853	
Dividend paid	29	-	-	-	(831,837,075)	-	-	(831,837,075)	(140,019)	(831,977,094)	
Closing balance as at 31 December 2012		1,663,725,149	2,138,522,279	166,500,000	3,316,436,717	31,754,624	31,754,624	7,316,938,769	3,521,430	7,320,460,199	
Opening balance as at 1 January 2013		1,663,725,149	2,138,522,279	166,500,000	3,316,436,717	31,754,624	31,754,624	7,316,938,769	3,521,430	7,320,460,199	
Proceeds from shares increased of subsidiary		-	-	-	-	-	-	-	-	26,887,515	26,887,515
Comprehensive income for the year		-	-	-	1,316,057,393	(3,397,523)	(3,397,523)	1,312,659,870	(82,407)	1,312,577,463	
Dividend paid	29	-	-	-	(732,017,066)	-	-	(732,017,066)	(527,120)	(732,544,186)	
Closing balance as at 31 December 2013		1,663,725,149	2,138,522,279	166,500,000	3,900,477,044	28,357,101	28,357,101	7,897,581,573	29,799,418	7,927,380,991	

The accompanying notes on pages 78 to 131 are an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (CONT'D)

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

	Company						
	Other components of shareholders' equity						
	Retained earnings			Other comprehensive income			
	Issued and paid-up share capital	Premium on share capital	Appropriated - legal reserve	Unappropriated	Assets transferred from customers-net	Total other component of equity	Total Shareholders' equity
Notes							
	1,663,725,149	2,138,522,279	166,500,000	2,499,192,649	35,152,147	35,152,147	6,503,092,224
Opening balance as at 1 January 2012							
Comprehensive income for the year							
- Net profit for the year	-	-	-	1,146,847,178	-	-	1,146,847,178
- Other comprehensive expense	-	-	-	(17,887,377)	(3,397,523)	(3,397,523)	(21,284,900)
Comprehensive income for the year	-	-	-	1,128,959,801	(3,397,523)	(3,397,523)	1,125,562,278
Dividend paid	-	-	-	(831,837,074)	-	-	(831,837,074)
	1,663,725,149	2,138,522,279	166,500,000	2,796,315,376	31,754,624	31,754,624	6,796,817,428
Closing balance as at 31 December 2012							
Opening balance as at 1 January 2013							
Comprehensive income for the year	-	-	-	1,258,555,087	(3,397,523)	(3,397,523)	1,255,157,564
Dividend paid	-	-	-	(732,017,066)	-	-	(732,017,066)
	1,663,725,149	2,138,522,279	166,500,000	3,322,853,397	28,357,101	28,357,101	7,319,957,926
Closing balance as at 31 December 2013							

The accompanying notes on pages 78 to 131 are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

	Notes	Consolidated		Company	
		2013	2012	2013	2012
Cash flows from operating activities					
Profit before income tax		1,667,118,892	1,604,731,256	1,585,481,456	1,465,071,276
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities					
Reversal allowance for doubtful accounts		-	(300,000)	-	(300,000)
Depreciation	12, 13, 14	359,583,399	312,952,468	307,057,902	263,782,243
Amortisation	15, 16	41,637,880	40,481,935	3,902,092	3,537,488
Impairment loss		630,000	4,110,000	-	-
Income from amortisation of assets transferred from customers		(3,397,523)	(3,397,523)	(3,397,523)	(3,397,523)
Losses on disposals/written off of property, plant and equipment		10,556,966	34,278,347	11,174,877	34,386,390
Dividend income	30	(24,053,425)	(25,094,458)	(44,351,422)	(72,269,458)
Interest income	30	(9,167,887)	(8,292,470)	(4,495,033)	(3,056,401)
Interest expenses and amortisation of deferred interest under finance lease agreements		108,970,528	88,195,250	78,630,169	61,804,746
Income from operating activities before changes in operating assets and liabilities		2,151,878,830	2,047,664,805	1,934,002,518	1,749,558,761
Change in operating assets (increase) decrease					
Trade and other accounts receivables		20,476,080	(56,079,921)	32,421,355	(42,993,529)
Water loss treatment service income receivable - related party		3,582,632	2,454,408	-	-
Inventories		(2,790,920)	133,088	-	-
Other current assets		(9,944,570)	15,969,701	(12,839,544)	21,836,380
Other non-current assets		(11,518,821)	(7,270,257)	(13,228,119)	-
Change in operating liabilities increase (decrease)					
Trade accounts payable		(13,413,852)	51,896,252	(43,780,601)	20,442,540
Accrued expenses		17,574,578	26,420,634	(1,640,273)	20,417,842
Other current liabilities		131,901	10,028,767	(6,349,294)	13,815,779
Employee benefit obligations		2,038,158	(1,385,662)	1,689,164	(1,425,784)
Other non-current liabilities		(51,988,985)	31,442,676	(47,305,798)	27,964,234
Cash provided by operating activities		2,106,025,031	2,121,274,491	1,842,969,408	1,809,616,223
Interest paid		(113,547,804)	(77,529,370)	(83,049,154)	(51,177,369)
Income tax paid		(357,904,104)	(408,534,351)	(317,700,402)	(355,855,284)
Net cash provided by operating activities		1,634,573,123	1,635,210,770	1,442,219,852	1,402,583,570

The accompanying notes on pages 78 to 131 are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

		Consolidated		Company	
	Notes	2013	2012	2013	2012
Cash flows from investing activities					
Purchase of short-term investments	7	(94,754,121)	51,307,798	-	-
Proceeds from temporary investment	7	104,183,372	50,000,000	-	50,000,000
Acquisition for subsidiary		-	-	(32,999,985)	-
Purchase of assets under concession contracts		(98,715,005)	(39,919,108)	-	-
Purchase of concession rights		(19,196,003)	(18,374,477)	-	-
Interest received		8,652,430	8,067,234	4,363,741	2,960,283
Dividend received from a related party and subsidiaries		24,053,425	25,094,458	44,351,422	72,269,455
Proceeds from disposals of property, plant and equipment		2,751,469	651,870	-	-
Purchase of intangible assets		(4,504,824)	(3,075,508)	(4,504,824)	(3,075,508)
Purchases of investment property		-	(3,750)	-	(4,291)
Purchases of property, plant and equipment and advance construction payment		(1,029,944,709)	(1,928,150,791)	(985,791,353)	(1,715,796,167)
Interest paid for fund borrowed specifically to acquire qualifying assets		(76,163,034)	(60,261,410)	(73,437,748)	(60,261,410)
Net cash used in investing activities		(1,183,637,000)	(2,017,279,280)	(1,048,018,747)	(1,653,907,638)
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		409,500,000	388,000,000	256,000,000	200,000,000
Payment on short-term loans from financial institutions		(364,500,000)	(310,000,000)	(100,000,000)	(200,000,000)
Proceeds from long-term loans from financial institutions	22	967,830,512	2,339,970,694	822,000,000	1,780,000,000
Payment on long-term loans from financial institutions	22	(751,440,000)	(1,092,020,466)	(704,000,000)	(568,500,000)
Payment on liabilities under finance lease agreements		(2,023,942)	(2,234,915)	(2,023,942)	(2,234,915)
Proceeds from issuing of ordinary share of subsidiary		27,000,015	-	-	-
Dividends paid to Group's shareholders	29	(731,942,380)	(831,863,197)	(731,942,476)	(831,723,178)
Dividends paid to Non-controlling interests		(527,120)	-	-	-
Net cash generated from (used in) financing activities		(446,102,915)	491,852,116	(459,966,418)	377,541,907
Net increase (decrease) in cash and cash equivalents		4,833,208	109,783,606	(65,765,313)	126,217,839
Cash and cash equivalents at beginning of the year		238,473,244	128,689,638	199,660,046	73,442,207
Cash and cash equivalents at ending of the year	6	243,306,452	238,473,244	133,894,733	199,660,046
Supplemental cash flow information					
Non-cash related transactions:					
Purchases of fixed assets on credit		250,133,287	38,269,153	230,336,822	16,341,354
Transfer assets held for sale to property, plant and equipment		-	1,390,028	-	1,390,028
Transfer assets held for sale to assets under concession contracts		-	33,267,474	-	33,267,474

The accompanying notes on pages 78 to 131 are an integral part of the financial statements.



NOTES TO CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2013

1. General information

Eastern Water Resources Development and Management Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

23rd - 26th Floors, East Water Building, No. 1 Soi Vipavadeerangsit 5, Vipavadeerangsit Road, Jomphol Sub-district, Chatujak District, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Group are development and management of the major water distribution pipeline systems in the Eastern Seaboard area of Thailand, supply of raw water, produce and supply of tap water, waterworks management, and engineering services.

These consolidated and company financial statements were authorised by the Board of Directors on 24 February 2014.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation of financial statements

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2. Accounting policies (Cont'd)

2.1 Basis of preparation of financial statements (Cont'd)

The consolidated financial statements include the financial statements for the years ended 31 December 2013 and 2012 of the Company and the following subsidiaries:

Company’s name	Nature of business	Country of incorporation	Percentage of Shareholding	
			2013 %	2012 %
<u>Subsidiaries held directly by the Company</u>				
Universal Utilities Company Limited	Production and supply of tap water, water loss treatment and investment in three tap water supply companies	Thailand	100	100
EW Utilities Company Limited	Water transportation by pipeline	Thailand	100	100
EW Water Balance (Chonburi) Company Limited	Water transportation by pipeline	Thailand	100	100
EW Smart Water (Rayong) Company Limited	Produce and supply of industrial	Thailand	100	100
Samet Utilities Company Limited	Produce tap water from sea water	Thailand	55	55
<u>Subsidiaries held by Universal Utilities Company Limited</u>				
Chachoengsao Water Supply Company Limited	Production and supply of tap water	Thailand	99	99
Bangpakong Water Supply Company Limited	Production and supply of tap water	Thailand	99	99
Nakornsawan Water Supply Company Limited	Production and supply of tap water	Thailand	100	100

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

a) New/revised accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the Group are:

TAS 12	Income taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses to be recognised for current and deferred tax. The Group has early adopted TAS 12 since 1 January 2011.

TAS 21 (Revised 2009) requires the Company to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Company assessed and concluded that Thai Baht is the Company's functional currency. As a consequence, applying TAS 21 (Revised 2009) has no impact to assets, liabilities and retained earnings. New accounting policy is described in Note 2.4.

2. Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. New accounting policy is described in Note 2.23. The impact to the Company in applying TFRS 8 is only on a disclosure.

b) Revised accounting standards and financial reporting standards which are effective for the periods beginning on or after 1 January 2014 and have not been early adopted by the Group:

TAS 1 (Revised 2012)	Presentation of financial statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related party disclosures
TAS 28 (Revised 2012)	Investments in associates
TAS 31 (Revised 2012)	Interest in joint ventures
TAS 34 (Revised 2012)	Interim financial reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based payment
TFRS 3 (Revised 2012)	Business combinations
TFRS 5 (Revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (Revised 2012)	Operating segments

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

2. Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange difference relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. This standard has no impact to the Group.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) Clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

2. Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This revised standard has an impact to the Group on disclosure. Segment assets will not be disclosed due to this information is not regularly reported to the chief operating decision-maker.

c) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations committee (SIC) effective for the periods beginning on or after 1 January 2014 and have not been early adopted by the Group:

TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under IAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation has no impact to the Group.

2. Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group's operations.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 deals with public-to-private service concession arrangements for the delivery of public services. It applies only to concession agreements where the use of the infrastructure is controlled by the grantor. This interpretation requires two different accounting treatments, depending on the specific terms of the concession agreement. When the operator builds infrastructure and has an unconditional contractual right to receive cash or another financial asset from the grantor, that right is treated as a financial asset. When the operator builds infrastructure and receives a right (a licence) to charge users of the public service, that right is treated as an intangible asset. The management is currently assessing the impact of applying this interpretation.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. This interpretation has no impact to the Group.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 "Leases". The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

2. Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS 38 "Intangible Assets". This interpretation has no impact to the Group.

d) New accounting standard which is effective for the periods beginning on or after 1 January 2016 and have not been early adopted by the Group

TFRS 4 Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2.3 Group Accounting - Investment in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's principal subsidiaries is set out in Note 10.

2. Accounting policies (Cont'd)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.5 Cash and cash equivalents

In the consolidated and Company statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and fixed deposit with are held to maturity three months or less, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.6 Trade accounts receivable/water loss treatment service income receivable

Trade accounts receivable and water loss treatment service income receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in profit or loss within administrative expense. The Group record revenue that has been recognised as revenue but not yet billed to the customers under "Unbilled receivables" and "Unbilled water loss treatment service income receivable" which have been included in trade accounts receivable and water loss treatment service income receivable in the statement of financial position.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by moving average basis. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

2.8 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

2. Accounting policies (Cont'd)

2.8 Investments (Cont'd)

(1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

(2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

(3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

(4) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost. Currently, the Group has investments with fixed maturity and investments in non-marketable equity.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

Investment in non-marketable equity security held as other investment is determined at cost less allowance for impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

2.9 Non-current assets held-for-sale

Non-current assets are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

2. Accounting policies (Cont'd)

2.10 Investment property (Cont'd)

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building	20 and 35 years
Building improvement	10 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.11 Property, plant and equipment

Land is stated at cost less allowance for impairment (if any). Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Pumping plants	20, 35 years
Building	10, 20, 35 years
Leasehold and building improvements	5, 10 years but not more than leased term
Machinery and equipment	
Water pool, Pipeline and related equipment	40 years
Water pump	30 years
SCADA, Fiber Optic	5, 15 years
Other machineries and equipment	5, 10 years
Office equipment	3, 5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

2. Accounting policies (Cont'd)

2.11 Property, plant and equipment (Cont'd)

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include interest on short-term and long-term borrowings, related taxes and amortisation of discounts or premiums relating to borrowings. All other borrowing costs are recorded as expense in profit and loss.

2.12 Assets under concession contracts

Assets under concession contracts are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciation of assets under concession contracts has been included in profit and loss which has been computed using the straight-line method over estimated useful life but not exceed the concession period of 15, 20 and 25 years.

2.13 Deferred concession rights acquisition costs

Concession rights acquisition costs consist of expenses incurred directly in relation to obtaining the concession contracts from the Provincial Waterworks Authority. Deferred concession rights acquisition costs are stated at cost less accumulated amortisation and allowance for impairment (if any). Amortisation of deferred concession rights acquisition costs in subsidiaries, which has been computed using the straight-line method over the concession periods of 27 and 30 years, has been included in profit and loss.

2.14 Intangible assets

2.14.1 Rights to operate the businesses under concession

Right to operate the subsidiaries' businesses under concession awarded to the subsidiaries by the government agency or entity over a limited a concession period. Rights are stated at cost less accumulated amortisation and allowance for impairment (if any) and are amortised using the straight-line method over a period of 27 years, being the concession period awarded to the subsidiaries to carry out their business operation. The carrying amounts of intangible assets are written down when there is an impairment.

2.14.2 Computer software

Expenditure on acquired computer software is capitalised on the basis of the costs incurred to acquire and amortised using the straight-line method over its estimated useful lives of 10 years.

2.15 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable

2. Accounting policies (Cont'd)

2.16 Current and deferred income taxes (Cont'd)

income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit and loss over the period of the borrowings. Interest expenses is recognised as expenses on an accrual basis by using interest rate specified in the contracts

Borrowings are classified as current liabilities unless the Group has right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.18 Leases

Where a Group company is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Where a Group company is the lessor

Assets leased out under operating leases are included in property, plant and equipment and investment property in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2. Accounting policies (Cont'd)

2.19 Employee Benefits

The Group has employee benefits consist of post-employment benefits and other long-term benefits. The post-employment benefits consist of defined benefit plan and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. Other long-term benefit is the benefit which the Group will be paid to employees up to the completion of service period.

2.19.1 Post-employment benefits

💧 Defined contribution plan

Provident fund

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

💧 Defined benefit plan

Retirement benefit

Under Labour Laws applicable in Thailand and Group's employment policy, the severance pay will be at the rate according to salary and number of years of service which will happen in the future. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bond interest rate that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Gain and loss from actuarial estimation for employee benefit is recognised immediately in other comprehensive income.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2.19.2 Other long-term benefits

The Group operates and other long-term benefit for employees who complete the service year according to the Group's policy. The liability recognised in the statement of financial position in respect of other long-term benefit is present value of the other long-term benefit obligation at the end of the reporting period. The other long-term benefit is calculated by independent actuaries using the projected unit credit method.

2.20 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle

2. Accounting policies (Cont'd)

2.20 Provisions (Cont'd)

the obligation, and the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service after eliminating sales within the Group. The revenue recognition policy of each type of revenue, as follows:

(a) Sales

Sales of goods are recognised as revenue when significant risks and reward of ownership of goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting goods returns and discounts.

(b) Rental and service income

Rental income is recognised as revenue over the rental period at the rate stipulated in the contracts.

Service income is recognised as revenue by the amount excluding value added tax when services have been rendered with reference to the stage of completion.

(c) Revenue from pipeline installation project and water loss reduction project

Revenue from water pipeline installation project and water loss reduction project are recognised as revenue under the percentage of completion method. The expected loss on unprofitable contracts is recognised as soon as such loss can be foreseen.

(d) Interest and dividend income

Interest income is recognised on an accrual basis. Dividend income is recognised when rights to receive dividends are established.

(e) Other income

Other income is recognised on an accrual basis.

2.22 Dividends distribution

Dividend distribution to the Company's shareholders is recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders or the Board of Directors in case of interim dividend.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer (CEO) that makes strategic decisions.

3. Critical accounting estimates, judgments and assumptions

Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Significant accounting judgments and estimates are as follows:

3. Critical accounting estimates, judgments and assumptions (Cont'd)

3.1 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

3.2 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

3.3 Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the plant and equipment and to review estimate useful lives and salvage values when there are any changes or at least at the end of each reporting period.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

3.4 Value in use

Value in use is the present value of the future cash flows expected to be derived from assets, discounted by discount rates, determined by the management of the Group. The cash flow projections based on financial forecasts for the remaining useful lives of assets or concession periods and approved by the management of the Group are calculated based on estimated growth rates, which do not exceed their capacity and customers' demands. Key assumptions used for value-in-use calculations are growth rates, expense to revenue ratios and gross margin rate. Management determines such rates based on their past performance, their expectations for market development, and business plan. The discount rates used are pre-tax and reflect specific risks relating to the business after considering the remaining useful lives. The value derived from this method may vary due to changes in revenue structure, cost structure, discount rate, industrial conditions and economic conditions.

The Group assesses for impairment loss of assets under concession contracts at the cash-generating unit level being the concession contracts of each location. The recoverable amount is determined by the value in use method. The discounted net cash flows from continuing use of assets is calculated over the remaining concession period of each contract for approximately 7 -18 years. The revenues are calculated from tap water volume usages which do not exceed their capacity and estimated growth rate during 5 years based on customers' demands at each location and steady for a subsequent 5 years. The tap water rate charge is based on an agreed price as stipulated in the contract. The Group applies a discount rate by pre-tax weighted average cost of capital at 8.69% per annum.

The Group recorded allowance for impairment of assets under concession contracts at some locations as mentioned in Note 14.

3.5 Investment property

The fair value of investment property is carried based on valuations by independent appraisal. Fair value of land is determined using the market approach by comparing the market price of land in the same location with land of the Group. The fair value of buildings and building improvements is determined by the income approach. This is measured by discounted cash flow projection which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that

3. Critical accounting estimates, judgments and assumptions (Cont'd)

could be expected in respect of the property and applies a rate of return of 8% per annum. The discount rate reflects current market assessments of the time value of money and risk adjusted which are at the rate 11% per annum.

3.6 Employee Benefits

The present value of defined benefit obligations and other long-term benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for obligations include inflation rate, future salary increases and the discount rate. Any changes in these assumptions will have an impact on the carrying amount of defined benefit obligations and other long-term benefits. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Group considers the appropriated rate by using government bond interest rate that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The key assumptions for defined benefit obligations and other long-term benefits are based in part on current market conditions is disclosed in Note 24.

3.7 Provision and contingent liabilities

The Group has contingent liabilities as a regarding of litigation. The Group's management has used judgment to assess of the results of the litigation and believes that no significant loss will result apart from provision for liabilities which already recorded at each reporting date.

3.8 Significant uncertainty

The Group has an uncertainty regarding to a deal for the Company to rent/manage the 2 pipeline connecting projects which disclosed the information in Note 37. Based on the Group's management judgement, the projected compensation was recorded in financial statements using the best estimation of compensation rate computing from the current information.

4. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5. Segment information

The principal business operations of the Group are development and management of the major water distribution pipeline systems in the Eastern Seaboard area of Thailand. The reportable segment based on business activities which comprised the supply of raw water, production and supply of tap water, waterworks management, and engineering services. Other business activities such as office building rental were aggregated under the segment "Others".

These business operations are only conducted Thailand. Therefore, no geographic information is presented.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties. For resource management and evaluation of operating segments, the chief operating decision maker evaluates performance on the basis of profit or loss from operations excluding other income, selling and administrative expenses, finance costs and income tax.

5. Segment information (Cont'd)

The segment information for the year ended 31 December 2013 and 2012 are summarised as follows:

(Unit: Baht'000)

	Consolidated						
	2013						
	Sales		Service income				Total
	Supply of raw water business	Supply of Tap water business	Waterworks management business	Engineering services	Others	Elimination	
Revenue							
Revenue from third parties	2,694,295	876,385	49,607	64,381	75,525	-	3,760,193
Revenue from inter-segment	159,832	-	239,191	-	4,803	(403,826)	-
Total revenue	2,854,127	876,385	288,798	64,381	80,328	(403,826)	3,760,193
Cost of sales and services	(996,230)	(626,325)	(296,306)	(62,651)	(67,432)	403,110	(1,645,834)
Segment operating profit	<u>1,857,897</u>	<u>250,060</u>	<u>(7,508)</u>	<u>1,730</u>	<u>12,896</u>	<u>(716)</u>	<u>2,114,359</u>
Unallocated revenue (expenses)							
Other income							55,946
Selling expenses							(17,489)
Administrative expenses and other expenses							(372,745)
Finance costs							(112,952)
Income tax							(351,144)
Net profit							<u>1,315,975</u>
Total segment assets	10,518,177	1,236,168	589,855	10,626	213,388	(574,742)	11,993,472
Unallocated assets							<u>1,491,741</u>
Total assets							<u>13,485,213</u>
Others in formation							
Depreciation and amortisation	275,526	46,373	43,202	86	36,034	-	401,221

5. Segment information (Cont'd)

(Unit: Baht'000)

	Consolidated						
	2012						
	Sales		Service income				
	Supply of raw water business	Supply of Tap water business	Waterworks management business	Engineering services	Others	Elimination	Total
Revenue							
Revenue from third parties	2,612,221	841,602	60,193	94,890	68,505	-	3,677,411
Revenue from inter-segment	149,384	-	285,824	-	4,743	(439,951)	-
Total revenue	2,761,605	841,602	346,017	94,890	73,248	(439,951)	3,677,411
Cost of sales and services	(931,581)	(569,378)	(319,209)	(92,170)	(66,277)	439,437	(1,539,178)
Segment operating profit	1,830,024	272,224	26,808	2,720	6,971	(514)	2,138,233
Unallocated revenue (expenses)							
Other income							48,538
Selling expenses							(53,018)
Administrative expenses and other expenses							(439,031)
Finance costs							(89,991)
Income tax							(364,560)
Net profit							1,240,171
Total segment assets	9,545,184	1,193,581	567,993	17,467	209,328	(577,602)	10,955,951
Unallocated assets							1,484,134
Total assets							12,440,085
Others							
Depreciation and amortisation	226,016	42,161	42,600	149	42,413	-	353,339

Information about major customer

The Group had major revenues from entities under the control of a government from raw water, tap water and engineering services segments. The revenues for the year ending 31 December 2013 represent approximately Baht 2,354.0 million (2012 : Baht 2,334.4 million).

6. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Cash on hand	537,635	510,849	72,467	55,849
Deposits with banks - current accounts	49,925	37,000	-	34,000
- saving accounts	242,717,134	107,923,665	133,820,508	69,568,467
- fixed accounts	1,758	1,730	1,758	1,730
Securities under repurchase agreement	-	130,000,000	-	130,000,000
	<u>243,306,452</u>	<u>238,473,244</u>	<u>133,894,733</u>	<u>199,660,046</u>

As at 31 December 2013, the interest rate on saving deposits with banks was 0.50-2.70% per annum (2012: 0.125% - 2.25% per annum). The fixed deposits with banks have maturity date within 3 months and interest rate at 1.75% per annum (2012: 1.75% per annum). The securities under repurchase agreement have maturity date within 1 month and interest rate at 2.7% per annum.

7. Temporary investments

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Opening net book amount	96,307,798	95,000,000	-	50,000,000
Additions during the year	94,754,121	51,307,798	-	-
Redeem during the year	<u>(104,183,372)</u>	<u>(50,000,000)</u>	<u>-</u>	<u>(50,000,000)</u>
Closing net book amount	<u>86,878,547</u>	<u>96,307,798</u>	<u>-</u>	<u>-</u>

As at 31 December 2013, temporary investments are fixed deposits with financial institutions in consolidated financial statement that have maturity date more than 3 months but within 1 year and interest rate of 3.30% - 3.34% per annum. (2012 : 2.27% - 2.60% per annum)

8. Trade and other receivables

The detail of trade and other receivables as at 31 December 2013 and 2012 is as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Trade receivables	379,137,713	387,867,057	289,958,759	316,222,504
Receivables from others	7,693,370	65,242,868	1,047,617	7,558,962
Prepayments	21,702,457	18,815,040	16,759,841	15,629,292
Others	<u>1,644,894</u>	<u>2,037,542</u>	<u>579,752</u>	<u>1,356,566</u>
	<u>410,178,434</u>	<u>473,962,507</u>	<u>308,345,969</u>	<u>340,767,324</u>

8. Trade and other receivables (Cont'd)

As at 31 December 2012, other receivables in the consolidated financial information included accounts receivable between a subsidiary and a private company. This related to support from the subsidiary to help the private company to produce tap water to meet the minimum requirement for the Provincial Waterworks Authority in accordance with sale and purchase agreement for tap water for Chonburi Province with the Provincial Waterworks Authority. In the past, the subsidiary could off-set this accounts receivable balance with the cost of tap water that the subsidiary purchased from the private company. However, the tap water purchase and sales agreement was terminated on 28 December 2012.

On 11 July 2013, the subsidiary entered into a raw water purchase and sales agreement with the private company to produce tap water by itself. The subsidiary will partially pay for raw water to the private company and the remaining will be off-set with the accounts receivable balance within five years. To present information in accordance with the fact mentioned above, as at 31 December 2013, the company prepared the consolidated financial statement by presenting this accounts receivable which totalling Baht 46.7 million as receivables from others under trade and other receivables as Baht 3.1 million and other non-current assets as Baht 43.6 million (Note 18).

The detail of trade account receivables as at 31 December 2013 and 2012 is as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Trade accounts receivable - billed				
Third parties	96,416,707	111,077,044	90,525,494	105,576,325
Related parties (Note 34.2)	194,127,313	191,395,324	188,013,976	205,859,695
Total trade account receivable - billed	290,544,020	302,472,368	278,539,470	311,436,020
Unbilled receivables				
Third parties	6,266,371	5,296,705	-	-
Related parties (Note 34.2)	82,327,322	80,097,984	11,419,289	4,786,484
Total unbilled receivables	88,593,693	85,394,689	11,419,289	4,786,484
	379,137,713	387,867,057	289,958,759	316,222,504

The age analysis of the trade accounts receivable-billed is as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Within credit term	241,027,498	257,648,508	229,231,354	266,634,347
Overdue below 3 months	18,234,186	15,827,122	18,058,492	15,827,510
Overdue 3 - 6 months	11,390,537	15,054,596	11,385,861	15,032,021
Overdue 6 - 12 months	19,844,327	13,885,082	19,816,291	13,885,082
Overdue more than 12 months	662,625	672,213	662,625	672,213
	291,159,173	303,387,521	279,154,623	312,051,173
Less Allowance for doubtful accounts	(615,153)	(615,153)	(615,153)	(615,153)
	290,544,020	302,472,368	278,539,470	311,436,020

9. Inventories

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Raw materials and supplies	10,536,370	7,745,450	-	-
	10,536,370	7,745,450	-	-

10. Investments in subsidiaries

Movements in the investments in subsidiaries for the year ended 31 December 2013 and 2012 are as follows :

(Unit: Baht)

	Company	
	2013	2012
As at 1 January	510,887,500	510,000,000
Increased investments	32,862,485	887,500
As at 31 December	543,749,985	510,887,500

As at 31 December 2013 and 2012, investments in subsidiaries which present in the separate financial statements are as follows:

Company's name	Nature of business	Country of incorporation	Company							
			Paid-up share capital		Ownership interest		Investment value		Dividends income	
			2013 Million Baht	2012 Million Baht	2013 %	2012 %	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Universal Utilities Company Limited	Produce and Supply of tap water	Thailand	510	510	100	100	510,000,000	510,000,000	20,297,997	47,174,994
EW Utilities Company Limited	Water transportation by pipeline	Thailand	0.25	0.25	100	100	250,000	250,000	-	-
EW Water Balance (Chonburi) Company Limited	Water transportation by pipeline	Thailand	0.25	0.25	100	100	250,000	250,000	-	-
EW Smart Water (Rayong) Company Limited	Produce and supply of industrial water	Thailand	0.25	0.25	100	100	250,000	250,000	-	-
Samet Utilities Company Limited	Produce tap water from sea water	Thailand	60	0.25	55	55	32,999,985	137,500	-	-
Total investment in subsidiaries							543,749,985	510,887,500	20,297,997	47,174,994

10. Investments in subsidiaries (Cont'd)

On 12 March 2012, the Company had invested in EW Utilities Company Limited, EW Water Balance (Chonburi) Company Limited and EW Smart Water (Rayong) Company Limited by acquiring 200,000 ordinary shares with par value of Baht 5 per share in each company. The shares were called for paid up at 25% or Baht 250,000 in each company totalling Baht 750,000. Currently, these companies have not operated yet.

On 2 October 2012, the Company had cooperated with a Provincial Administrative Organisation to established Samet Utilities Company Limited to produce tap water from sea water by Reverse Osmosis (RO) system. The Company invested in 110,000 registered ordinary shares with par value of Baht 5 per share, or 55% of investment. The shares were called for paid up at 25% totalling to Baht 137,500. On 29 January 2013, Samet Utilities Company Limited registered the increased share capital with the Ministry of Commerce from 200,000 ordinary shares with a par value of Baht 5 per share to 12,000,000 ordinary shares with a par value of Baht 5 per share. The Company paid increased share capital amounting to Baht 32.9 million. The Company invested in 6,600,000 registered ordinary shares with par value of Baht 5 per share. Total Company's investment is Baht 33.0 million or 55% of investment. Currently, this company has no revenue from operation.

11. Other long-term investments

	Consolidated and Company					
	Number of shares		Ownership interest		Investment value	
	2013 Shares	2012 Shares	2013 %	2012 %	2013 Baht	2012 Baht
Opening net book amount	5,479,140	5,479,140	15.88	15.88	91,470,300	91,470,300
Additions	-	-	-	-	-	-
Closing net book amount	5,479,140	5,479,140	15.88	15.88	91,470,300	91,470,300

As at 31 December 2013 and 2012, the Company has long-term general investments which are investments in non-marketable equity security as follows: (Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Long-term investments				
General investments				
Egcom Tara Company Limited	91,470,300	91,470,300	91,470,300	91,470,300
Total long-term investments	91,470,300	91,470,300	91,470,300	91,470,300

Egcom Tara Company Limited

The Company had a long-term investment in equity securities of Egcom Tara Company Limited, a related company, which operation is to generate tap water for sale solely to the Provincial Waterworks Authority.

In 2013, Egcom Tara Company Limited paid dividend to the Company amount of Baht 24.1 million (2012: Baht 25.1 million).

12. Investment property - net

(Unit: Baht)

	Consolidated		
	Land	Building and building improvement	Total
At 1 January 2012			
Cost	19,000,000	235,040,904	254,040,904
<u>Less</u> Accumulated depreciation	-	(36,880,765)	(36,880,765)
Net book amount	<u>19,000,000</u>	<u>198,160,139</u>	<u>217,160,139</u>
For the year ended 31 December 2012			
Opening net book amount	19,000,000	198,160,139	217,160,139
Additions	-	3,750	3,750
Reclassification	-	37,680	37,680
Depreciation charge	-	(8,819,818)	(8,819,818)
Closing net book amount	<u>19,000,000</u>	<u>189,381,751</u>	<u>208,381,751</u>
At 31 December 2012			
cost	19,000,000	235,075,742	254,075,742
<u>Less</u> Accumulated depreciation	-	(45,693,991)	(45,693,991)
Net book amount	<u>19,000,000</u>	<u>189,381,751</u>	<u>208,381,751</u>
For the year ended 31 December 2013			
Opening net book amount	19,000,000	189,381,751	208,381,751
Additions	-	33,113	33,113
Depreciation charge	-	(8,813,416)	(8,813,416)
Closing net book amount	<u>19,000,000</u>	<u>180,601,448</u>	<u>199,601,448</u>
At 31 December 20123			
Cost	19,000,000	235,108,855	254,108,855
<u>Less</u> Accumulated depreciation	-	(54,507,407)	(54,507,407)
Net book amount	<u>19,000,000</u>	<u>180,601,448</u>	<u>199,601,448</u>
Fair value	<u>19,000,000</u>	<u>194,197,500</u>	<u>213,197,500</u>

Depreciation expense of Baht 8.8 million (2012: Baht 8.8 million) was included in cost of rental and service.

(Unit: Baht)

	Company		
	Land	Building and building improvement	Total
At 1 January 2012			
Cost	19,000,000	251,274,397	270,274,397
<u>Less</u> Accumulated depreciation	-	(39,427,997)	(39,427,997)
Net book amount	<u>19,000,000</u>	<u>211,846,400</u>	<u>230,846,400</u>

12. Investment property - net (Cont'd)

(Unit: Baht)

	Company		
	Land	Building and building improvement	Total
For the year ended 31 December 2012			
Opening net book amount	19,000,000	211,846,400	230,846,400
Additions	-	4,009	4,009
Reclassification	-	40,282	40,282
Depreciation charge	-	(9,428,974)	(9,428,974)
Closing net book amount	19,000,000	202,461,717	221,461,717
At 31 December 2012			
Cost	19,000,000	251,311,640	270,311,640
<u>Less</u> Accumulated depreciation	-	(48,849,923)	(48,849,923)
Net book amount	19,000,000	202,461,717	221,461,717
For the year ended 31 December 2013			
Opening net book amount	19,000,000	202,461,717	221,461,717
Additions	-	35,399	35,399
Depreciation charge	-	(9,422,128)	(9,422,128)
Closing net book amount	19,000,000	193,074,988	212,074,988
At 31 December 2013			
Cost	19,000,000	251,347,040	270,347,040
<u>Less</u> Accumulated depreciation	-	(58,272,052)	(58,272,052)
Net book amount	19,000,000	193,074,988	212,074,988
Fair value	19,000,000	207,610,074	226,610,074

Depreciation expense of Baht 9.4 million (2012: Baht 9.4 million) was included in costs of rental and services.

In 2013, the fair value of investment properties were revalued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

Amounts recognised in profit and loss that are related to investment property are as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Rental and service income of building	63,717,910	58,012,961	68,796,342	62,745,418
Direct operating expense arise from investment property that generated rental income (Building)	(58,543,704)	(55,794,546)	(58,543,704)	(55,794,546)
Direct operating expense arise from investment property that did not generate rental income (Land)	(172,411)	(267,772)	(172,411)	(267,772)
	5,001,795	1,950,643	10,080,227	6,683,100

(Unit: Baht)

13. Property, plant and equipment – net

Consolidated

	Land	Pumping plants	Buildings	Leasehold and building improvement	Machinery and equipment	Office equipment	Vehicles	Construction in progress	Total
At 1 January 2012									
Cost	408,405,274	559,371,631	514,255,892	230,123,308	6,340,820,669	318,538,088	5,426,213	2,189,312,850	10,566,253,925
Less Accumulated depreciation	-	(147,072,997)	(126,142,128)	(89,742,598)	(1,549,779,498)	(275,491,202)	(5,314,623)	-	(2,193,543,046)
Net book amount	408,405,274	412,298,634	388,113,764	140,380,710	4,791,041,171	43,046,886	111,590	2,189,312,850	8,372,710,879
For the year ended 31 December 2012									
Opening net book amount	408,405,274	412,298,634	388,113,764	140,380,710	4,791,041,171	43,046,886	111,590	2,189,312,850	8,372,710,879
Additions	-	-	-	1,373,647	30,989,957	5,503,629	-	1,438,494,121	1,476,361,354
Transfer	47,032,527	130,827,794	2,871,250	22,088,870	1,710,997,065	22,585,411	-	(1,936,402,917)	-
Reclassification	-	-	(48,550)	108,061	682,759	(97,190)	-	-	645,080
Disposal/write-off, net	-	(525,831)	(1,160,197)	(455,699)	(35,320,251)	(112,243)	(4)	-	(37,574,225)
Reclassify from non-current assets held for sale	-	-	-	200,712	1,087,349	101,965	2	-	1,390,028
Depreciation charge	-	(18,555, 010)	(19,897,984)	(19,615,611)	(187,774,092)	(24,846,515)	(77,383)	-	(270,766,595)
Closing net book amount	455,437,801	524,045,587	369,878,283	144,080,690	6,311,703,958	46,181,943	34,205	1,691,404,054	9,542,766,521
At 31 December 2012									
Cost	455,437,801	689,462,786	513,139,413	250,301,610	8,041,634,036	341,990,860	867,048	1,691,404,054	11,984,237,608
Less Accumulated depreciation	-	(165,417,199)	(143,261,130)	(106,220,920)	(1,729,930,078)	(295,808,917)	(832,843)	-	(2,441,471,087)
Net book amount	455,437,801	524,045,587	369,878,283	144,080,690	6,311,703,958	46,181,943	34,205	1,691,404,054	9,542,766,521
For the year ended 31 December 2013									
Opening net book amount	455,437,801	524,045,587	369,878,283	144,080,690	6,311,703,958	46,181,943	34,205	1,691,404,054	9,542,766,521
Additions	-	399,890	-	1,594,235	58,381,604	4,687,286	562,991	1,339,131,727	1,404,757,733
Transfer	-	343,605,003	2,299,276	15,087,562	687,383,597	7,358,208	-	(1,052,283,646)	3,450,000
Disposal/write-off, net	-	-	-	(250,845)	(9,419,461)	(61,066)	(1)	(3,240,513)	(12,971,886)
Depreciation charge	-	(28,782,293)	(19,806,053)	(21,827,981)	(229,923,272)	(15,705,693)	(55,656)	-	(316,100,948)
Closing net book amount	455,437,801	839,268,187	352,371,506	138,683,661	6,818,126,426	42,460,678	541,539	1,975,011,622	10,621,901,420
At 31 December 2013									
Cost	455,437,801	1,033,467,679	515,438,690	266,014,419	8,763,024,410	339,825,861	1,240,735	1,975,011,622	13,349,461,217
Less Accumulated depreciation	-	(194,199,492)	(163,067,184)	(127,330,758)	(1,944,897,984)	(297,365,183)	(699,196)	-	(2,727,559,797)
Net book amount	455,437,801	839,268,187	352,371,506	138,683,661	6,818,126,426	42,460,678	541,539	1,975,011,622	10,621,901,420

Depreciation expense total of Baht 316.1 million (2012: Baht 270.8 million) has been charged in cost of goods sold, Baht 292.6 million (2012: Baht 240.7 million) and in administrative expense, Baht 23.5 million (2012: Baht 30.1 million).

(Unit: Baht)

13. Property, plant and equipment - net (Cont'd)

Company

	Land	Pumping plants	Buildings	Building improvements	Machinery and equipment	Office equipment	Vehicles	Construction in progress	Total
At 1 January 2012									
Cost	357,755,121	548,533,177	498,855,181	218,523,702	6,146,017,756	294,115,051	3,882,009	2,189,312,850	10,256,994,847
Less: Accumulated depreciation	-	(142,765,712)	(123,855,586)	(84,204,829)	(1,458,038,839)	(255,643,772)	(3,770,423)	-	(2,068,279,161)
Net book amount	357,755,121	405,767,465	374,999,595	134,318,873	4,687,978,917	38,471,279	111,586	2,189,312,850	8,188,715,686
For the year ended 31 December 2012									
Opening net book amount	357,755,121	405,767,465	374,999,595	134,318,873	4,687,978,917	38,471,279	111,586	2,189,312,850	8,188,715,686
Additions	-	-	-	1,258,618	24,522,283	3,566,804	-	1,223,046,721	1,252,394,426
Transfer	47,032,527	130,678,394	2,871,250	21,863,870	1,709,372,065	22,585,411	-	(1,934,403,517)	-
Reclassification	-	-	(48,550)	105,458	-	(97,190)	-	-	(40,282)
Disposal/write-off, net	-	(525,831)	(1,160,197)	(414,251)	(34,911,201)	(71,755)	(2)	-	(37,083,237)
Depreciation charge	-	(18,322,924)	(19,374,023)	(18,697,593)	(175,390,962)	(22,490,384)	(77,383)	-	(254,353,269)
Closing net book amount	404,787,648	517,597,104	357,288,075	138,434,975	6,211,571,102	41,964,165	34,201	1,477,956,054	9,149,633,324
At 31 December 2012									
Cost	404,787,648	678,474,933	497,750,912	238,192,308	7,835,029,618	317,282,927	572,894	1,477,956,054	11,450,047,294
Less: Accumulated depreciation	-	(160,877,829)	(140,462,837)	(99,757,333)	(1,623,458,516)	(275,318,762)	(538,693)	-	(2,300,413,970)
Net book amount	404,787,648	517,597,104	357,288,075	138,434,975	6,211,571,102	41,964,165	34,201	1,477,956,054	9,149,633,324
For the year ended 31 December 2013									
Opening net book amount	404,787,648	517,597,104	357,288,075	138,434,975	6,211,571,102	41,964,165	34,201	1,477,956,054	9,149,633,324
Additions	-	362,000	-	818,366	46,006,823	2,218,999	520,000	1,309,859,537	1,359,785,725
Transfer	-	340,150,210	2,299,276	11,847,809	449,941,631	6,388,208	-	(810,627,134)	-
Disposal/write-off, net	-	-	-	(17,277)	(8,371,500)	(32,980)	-	(3,240,513)	(11,662,270)
Depreciation charge	-	(28,528,460)	(19,282,094)	(20,918,787)	(215,201,781)	(13,652,789)	(51,863)	-	(297,635,774)
Closing net book amount	404,787,648	829,580,854	340,305,257	130,165,086	6,483,946,275	36,885,603	502,338	1,973,947,944	10,200,121,005
At 31 December 2013									
Cost	404,787,648	1,018,987,142	500,050,189	250,791,680	8,315,642,148	315,322,428	1,092,894	1,973,947,944	12,780,622,073
Less: Accumulated depreciation	-	(189,406,288)	(159,744,932)	(120,626,594)	(1,831,695,873)	(278,436,825)	(590,556)	-	(2,580,501,068)
Net book amount	404,787,648	829,580,854	340,305,257	130,165,086	6,483,946,275	36,885,603	502,338	1,973,947,944	10,200,121,005

Depreciation expense total of Baht 257.6 million (2012: Baht 254.3 million) has been charged in cost of goods sold, Baht 275.5 million (2012: Baht 226.0 million) and in administrative expense, Baht 22.1 million (2012: Baht 28.3 million).

13. Property, plant and equipment - net (Cont'd)

As at 31 December 2013, the Group and the Company had motor vehicles and computer under financial lease agreements with net book value amounting to Baht 0.3 million and Baht 0.3 million, respectively (2012 : Baht 2.3 million and Baht 2.3 million, respectively).

Borrowing costs of Baht 73.4 million (2012: Baht 60.2 million) arresting from financing specifically entered into a pipeline constructing project and tap water production system were capitalised during the year and are included in "Additions".

14. Assets under concession contracts - net

(Unit: Baht)

	Consolidated		
	Assets under concession contracts	Construction in progress	Total
At 1 January 2012			
Cost	562,783,636	40,362,573	603,146,209
<u>Less</u> Accumulated depreciation	(147,140,691)	-	(147,140,691)
Net book amount	415,642,945	40,362,573	456,005,518
For the year ended 31 December 2012			
Opening net book amount	415,642,945	40,362,573	456,005,518
Additions	18,908,143	21,869,865	40,778,008
Transfer	53,127,219	(53,809,978)	(682,759)
Reclassify from non - current assets held for sale	33,267,474	-	33,267,474
Write-off - net	(129,792)	-	(129,792)
Impairment charge	(4,110,000)	-	(4,110,000)
Depreciation charge	(33,366,055)	-	(33,366,055)
Closing net book amount	483,339,934	8,422,460	491,762,394
At 31 December 2012			
Cost	707,734,599	8,422,460	716,157,059
<u>Less</u> Accumulated depreciation	(201,814,665)	-	(201,814,665)
<u>Less</u> Allowance for impairment	(22,580,000)	-	(22,580,000)
Net book amount	483,339,934	8,422,460	491,762,394
For the year ended 31 December 2013			
Opening net book amount	483,339,934	8,422,460	491,762,394
Additions	16,977,748	88,059,218	105,036,966
Transfer	41,290,976	(44,740,976)	(3,450,000)
Reclassify from non - current assets held for sale	13,312,521	-	13,312,521
Write-off - net	(15,790,941)	-	(15,790,941)
Impairment charge	(630,000)	-	(630,000)
Depreciation charge	(34,669,035)	-	(34,669,035)
Closing net book amount	503,831,203	51,740,702	555,571,905
At 31 December 2013			
Cost	728,651,018	51,740,702	780,391,720
<u>Less</u> Accumulated depreciation	(217,989,815)	-	(217,989,815)
<u>Less</u> Allowance for impairment	(6,830,000)	-	(6,830,000)
Net book amount	503,831,203	51,740,702	555,571,905

The subsidiaries have committed to transfer assets under concession contracts to the Provincial Waterworks Authority and related government agency at the end of concession periods.

14. Assets under concession contracts - net (Cont'd)

Depreciation of Baht 34.7 million (2012: Baht 33.4 million) was included in cost of sales-tap water and cost of services. Impairment loss of Baht 0.6 million (2012: Baht 4.1 million) was included in administrative expenses.

On 24 July 2013, the Board of Directors' meeting approved the sale and transfer of the concession right for conducting business related to water resources in Koh Srichang. On 2 September 2013, the Group sold plant and equipment and assets under concession contracts at Koh Srichang to Koh Srichang Municipality at a price of Baht 2.4 million. The net book value of these assets is Baht 2.0 million. (Cost: Baht 37.2 million, accumulated depreciation: Baht 21.9 million, allowance for impairment loss: Baht 13.3 million).

The allowance for impairment of assets as at 31 December 2013 was Baht 6.8 million for assets under concession contracts at Koh Lan. Sales of tap water at this location were below the budget because of the uncertainty of customers' demand. Customers may substitute tap water from natural water resources. If the customers' demand had been 10% lower than management's estimates, the Group would have recognised a further impairment of Baht 6.5 million.

15. Deferred concession rights acquisition costs - net

(Unit: Baht)

	Deferred concession rights acquisition costs	Consolidated Construction in progress	Total
At 1 January 2012			
Cost	635,594,276	37,330,290	672,924,566
Less Accumulated amortisation	(131,150,814)	-	(131,150,814)
Net book amount	504,443,462	37,330,290	541,773,752
For the year ended 31 December 2012			
Opening net book amount	504,443,462	37,330,290	541,773,752
Additions	-	18,614,435	18,614,435
Amortisation charge	(28,595,709)	-	(28,595,709)
Closing net book amount	475,847,753	55,944,725	531,792,478
At 31 December 2012			
Cost	635,594,276	55,944,725	691,539,001
Less Accumulated amortisation	(159,746,523)	-	(159,746,523)
Net book amount	475,847,753	55,944,725	531,792,478
For the year ended 31 December 2013			
Opening net book amount	475,847,753	55,944,725	531,792,478
Additions	-	20,040,528	20,040,528
Amortisation charge	(29,387,050)	-	(29,387,050)
Closing net book amount	446,460,703	75,985,253	522,445,956
At 31 December 2013			
Cost	635,594,276	75,985,253	711,579,529
Less Accumulated amortisation	(189,133,573)	-	(189,133,573)
Net book amount	446,460,703	75,985,253	522,445,956

As at 31 December 2013, deferred concession rights acquisition costs had the remaining amortisation period of 18 years. Amortisation of Baht 29.4 million (2012: Baht 28.6 million) was included in the cost of sales-tap water and cost of services.

16. Intangible assets - net

(Unit: Baht)

	Consolidated		
	Rights to operate the business under concession	Computer software	Total
At 1 January 2012			
Cost	201,205,413	34,022,500	235,227,913
<u>Less</u> Accumulated amortisation	(65,655,047)	-	(65,655,047)
Net book amount	135,550,366	34,022,500	169,572,866
For the year ended 31 December 2012			
Opening net book amount	135,550,366	34,022,500	169,572,866
Additions	-	3,075,508	3,075,508
Amortisation charge	(8,348,738)	(3,537,488)	(11,886,226)
Closing net book amount	127,201,628	33,560,520	160,762,148
At 31 December 2012			
Cost	201,205,413	37,098,008	238,303,421
<u>Less</u> Accumulated amortisation	(74,003,785)	(3,537,488)	(77,541,273)
Net book amount	127,201,628	33,560,520	160,762,148
For the year ended 31 December 2013			
Opening net book amount	127,201,628	33,560,520	160,762,148
Additions	-	4,504,824	4,504,824
Amortisation charge	(8,348,738)	(3,902,092)	(12,250,830)
Closing net book amount	118,852,890	34,163,252	153,016,142
At 31 December 2013			
Cost	201,205,413	41,602,831	242,808,244
<u>Less</u> Accumulated amortisation	(82,352,523)	(7,439,579)	(89,792,102)
Net book amount	118,852,890	34,163,252	153,016,142

As at 31 December 2013, Rights to operate the business under concession had the remaining amortisation period of 14 years 3 months.

Amortisation of Baht 12.3 million (2012: Baht 11.9 million) was included in the cost of goods sold Baht 0.2 million (2012: Nil) and administrative expenses Baht 12.1 million (2012: Baht 11.9 million).

16. Intangible assets - net (Cont'd)

(Unit: Baht)

	Company
	Computer software
At 1 January 2012	
Cost	34,022,500
<u>Less</u> Accumulated amortisation	-
Net book amount	34,022,500
For the year ended 31 December 2012	
Opening net book amount	34,022,500
Additions	3,075,508
Amortisation charge	(3,537,488)
Closing net book amount	33,560,520
At 31 December 2012	
Cost	37,098,008
<u>Less</u> Accumulated amortisation	(3,537,488)
Net book amount	33,560,520
For the year ended 31 December 2013	
Opening net book amount	33,560,520
Additions	4,504,824
Amortisation charge	(3,902,092)
Closing net book amount	34,163,252
At 31 December 2013	
Cost	41,602,831
<u>Less</u> Accumulated amortisation	(7,439,579)
Net book amount	34,163,252

Amortisation of Baht 3.9 million (2012: Baht 3.5 million) was included in the cost of goods sold Baht 0.2 million (2012: nil) and administrative expenses Baht 3.7 million (2012: Baht 3.5 million).

17. Deferred income tax

The analysis of deferred tax assets and deferred tax liability is as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	364,571	1,219,586	364,571	658,186
Deferred tax asset to be recovered after more than 12 months	18,669,116	20,585,434	12,059,031	11,470,359
	<u>19,033,687</u>	<u>21,805,020</u>	<u>12,423,602</u>	<u>12,128,545</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(408)	1,669,669	(408)	-
Deferred tax liability to be settled after more than 12 months	50,950,307	42,989,314	25,608,616	18,118,986
	<u>50,949,899</u>	<u>44,658,983</u>	<u>25,608,208</u>	<u>18,118,986</u>
Present in statement of financial position as following;				
Deferred tax assets	<u>6,610,085</u>	<u>9,676,475</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities	<u>38,526,297</u>	<u>32,530,438</u>	<u>13,184,606</u>	<u>5,990,441</u>

The above presentation in statement of financial position is offset between deferred tax assets and deferred tax liabilities which relate to income taxes levied by the same taxation authority for each taxable entity.

The movement in deferred tax asset and liability are the following;

(Unit: Baht)

	Consolidated				
	Allowance for doubtful accounts	Plant and equipment	Impairment - assets	Employee benefit	Total
Deferred tax assets					
As at 1 January 2012	5,304,790	468,971	4,248,100	13,040,742	23,062,603
Transaction recorded in profit or loss	(4,940,219)	(766,079)	(430,395)	(283,428)	(6,420,121)
Transaction recorded in other comprehensive income	-	-	-	5,162,538	5,162,538
As at 31 December 2012	364,571	(297,108)	3,817,705	17,919,852	21,805,020
Transaction recorded in profit or loss	-	(398,389)	(2,737,800)	364,856	(2,771,333)
As at 31 December 2013	<u>364,571</u>	<u>(695,497)</u>	<u>1,079,905</u>	<u>18,284,708</u>	<u>19,033,687</u>

17. Deferred income tax (Cont'd)

(Unit: Baht)

	Consolidated			
	Intangible asset	Liabilities under finance lease agreements	Plant and equipment	Total
Deferred tax liabilities				
As at 1 January 2012	27,110,073	105,633	10,699,060	37,914,766
Transaction recorded in profit or loss	(1,669,748)	(138,221)	8,552,186	6,744,217
As at 31 December 2012	25,440,325	(32,588)	19,251,246	44,658,983
Transaction recorded in profit or loss	(1,669,747)	32,180	7,928,483	6,290,916
As at 31 December 2013	23,770,578	(408)	27,179,729	50,949,899

(Unit: Baht)

	Company		
	Allowance for doubtful accounts	Employee benefit	Total
Deferred tax asset			
As at 1 January 2012	5,304,790	7,577,287	12,882,077
Transaction recorded in profit or loss	(4,940,219)	(285,157)	(5,225,376)
Transaction recorded in other comprehensive income	-	4,471,844	4,471,844
As at 31 December 2012	364,571	11,763,974	12,128,545
Transaction recorded in profit or loss	-	295,057	295,057
As at 31 December 2013	364,571	12,059,031	12,423,602

(Unit: Baht)

	Company		
	Liabilities under finance lease agreements	Plant and equipment	Total
Deferred tax liabilities			
As at 1 January 2012	105,633	10,126,364	10,231,997
Transaction recorded in profit or loss	(138,221)	8,025,210	7,886,989
As at 31 December 2012	(32,588)	18,151,574	18,118,986
Transaction recorded in profit or loss	32,180	7,457,042	7,489,222
As at 31 December 2013	(408)	25,608,616	25,608,208

18. Other non-current assets

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Advance construction payment	444,968,863	522,636,954	443,742,863	516,191,454
Prepaid expenses	24,099,713	26,861,892	-	250,380
Deposit and Retention	15,178,151	1,950,033	13,228,119	-
Receivable from others (Note 8)	43,579,659	-	-	-
Other	6,133,550	3,991,671	4,067,256	3,579,863
	<u>533,959,936</u>	<u>555,440,550</u>	<u>461,038,238</u>	<u>520,021,697</u>

19. Short-term loans from financial institutions

The detail of short-term loans from financial institutions is as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Promissory note	156,000,000	111,000,000	156,000,000	-
	<u>156,000,000</u>	<u>111,000,000</u>	<u>156,000,000</u>	<u>-</u>

As at 31 December 2013, short-term loan from financial institutions is unsecured promissory note with a financial institution which is due 1 - 3 months with an interest rate of 3.45% - 3.86% per annum. (2012 : 3.40% - 3.53% per annum)

20. Trade accounts payable

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Third parties	110,871,897	142,552,463	76,508,894	100,652,855
Related parties (Note 34.2)	33,274,816	15,008,102	27,116,441	46,890,581
	<u>144,146,713</u>	<u>157,560,565</u>	<u>103,625,335</u>	<u>147,543,436</u>

21. Finance lease liabilities

Finance lease liabilities - minimum lease payments:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Not later than 1 year	301,700	2,050,845	301,700	2,050,845
Later than 1 year but not later than 5 years	-	313,459	-	313,459
	<u>301,700</u>	<u>2,364,304</u>	<u>301,700</u>	<u>2,364,304</u>
Less Future finance charges on finance leases	(836)	(39,498)	(836)	(39,498)
Present value of finance lease liabilities	<u>300,864</u>	<u>2,324,806</u>	<u>300,864</u>	<u>2,324,806</u>

21. Finance lease liabilities (Cont'd)

The present value of finance lease liabilities is as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Not later than 1 year (short-term portion)	300,864	2,023,942	300,864	2,023,942
Later than 1 year but not later than 5 years (long-term portion)	-	300,864	-	300,864
	<u>300,864</u>	<u>2,324,806</u>	<u>300,864</u>	<u>2,324,806</u>

22. Long-term loans from financial institutions

Movements in the long-term loans from financial institutions during the year are summarised below.

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Balances as at 1 January	4,193,970,694	2,946,020,466	3,634,000,000	2,422,500,000
Add Additional borrowings	967,830,512	2,339,970,694	822,000,000	1,780,000,000
Less Repayments	(751,440,000)	(1,092,020,466)	(704,000,000)	(568,500,000)
Balances as at 31 December	<u>4,410,361,206</u>	<u>4,193,970,694</u>	<u>3,752,000,000</u>	<u>3,634,000,000</u>

	Outstanding credit facilities			Consolidated		Company	
	Credit limit Million Baht	2013 Million Baht	2012 Million Baht	2013 Baht	2012 Baht	2013 Baht	2012 Baht
The Company							
a)	1,500.0	-	-	200,000,000	600,000,000	200,000,000	600,000,000
b)	1,000.0	-	-	228,750,000	320,250,000	228,750,000	320,250,000
c)	1,700.0	-	-	1,381,250,000	1,593,750,000	1,381,250,000	1,593,750,000
d)	1,520.0	744.0	1,064.0	776,000,000	456,000,000	776,000,000	456,000,000
e)	975.0	183.0	496.0	792,000,000	479,000,000	792,000,000	479,000,000
f)	1,215.0	841.0	1,030.0	374,000,000	185,000,000	374,000,000	185,000,000
The subsidiary							
a)	474.4	15.8	15.8	411,170,406	458,610,406	-	-
b)	525.6	278.4	424.2	247,190,800	101,360,288	-	-
Total	<u>8,910.0</u>	<u>2,062.2</u>	<u>3,030.0</u>	<u>4,410,361,206</u>	<u>4,193,970,694</u>	<u>3,752,000,000</u>	<u>3,634,000,000</u>
Less Current portion				<u>(568,610,000)</u>	<u>(737,690,000)</u>	<u>(490,250,000)</u>	<u>(690,250,000)</u>
Long-term loans from financial institutions - net of current portion				<u>3,841,751,206</u>	<u>3,456,280,694</u>	<u>3,261,750,000</u>	<u>2,943,750,000</u>

22. Long-term loans from financial institutions (Cont'd)

Long-term loans of the Company and its subsidiaries from financial institutions are shown below.

Long-term loans of the Company

Credit facility (Million Baht)	Date of agreement	Objective	Type of loan	Period	Interest rate	Repayment schedule	Debt covenant
a) 1,500.0	6 December 2007	To repay a bridging loan	Unsecured, with status equivalent to unsecured and un-subordinated debts	7 years	<ul style="list-style-type: none"> - The 1st - 36th months Fixed rate at 4.80 percent per annum - The 37th - 60th months Minimum Loan Rate minus 1.75 percent per annum (MLR-1.75%) - The 61st month onwards Minimum Loan Rate minus 1.50 percent per annum (MLR-1.50%) <p>On 1 February 2011, the interest rate has been changed to be THBFIX (3 months) + 1.50 per annum for the 37th month onwards.</p>	<p>Principal is repayable in semi-annual installments, beginning after a grace period of 12 months from the agreement date as scheduled below.</p> <ul style="list-style-type: none"> - The 1st - 6th installments Baht 50 million each - The 7th - 12th installments Baht 200 million each 	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
b) 1,000.0	22 May 2009	To invest in pipeline maintenance project	Unsecured, with status equivalent to unsecured and un-subordinated debts	7 years	<ul style="list-style-type: none"> - The 1st - 12th months Money Market Rate (MMR) for loans with maturities of no more than 1 year from drawdown date - The 13th - 48th months Minimum Loan Rate minus 1.75 percent per annum (MLR-1.75%) - The 49th month onwards Minimum Loan Rate minus 1.50 percent per annum (MLR-1.50%) <p>On 13 September 2010, the interest rate has been changed to be fixed at 3.45% per annum for the first year; THBFIX+1.75% per annum for the second to the third years; and THBFIX+2% per annum for the fourth to the sixth years.</p>	<p>Principal with accrued interest (if any) is to be fully paid within 12 months from the agreement date.</p> <p>On 13 September 2010, the condition for the repayment of the principal has been changed to semi-annual installments, total 10 installments at Baht 100 million each start from the end of November 2011.</p> <p>On 29 November 2011, the condition for the repayment of principle has been changed by installment payment for amount Baht 33 million which total 2 installments at Baht 16.5 million each start from the end of November 2011 and the end of May 2012. The remaining balance will be repaid by semi-annual installments, total 8 installments each start from the end of November 2012.</p>	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
c) 1,700.0	25 August 2009	Use in the Company's pipeline construction	Unsecured	10 years	<ul style="list-style-type: none"> - The 1st - 4th years Fixed rate at 3.50 percent per annum - The 5th - 7th years Minimum Loan Rate minus 2.25 percent per annum (MLR-2.25%) - The 8th - 10th years Minimum Loan Rate minus 2.00 percent per annum (MLR-2.00%) 	<p>Principal is repayable in 16 semi-annual installments, beginning after a grace period of 30 months from the first draw down date.</p>	None

22. Long-term loans from financial institutions (Cont'd)

Credit facility (Million Baht)	Date of agreement	Objective	Type of loan	Period	Interest rate	Repayment schedule	Debt covenant
d) 1,520.0	23 May 2012	To invest in Tubma project	Unsecured	10 years	- The 1st - 3rd years Fixed rate at 4.75 percent per annum - The 4th - 10th years 6 months Fixed deposit interest rate plus 1.875 percent per annum. (Currently 6 months Fixed deposit interest rate is 2.60 percent per annum)	Principal is repayable in 14 semi-annual installments, beginning after a grace period of 42 months from the agreement date as scheduled below. - The 1st - 4th installments Baht 100 million each - The 5th - 14th installments Baht 112 million each	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
e) 975.0	16 July 2012	To invest in Bangphra project	Unsecured	10 years	- The 1st - 3rd years Fixed rate at 4.75 percent per annum - The 4th year onwards Minimum Loan Rate minus 2.65 percent per annum (MLR-2.65%)	Principal is repayable in 14 semi-annual installments, beginning after a grace period of June 2015. - The 1st - 8th installments Baht 50 million each - The 9th - 14th installments Baht 95.83 million each	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
f) 1,215.0	21 September 2012	To invest in Tubma project	Unsecured	10 years	- The 1st - 3rd years Fixed rate at 4.65 percent per annum - The 4th - 10th years 6 months Fixed deposit interest rate plus 1.875 percent per annum. (Currently 6 months Fixed deposit interest rate is 2.60 percent per annum)	Principal is repayable in 11 semi-annual installments, beginning after a grace period of 60 months from the agreement date as scheduled below. - The 1st - 4th installments Baht 100 million each - The 5th - 10th installments Baht 116 million each - The 11th year installment Baht 119 million	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.

Long-term loans of subsidiary - Universal Utilities Company Limited

Credit facility (Million Baht)	Date of agreement	Objective	Type of loan	Period	Interest rate	Repayment schedule	Debt covenant
a) 474.4	21 September 2012	To settle an existing loan from the Company	Unsecured	10 years	- The 1st - 3rd years Fixed rate at 4.625 percent per annum - The 4th year onwards Minimum Loan Rate minus 2.65 percent per annum (MLR-2.65%)	Principal is repayable in 20 semi-annual installments, beginning after a grace period of 6 months from the first draw down date and to be completed within 10 years from the first draw down date.	The subsidiary is required to comply with certain conditions including the maintenance of a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
b) 525.6	21 September 2012	To invest	Unsecured	10 years	- The 1st - 3rd years Fixed rate at 4.625 percent per annum - The 4th year onwards Minimum Loan Rate minus 2.65 percent per annum (MLR-2.65%)	Principal is repayable in 17 semi-annual installments, 16 equal installments and the 17th installment (last installment) payment of all the rest, beginning after a grace period of 24 months from the first draw down date and to be completed within 10 years from the first draw down date.	The subsidiary is required to comply with certain conditions including the maintenance of a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.

23. Accrued expenses

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Accrued bonus	61,213,928	55,435,823	41,026,000	42,329,000
Accrued project compensation	34,988,297	31,902,547	34,988,297	31,902,547
Accrued utilities expenses	13,937,617	4,139,726	-	-
Others	23,015,470	28,521,623	10,368,096	18,210,104
	<u>133,155,312</u>	<u>119,999,719</u>	<u>86,382,393</u>	<u>92,441,651</u>

24. Employee benefit obligations

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Statement of Financial Position				
Post-employment benefits	87,840,407	86,020,874	58,048,083	56,512,335
Other long-term benefits	<u>3,583,136</u>	<u>3,364,511</u>	<u>2,247,072</u>	<u>2,093,656</u>
	<u>91,423,543</u>	<u>89,385,385</u>	<u>60,295,155</u>	<u>58,605,991</u>
Profit and loss	12,352,915	1,550,609	7,811,190	1,143,262
Post-employment benefits	<u>898,967</u>	<u>4,538,211</u>	<u>548,696</u>	<u>2,727,656</u>
Other long-term benefits	<u>13,251,882</u>	<u>6,088,820</u>	<u>8,359,886</u>	<u>3,870,918</u>
Other comprehensive income				
Actuarial losses on defined employee benefit plans	<u>-</u>	<u>25,812,692</u>	<u>-</u>	<u>22,359,221</u>

24.1 Defined benefit plan

The amounts recognised in the statement of financial position are determined as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Present value of funded obligations	87,840,407	86,020,874	58,048,083	56,512,335
Liability in the statement of financial position	<u>87,840,407</u>	<u>86,020,874</u>	<u>58,048,083</u>	<u>56,512,335</u>

24. Employee benefit obligations (Cont'd)

24.1 Defined benefit plan (Cont'd)

The movement in the defined benefit obligation over the year is as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
At 1 January	86,020,874	64,958,355	56,512,335	37,672,554
Current service cost	8,952,680	7,562,761	5,551,188	3,768,719
Interest cost	3,400,235	3,008,467	2,260,002	1,737,102
Difference between estimated and actual benefit paid	-	(9,020,619)	-	(4,362,559)
Actuarial losses on defined employee benefit plans	-	25,812,692	-	22,359,221
Benefits paid	(10,533,382)	(6,300,782)	(6,275,442)	(4,662,702)
At 31 December	87,840,407	86,020,874	58,048,083	56,512,335

The amounts recognised in the income statement are as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Current service cost	8,952,680	7,562,761	5,551,188	3,768,719
Interest cost	3,400,235	3,008,467	2,260,002	1,737,102
Difference between estimated and actual benefit paid	-	(9,020,619)	-	(4,362,559)
Total	12,352,915	1,550,609	7,811,190	1,143,262

Of the total charge in consolidated financial statements, Baht 6.1 million (2012: Baht 0.7 million) and Baht 6.3 million (2012: Baht 0.9 million) were included in 'cost of sales' and 'administrative expenses', respectively.

Of the total charge in company financial statements, Baht 3.5 million (2012: Baht 0.5 million) and Baht 4.3 million (2012: Baht 0.6 million) were included in 'cost of sales' and 'administrative expenses', respectively.

The principal actuarial assumptions used were as follows:

(Unit : % per annum)

	2013	2012
Discount rate	4.1	4.1
Inflation rate	3.5	3.5
Salary increment rate	5.0 - 10.0	5.0 - 10.0

24. Employee benefit obligations (Cont'd)

24.2 Other long-term benefits

The amounts recognised in the statement of financial position are determined as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Present value of funded obligations	3,583,136	3,364,511	2,247,072	2,093,656
Liability in the statement of financial position	3,583,136	3,364,511	2,247,072	2,093,656

The movement in the defined benefit obligation over the year is as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
At 1 January	3,364,511	-	2,093,656	-
Current service cost	778,801	4,412,051	473,313	2,650,619
Interest cost	120,166	126,160	75,383	77,037
Benefits paid	(680,342)	(1,173,700)	(395,280)	(634,000)
At 31 December	3,583,136	3,364,511	2,247,072	2,093,656

The amounts recognised in the income statement are as follows:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Current service cost	778,801	4,412,051	473,313	2,650,619
Interest cost	120,166	126,160	75,383	77,037
Total	898,967	4,538,211	548,696	2,727,656

Of the total charge in consolidated financial statements, Baht 0.9 million (2012: Baht 4.5 million) were included in administrative expenses.

Of the total charge in company financial statements, Baht 0.5 million (2012: Baht 2.7 million) were included in administrative expenses.

The principal actuarial assumptions used were as follows:

(Unit : % per annum)

	2013	2012
Discount rate	4.1	4.1
Gold price inflation rate	6.0	6.0

25. Other non-current liabilities

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Retentions payable	130,893,399	182,882,384	110,464,999	157,770,797
Rental guarantees received from related party (Note 34.2)	-	-	58,110	58,110
	<u>130,893,399</u>	<u>182,882,384</u>	<u>110,523,109</u>	<u>157,828,907</u>

26. Share capital

(Unit: Baht)

	Number of shares	Ordinary shares	Share premium	Total
At 1 January 2012	1,663,725,149	1,663,725,149	2,138,522,279	3,802,247,428
Issue of shares	-	-	-	-
At 31 December 2012	1,663,725,149	1,663,725,149	2,138,522,279	3,802,247,428
Issue of shares	-	-	-	-
At 31 December 2013	<u>1,663,725,149</u>	<u>1,663,725,149</u>	<u>2,138,522,279</u>	<u>3,802,247,428</u>

The total registered of ordinary shares has a par value of Baht 1 per share (2012: Baht 1 per share). All issued shares are fully paid.

27. Legal reserve

Pursuant to section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve equal to at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of the Company's registered share capital. The legal reserve is non-distributable. As at 31 December 2013 and 2012, the Company's legal reserve has been fully reached.

28. Other component of equity

(Unit: Baht)

	Consolidated and Company	
	2013	2012
At 1 January	31,754,624	35,152,147
Amortisation of assets transferred from customers	(3,397,523)	(3,397,523)
At 31 December	<u>28,357,101</u>	<u>31,754,624</u>

Assets transferred from customers represent water distribution pipeline systems and water measured equipment transferred to the Company by customers in accordance with the water supply agreement. The Company recorded as property, plant and equipment against assets transferred from customers account which include in equity and recognise to revenue over the useful life of asset.

29. Dividends

Dividends declared during the year consist of the following

	Approved by	Total dividends Million Baht	Dividend per share Million Baht	Paid on
Year 2013				
Dividend for the year 2012	Annual General Meeting of the shareholders on 30 April 2013	399.3	0.24	23 May 2013
Interim dividends on operating results for the six-month period ended 30 June 2013	Board of Director's meeting on 30 August 2013	332.7	0.20	27 September 2013
		<u>732.0</u>		

	Approved by	Total dividends Million Baht	Dividend per share Million Baht	Paid on
Year 2012				
Dividend for the year 2011	Annual General Meeting of the shareholders on 29 March 2012	499.1	0.30	24 April 2012
Interim dividends on operating results for the six-month period ended 30 June 2012	Board of Director's meeting on 22 August 2012	332.7	0.20	21 September 2012
		<u>831.8</u>		

30. Other income

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Interest income	9,167,887	8,292,470	4,495,033	3,056,401
Dividend income (Note 34.1)	24,053,425	25,094,458	44,351,422	72,269,458
Others	22,724,441	15,151,154	21,362,701	14,712,091
	<u>55,945,753</u>	<u>48,538,082</u>	<u>70,209,156</u>	<u>90,037,950</u>

31. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Salary and wages and other employee benefits	252,417,074	263,576,540	158,835,371	155,825,213
Depreciation and amortisation expenses	401,221,279	345,085,665	310,959,994	267,319,731
Rental expenses	70,939,694	63,579,436	55,571,346	52,470,606
Raw materials and consumables used	22,920,954	6,807,635	-	-
Electricity expenses	546,650,630	443,750,243	405,786,877	398,975,692
Purchases of raw water	187,878,366	156,374,801	155,853,083	148,663,152
Purchases of tap water	-	-	56,236,071	56,546,286
Hiring and service expenses	196,288,184	284,350,564	52,877,623	46,529,164
Repair and maintenance expenses	123,984,921	95,246,374	78,756,637	59,257,443
Losses on impairment of assets	630,000	4,110,000	-	-
Waterworks management expense	-	-	182,955,371	229,277,990
Expenses for development of life quality and environment	45,984,766	62,217,726	44,072,506	60,631,965
Finance costs	112,951,617	89,990,782	82,490,738	63,474,844

32. Income tax

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Current tax:				
Current tax on profits for the year	336,946,834	360,396,245	314,110,925	314,112,591
Adjustments in respect of prior year	5,134,823	(9,000,858)	5,621,279	(9,000,858)
Total current tax	342,081,657	351,395,387	319,732,204	305,111,733
Deferred tax:				
Origination and reversal of temporary differences	9,062,249	13,164,339	7,194,165	13,112,365
Total deferred tax	9,062,249	13,164,339	7,194,165	13,112,365
Total tax expense	351,143,906	364,559,726	326,926,369	318,224,098

32. Income tax (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

(Unit: Baht)
(Restated)

	Consolidated		Company	
	2013	2012	2013	2012
Profit before tax	1,667,118,892	1,604,731,256	1,585,481,456	1,465,071,276
Tax calculated at a tax rate of 20% (2012: 23%)	333,423,778	369,088,189	317,096,291	336,966,393
Tax effect of:				
Income not subject to tax	(4,810,685)	(5,771,725)	(8,870,284)	(16,621,975)
Expenses not deductible for tax purpose	17,395,990	10,244,120	13,079,083	6,880,538
Adjustment in respect of prior year	5,134,823	(9,000,858)	5,621,279	(9,000,858)
Tax charge	351,143,906	364,559,726	326,926,369	318,224,098

The effective tax rate was 19.88% (2012: 21.89%).

The tax (charge)/credit relating to component of other comprehensive income is as follows:

(Unit: Baht)

	Consolidated					
	2013			2012		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Actuarial loss on retirement benefit obligations	-	-	-	25,812,692	(5,162,538)	20,650,154
Other comprehensive income	-	-	-	25,812,692	(5,162,538)	20,650,154
Current tax		342,081,657			351,395,387	
Deferred tax		9,062,249			13,164,339	
		351,143,906			359,397,188	

(Unit: Baht)

	Company					
	2013			2012		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Actuarial loss on retirement benefit obligations	-	-	-	22,359,221	(4,471,844)	17,887,377
Other comprehensive income	-	-	-	22,359,221	(4,471,844)	17,887,377
Current tax		319,732,204			305,111,733	
Deferred tax		7,194,165			13,112,365	
		326,926,369			313,752,254	

33. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Company	
	2013	2012	2013	2012
Net profit attributable to ordinary shareholders (Baht)	1,316,057,393	1,239,741,859	1,258,555,087	1,146,847,178
Weighted average number of ordinary shares in issue (Share)	1,663,725,164	1,663,725,149	1,663,725,149	1,663,725,149
Basic earnings per share (Baht)	0.79	0.75	0.76	0.69

There are no potential dilutive ordinary shares in issue for the years ended 2013 and 2012.

34. Related parties transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning an, indirectly or directly, interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is a public listed company. The major shareholder is the Provincial Waterworks Authority which owns 40.2% of the company's share.

The following transactions were carried out with related parties:

34.1 Transactions incurred during the year

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Sales - raw water				
Major shareholders				
Industrial Estate Authority of Thailand	901,059,642	838,526,052	901,059,642	838,526,052
Provincial Waterworks Authority	703,441,918	717,222,599	703,441,918	717,222,599
Electricity Generating Public Company Limited	38,129,364	52,807,922	38,129,364	52,807,922
Subsidiary				
Universal Utilities Company Limited	-	-	159,832,020	152,811,805
	1,642,630,924	1,608,556,573	1,802,462,944	1,761,368,378
Sales - tap water				
Major shareholders				
Provincial Waterworks Authority	726,737,924	701,421,894	132,080,835	149,314,540

34. Related parties transactions (Cont'd)

(Unit: Baht)

34.1 Transactions incurred during the year (Cont'd)

	Consolidated		Company	
	2013	2012	2013	2012
Rental and service income				
Major shareholder				
Provincial Waterworks Authority	22,714,208	77,209,828	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	4,802,855	4,743,198
	<u>22,714,208</u>	<u>77,209,828</u>	<u>4,802,855</u>	<u>4,743,198</u>
Dividend income				
Subsidiary				
Universal Utilities Company Limited	-	-	20,297,997	47,175,000
Other income				
Subsidiary				
Universal Utilities Company Limited	-	-	4,969,005	5,595,309
Samed Utilities Company Limited	-	-	1,218,000	-
	<u>-</u>	<u>-</u>	<u>6,187,005</u>	<u>5,595,309</u>
Costs of sales and costs of services				
Subsidiary				
Universal Utilities Company Limited	-	-	239,191,442	285,824,275

Sales of raw water are charged similar to market prices.

Sales of tap water, rental and service income and other income are charged at mutually - agreed prices as stipulated in the contracts.

Costs of sales and services are charged at mutually - agreed prices as stipulated in the contracts.

(Unit: Baht)

34.2 Outstanding balances at end of the years

	Consolidated		Company	
	2013	2012	2013	2012
Trade accounts receivable - billed				
Major shareholders				
Provincial Waterworks Authority	71,609,527	114,576,943	61,931,414	114,576,943
Industrial Estate Authority of Thailand	121,020,565	73,326,372	121,020,565	73,326,372
Electricity Generating Public Company Limited	1,497,221	3,492,009	1,497,221	3,492,009
Subsidiary				
Universal Utilities Company Limited	-	-	3,564,776	14,464,371
	<u>194,127,313</u>	<u>191,395,324</u>	<u>188,013,976</u>	<u>205,859,695</u>

34. Related parties transactions (Cont'd)

34.2 Outstanding balances at end of the years (Cont'd)

(Unit: Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Unbilled receivables				
Major shareholder				
Provincial Waterworks Authority	82,327,322	80,097,984	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	11,419,289	4,786,484
	<u>82,327,322</u>	<u>80,097,984</u>	<u>11,419,289</u>	<u>4,786,484</u>
Water loss treatment service income receivables				
Major shareholder				
Provincial Waterworks Authority				
- billed	686,503	153,348	-	-
- unbilled	3,409,716	7,525,503	-	-
	<u>4,096,219</u>	<u>7,678,851</u>	<u>-</u>	<u>-</u>
Other receivable (include in trade and other receivables)				
Major shareholder				
Provincial Waterworks Authority	10,956	15,237	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	870,813	1,362,480
EW Smart Water (Rayong) Company Limited	-	-	17,510	400
EW Utilities Company Limited	-	-	17,550	400
EW Water Balance (Chonburi) Company Limited	-	-	17,491	400
Samet Utilities Company Limited	-	-	42,800	384,293
	<u>10,956</u>	<u>15,237</u>	<u>966,164</u>	<u>1,747,973</u>
Trade accounts payable				
Major shareholders				
Provincial Waterworks Authority	33,274,816	15,008,102	12,098,743	709,950
Subsidiary				
Samet Utilities Company Limited	-	-	-	137,496
Universal Utilities Company Limited	-	-	15,017,698	46,043,135
	<u>33,274,816</u>	<u>15,008,102</u>	<u>27,116,441</u>	<u>46,890,581</u>
Rental guarantees (include in other non-current liabilities)				
Subsidiaries				
Universal Utilities Company Limited	-	-	58,110	58,110

34. Related parties transactions (Cont'd)

34.3 Key management compensation

Key management compensation composed of salaries, meeting allowances gratuities and post-employee benefits can be categorised as follows:

	Consolidated		Company	
	2013	2012	2013	2012
Short-term employee benefits	78,062,744	81,101,715	52,143,165	58,258,466
Post-employment benefits	5,177,541	2,630,827	4,072,788	1,795,143
Other long-term employee benefits	62,034	595,995	44,519	241,211
	<u>83,302,319</u>	<u>84,328,537</u>	<u>56,260,472</u>	<u>60,294,820</u>

(Unit: Baht)

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2013, the Group and the Company had commitments in respect of in-progress construction and installation of the water distribution pipeline in the consolidated and company financial statements totaling Baht 2,498.6 million and Baht 2,404.7 million, respectively (2012: Baht 5,538.0 million and Baht 5,495.6 million, respectively).

35.2 Operating lease commitments

The future aggregate minimum lease payments in respect of the lease of motor vehicles, computer and land under non-cancellable operating leases contracts are as follows.

(Unit: Million Baht)

	Consolidated		Company	
	2013	2012	2013	2012
Within 1 year	18.4	8.3	10.0	5.8
1 to 5 years	27.6	6.2	13.5	5.1
More than 5 years	4.1	4.1	-	-
	<u>50.1</u>	<u>18.6</u>	<u>23.5</u>	<u>10.9</u>

35.3 Raw water and tap water purchase agreements and long-term service commitments

35.3.1 As at 31 December 2013 and 2012, the Company had commitment in respect of a raw water purchase agreement with the Royal Irrigation Department whereby it is to purchase raw water at the price specified in a Ministerial Regulation. The agreement has no specific the end date.

35.3.2 As at 31 December 2013 and 2012, the Company and its subsidiary had commitments in respect of raw water and tap water purchase agreements with private companies at the condition and price as described in Notes 38.5 to the financial statements.

35.3.3 As at 31 December 2013, the Group and the Company had commitments in respect of service agreements payable in the future of approximately Baht 68.2 million and Baht 65.0 million, respectively (2012: Baht 52.9 million and Baht 46.7 million, respectively).

35.4 Guarantees

35.4.1 As at 31 December 2013, the Group and the Company had contingent liabilities from letters of guarantee issued by local commercial banks to the Provincial Electricity Authority for electricity consumption, to the Ministry of Finance for management and operation of the major water distribution pipeline systems in the Eastern Seaboard area, to the Provincial Electricity Authority and the Royal Irrigation Department for compliance to agreements, and to counterparty for bid bonds and performance bonds totalling Baht 119.3 million and Baht 71.5 million, respectively. (2012: Baht 202.5 million and Baht 149.4 million, respectively).

35. Commitments and contingent liabilities (Cont'd)

35.4 Guarantees (Cont'd)

35.4.2 As at 31 December 2013 and 2012, the Group had contingent liabilities in respect of being a guarantor to its three subsidiaries for letters of guarantee issued by local commercial banks to those subsidiaries in a credit limit of Baht 200 million for compliance to agreements with respect to their electricity consumption guarantee, tap water production and distribution and water consumers information records.

36. Litigation

As at 31 December 2013 and 2012, the Company and its subsidiary were sued as defendants in significant litigation cases as follows:

36.1 On 20 October 2008, the Company was sued by a company in a lawsuit with a black case number 5930/2551 regarding a breach of a construction agreement. The litigation filed with the Civil Court by the plaintiff requested that the Company pay damages totalling Baht 40.2 million.

On 29 December 2008, the Company filed a lawsuit with a black case number 6848/2551 regarding a breach of a construction contract, suing the aforementioned company and a local commercial bank as the work guarantor of that company. The litigation filed with the Civil Court by the Company requested that the defendants pay damages totalling Baht 37.4 million.

On 26 January 2009, the Civil Court set a date for the settlement of issues under the lawsuit with the black case number 5930/2551. However, the attorney of the Company has petitioned the Court to merge the settlement of issues of the lawsuit with the black case number 6848/2551 to be in one case since both cases are based on the same factual information. The Court considered the request and set a date for the settlement of issues of these two lawsuits on 23 March 2009.

On 23 March 2009, the Civil Court set a date for investigation of plaintiff's witnesses during 17 - 19 February 2011 and a date for investigation of defendant's witnesses during 23 - 24 February 2010.

On 30 July 2010, The Civil Court delivered its judgement of the red case number 3169/2553 and 3170/2553 which can be summarised as follows:

1. The litigant is required to pay a fine of Baht 8.8 million, return the advance payment of Baht 2.1 million and pay for wage supervisors during late work period of Baht 0.2 million, totalling a payment of Baht 11.1 million.
2. The Company is required to pay the 30th and 31st installment of construction cost according to the agreement of Baht 13.0 million together with the additional costs of Baht 7.0 million and the return of retention costs of Baht 3.8 million, totalling Baht 23.8 million. Moreover, the Company is required to return all eight bank guarantees to the litigant.

However, for the benefit of the Company, a lawyer was appointed to lodge an appeal with the court on 29 October 2010 regarding the fine and the additional costs.

The Company has recorded liabilities of the construction costs and the retention costs of Baht 16.8 million; still, not recorded Baht 7.0 million of the additional costs.

On 9 July 2013, The Appeal Court delivered its judgement to decrease additional costs that the Company is required to pay from Baht 7.0 million to Baht 1.9 million. For other judgements are remain the same. In the third quarter of 2013, the company has recorded additional liabilities of fee of bank guarantees and interest totalling Baht 5.6 million. Therefore, the Company has recorded liabilities in financial statement totalling Baht 22.4 million.

On 7 August 2013, the litigant filed a petition with the court regarding the fine and the additional costs.

36. Litigation (Cont'd)

36.2 On 14 March 2006, Universal Utilities Company Limited, a subsidiary, was sued as a co-defendant together with the Provincial Waterworks Authority (“PWA”) in a case brought in connection with illegal acts performed by administrative agencies or state officials. The plaintiff petitioned the administrative court to void the selection process by which a private operator was selected to produce tap water for distribution to the PWA in the area belonging to the Rayong Waterworks. On 16 March 2007, the Rayong Administrative Court ordered the selection process voided in accordance with the plaintiff’s petition, and also declared void the agreement appointing a private firm to produce water for sale to the Rayong Waterworks, which had resulted from an illegal selection process. However, the PWA and the subsidiary lodged appeals with the Rayong Administrative Court on 12 April 2007 and the Rayong Administrative Court has issued a court receipt for such appeal and then passed it to the Supreme Administrative Court. The owner’s arbitrator specified the last day of fact finding to be 22 June 2012 before proposing this case to the judging panel. On 27 November 2012, the owner’s arbitrator concluded that plaintiff have no authority to indict because they were not persons those affected from selection process. Therefore, the judging panel recalled a judgement of the Rayong Administrative Court.

On 8 November 2013, the Supreme Administrative Court had an order to recall a judgement of the Rayong Administrative Court for this case viewing that plaintiff have no authority to indict because they were not persons those affected from selection process. Therefore, this case has been finalised.

36.3 On 24 December 2013, Samet Utilities Company Limited, a subsidiary, was sued by a joint venture for compensation and damages in a lawsuit with black case number 1954/2556 regarding a breach of an agreement. The joint venture filed with the Civil Court requested the subsidiary to pay damages totaling Baht 23.8 million. The subsidiary entered a plea on 31 January 2014 and the Court set a date for settlement of the issue on 21 April 2014.

37. Project compensation

A government agency is considering a deal for the Company to rent/manage the 2 pipeline connecting projects (“projects”) and adjust the compensation. A letter issued by this government agency stipulated that the Company was to initially pay compensation for the projects at a percentage of the raw water sales from the projects from the year operation commenced (year 1998). In addition, if it is decided that a fair rate is more than the rate at which the Company already paid, the Company is to make additional payment, in full, as a lump sum; while if the fair rate is lower, the government agency agrees to pay back the surplus paid by offsetting it against the remuneration of the following years.

On 8 January 2010, the government agency issued a letter to the Company notifying it that a deal for the Company to rent/manage the projects and the adjusting of compensation must be processed in accordance with the Act on Private Participation in a State Undertaking B.E. 2535, whereby a committee has, under Section 13, authority to set the compensation rate and negotiate benefits with the Company in order to reach a preliminary conclusion. On 9 May 2011, the Committee under section 13 had a resolution to approve the Company’s rental of a pipeline without auction and already submitted this to the Cabinet for approval, before considering the compensation rate in the next process. In 2013, this matter is in process of consideration by Ministry of Finance.

The Company recorded this project compensation in the financial statements at a above preliminary rate. The management considered that this rate is the best estimation based on current information.

38. Significant agreements

The Company and its subsidiaries have the following significant agreements, besides other agreements as discussed in relevant notes to financial statements.

38. Significant agreements (Cont'd)

The Company

38.1 On 26 December 1993, the Company entered into an agreement with the Ministry of Finance to manage and operate the major water distribution pipeline systems in the Eastern Seaboard area. The contract term is 30 years, from 1 January 1994 to 30 September 2023 and the Company is required to pay a minimum of Baht 2 million per annum to the Ministry of Finance. In any years when the Company's revenues from the sales of raw water exceed Baht 200 million, it is required to pay the Ministry of Finance with a sharing benefit at a rate of 1 percent of sales of raw water from the Nong Khor and Dok Krai reservoirs. In addition, when the Company's annual rate of return on equity exceeds 20 percent, an additional sharing benefit at the rate of 15 percent of the return in excess of the paid 20 percent is to be paid to the Ministry of Finance. Nevertheless, the total sharing benefit is not to exceed 6 percent of the real value of the assets leased from the Ministry of Finance, as assessed according to the agreed time frame.

38.2 On 15 November 2000, the Company entered into an agreement with Universal Utilities Company Limited, a subsidiary, to receive waterworks management services for Sattahip Waterworks of the Provincial Waterworks Authority for the period of 10 years. The Company will pay the management fee from revenue after deducting license fee and related expenses as specified in the agreement. Moreover, the Company will receive the profit sharing from the subsidiary under the conditions specified in the agreement. Subsequently on 18 October 2004, the Company amended the above-mentioned agreement to entitle the subsidiary to the Pattaya Waterworks and extend the manage water system of Sattahip Waterworks period for 30 years from 1 March 2001 but not exceeding the period the Provincial Waterworks Authority has granted the Company the rights to operate and manage the Sattahip Waterworks System. Since later on 1 August 2013 the Company entered into a new agreement with a subsidiary as detail mentioned in Note 38.14.

38.3 On 11 May 2004, the Company entered into a waterworks management agreement with Universal Utilities Company Limited (the subsidiary) whereby the subsidiary is to provide water works management services in Bo Win Municipal area for a period of 25 years from the date the subsidiary completed the construction works of tap water production system and the Company agreed for commercial distribution of tap water (11 March 2005). Under the agreement, the subsidiary is to procure land and construct tap water production system sufficient to supply tap water throughout the agreement period. The subsidiary is to transfer all the invested assets to the Company and/or the Municipality on the earlier expiry date of the waterworks operation agreement or the waterworks management agreement. The Company is to pay an annual waterworks management fee at the rates specified in the agreement, determined on the monthly tap water sales and service fees, which can be collected from the users.

Since later on 5 August 2005, the Company entered into a waterworks system operation and management agreement with the Bo Win Sub-district Administrative Organisation ("SAO"), the Company, entered into new agreement with the subsidiary dated 14 July 2006, which replaced aforementioned agreement dated 11 May 2004. Since later on 1 August 2013 the Company entered into a new agreement with a subsidiary as detail mentioned in Note 38.14.

38.4 On 7 July 2004, the Company entered into a water supply agreement for the Koh Samui Waterworks with Universal Utilities Company Limited for a 15-year period from the first water distribution date (12 May 2005) whereby the subsidiary agreed to construct the reverse osmosis water production system with the water pipeline connected to both the water distribution pipeline of the purchasers in the specified area and the Provincial Waterworks Authority, and sell the tap water produced under such system.

38.5 On 13 December 2007, the Company entered into the raw water purchase agreements with a private company whereby the Company is required to purchase a minimum of 10 million cubic meters per annum over a 10-year period.

38. Significant agreements (Cont'd)

The Subsidiaries

38.6 Chachoengsao Water Supply Company Limited entered into the concession agreement dated 9 November 2000 with the Provincial Waterworks Authority. The subsidiary is privileged to produce and sell tap water to the Provincial Waterworks Authority at Chachoengsao office, Chachoengsao province. The concession period is 25 years from the date that first income is derived from selling tap water (1 April 2003).

38.7 Bangpakong Water Supply Company Limited entered into the concession agreement dated 9 November 2000 with the Provincial Waterworks Authority. The subsidiary is privileged to produce and sell tap water to the Provincial Waterworks Authority at Bangpakong office, Chachoengsao province. The concession period is 25 years from the date that first income is derived from selling tap water (1 April 2003).

38.8 Nakornsawan Water Supply Company Limited entered into the concession agreement dated 7 November 2000 with the Provincial Waterworks Authority. The subsidiary is privileged to produce and sell tap water to the Provincial Waterworks Authority at Nakornsawan office, Nakornsawan province. The concession period is 25 years from the date that first income is derived from selling tap water (1 March 2003).

38.9 Chachoengsao Water Supply Company Limited (CWS) and Bangpakong Water Supply Company Limited (BWS) entered into a know-how agreement dated 1 December 2000 with Australian Water Technologies PTY Limited of Australia which transferred its entitlements under this agreement to its subsidiary, named AWT International (Thailand) Limited ("AWT") on 15 October 2002. Whereby AWT agreed to permit the use of its name for reference purposes and provide the know-how to enable both subsidiaries to perform their obligations. In consideration thereof, the subsidiaries agreed to pay fees at the rate stipulated in the agreement. Then, Sydney Water Corporation, the parent company of AWT, declared its intention to liquidate AWT and issued comfort letters to both subsidiaries to confirm that it will take on all AWT's duties and obligations under the know-how agreement. The subsidiaries' Board of Directors considered to accept this proposal and negotiated to reduce their service fee. The service fee paid to AWT reduced from the present value of future estimated payment amounting to Baht 52.4 million to a one-time advance payment not exceeding Baht 18.0 million, which is a saving of the said service fee over the remaining contract. Consequently, the subsidiaries' Board of Directors, on 18 January 2011, passed the resolution to terminate this contract. The subsidiaries recorded the advance service fee as a prepaid expense included in other non-current assets in the consolidated financial statements.

38.10 On 15 March 2010, Universal Utilities Company Limited entered into an agreement with Egcom Tara Company Limited, a related company, to produce tap water and to provide maintenance services for the tap water production system and tap water distribution pipeline of the production plants situated in Lak Muang, Ratchaburi province and Pangpuoy, Samut Songkram province. The agreement period is 3 years, from 7 April 2010 to 7 April 2013 and subsequently extend for 6 years until 7 April 2022.

38.11 On 14 March 2006, Universal Utilities Company Limited and its subsidiaries entered into an agreement to produce tap water for sales to Rayong Waterworks, Rayong province with the Provincial Waterworks Authority for a 25-year period commencing from the first tap water selling date (12 July 2006). Under the agreement, the subsidiaries are required to construct tap water production system, water delivery system and water distribution system, and to expand the production capacity of the existing tap water distribution system of Rayong Waterworks. The subsidiaries are also required to provide maintenance services and to act on behalf of the Provincial Waterworks Authority in any related matters. Ownership of assets, which have been invested by the subsidiaries, is to be transferred to the Provincial Waterworks Authority immediately upon completion of these activities, with the subsidiaries having the rights to occupy the assets in order to produce and supply tap water to the Provincial Waterworks Authority over the agreement period. The subsidiaries will receive income at the rates prescribed in the agreement.

38. Significant agreements (Cont'd)

The Subsidiaries (Cont'd)

38.12 On 3 June 2009, Universal Utilities Company Limited entered into the tap water purchase and sale agreement for the Chonburi Waterworks, Chonburi Province with PWA. The term of the agreement is 20 years from the date of tap water purchases commence. The agreement requires the subsidiary to construct a tap water production facility, of which ownership is not required to be transferred to the PWA. Prices are to be at the rates stipulated in the agreement.

38.13 On 29 December 2010, Universal Utilities Company Limited entered into a waterworks system operation and management agreement with the Sub-district Administrative Organisation ("SAO") Nong Khaem for a 25-year period commencing from the beginning date of producing and selling tap water. The subsidiary has to transfer ownership of all invested and expanded assets in the waterworks system to SAO Nong Khaem free-of-charge at the end of agreement.

38.14 On 1 August 2013, the Company entered into new agreement with Universal Utilities Company Limited, a subsidiary. The agreements were for the production and distribution of tap water and the provision of maintenance services for the Sattahip Waterworks and Bo Win Waterworks for the period of 5 months. The Company will pay management fee at the service fee rate stated in the agreements. The Company will provide raw water to the subsidiary. These agreements replaced the old agreements dated 15 November 2000 and 14 July 2006. The old agreements, the Company pay management fee at percentage from revenue and the subsidiary has to purchase raw water from the Company. The new agreements lead to decrement on sales of raw water and cost of raw water in the Company financial statements. On 2 January 2014, the Company entered into new agreement which the expiring date is the end of concession contract period.

39. Financial instruments

39.1 Financial risk factors

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade accounts payable, temporary and long-term loans and some items in other current liabilities. The Group's activities expose it to a variety of financial risks, including the credit risk and interest rates risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The financial risk management is discussed below.

39.1.1 Credit risk

The Group are exposed to credit risk primarily with respect to, trade accounts receivable, and other receivable. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Although the Group may expose to concentration risk due to their having a few large customers, those customers are in government sector. The management believes that such risk is therefore low. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables, and other receivable as stated in the statement of financial position.

39.1.2 Interest rate risk

The Group's exposure to interest rate risk relate primarily to their deposits with financial institutions and short-term and long-term loans arising from future movements in market interest rates will affect the results of the Group's operations and its cash flows. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate. The Group does not use the financial instruments which is derivative to manage exposure from fluctuation in interest rate.

39.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term. The Group expect that their fair values are not materially different from the amounts presented in the balance sheets except for long-term loans from financial institutions which as at 31 December 2013 having the net book values and fair values of Baht 4,410.4 million and Baht 4,405.8 million, respectively (Company: Baht 3,752.0 million and Baht 3,772.5 million respectively).

39. Financial instruments (Cont'd)

39.2 Fair values of financial instruments (Cont'd)

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments. The critical fair value estimation of financial instruments is long-term loans from financial institutions. The Group estimates the fair value by calculating the present value of future principal and interest payment using the market interest rate for discounting.

40. Raw water usage and sales classified by distribution networks

A government agency who owns the pipeline of distribution networks required the Company to disclose information regarding raw water usage and sales classified by distribution networks using for calculation of compensation amount as follows;

40.1 Usage and sales volume of raw water classified by distribution networks

	Company			
	2013		2012	
	Volume Cubic Metres'000	Amount Baht'000	Volume Cubic Metres'000	Amount Baht'000
Total used volume of raw water				
Nong Pla Lai - Map Ta Pud Network	70,347	788,297	81,916	812,134
Dok Krai - Map Ta Pud Network	99,485	997,544	95,266	942,670
Chachoengsao - Chonburi Network	84,886	884,712	78,979	783,514
Nong Pla Lai - Nong Khor Network	23,239	243,697	22,526	223,287
Total	277,957	2,914,250	278,687	2,761,605
Less raw water used to produce tap water				
Dok Krai - Map Ta Pud Network	(5,228)	(53,075)	-	-
Nong Pla Lai - Nong Khor Network	(698)	(7,048)	-	-
Total sales of water	272,031	2,854,127	278,687	2,761,605

Sales of raw water from Chachoengsao - Chonburi Network consisted of:

(Unit: Baht'000)

	Company	
	2013	2012
Nong Khor - Laem Chabang Network 1	606,807	603,263
Nong Khor - Laem Chabang Network 2	175,725	155,816
Chachoengsao Network	102,180	24,435
Total	884,712	783,514

40..Raw water usage and sales classified by distribution networks (Cont'd)

40.2 Proportion of raw water sold to end users

(Unit: %)

	Company	
	2013	2012
Industrial Estates	51	50
Waterworks Authority	28	31
Factories	21	19
Total	100	100

41. Events occurring after the statement of financial position

1) On 29 January 2014, the Company entered into raw water purchase agreements with a private company. Under these the Company is required to purchase a minimum of 15-20 million cubic meters per annum over a 40-year period from 1 March 2015 - 28 February 2055.

2) On 31 January 2014, the Company entered into a turnkey construction contract with a private company to install a raw water distribution pipeline between Prasae and the Nong Pla Lai reservoir. Total project amount is Baht 1,999.0 million.

3) On 24 February 2014, a meeting of the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of shareholders on 22 April 2014 adopts a resolution to pay a dividend of Baht 0.42 per share, or a total of Baht 698.7 million. According to the resolution of the Board of Directors on 30 August 2013, an interim dividend payment was made to shareholders on 27 September 2013 of Baht 0.20 per share, or a total of Baht 332.7 million from the earnings of the six months ended 30 June 2013. The remaining dividend payment of Baht 0.22 per share, or a total of Baht 366.0 million, is to be paid and recorded after approval by the Annual General Meeting of shareholders.

4) On 24 February 2014, a meeting of the Company's Board of Directors passed a resolution to liquidate three subsidiaries; these are EW Utilities Company Limited, EW Water Balance (Chonburi) Company Limited and EW Smart Water (Rayong) Company Limited.

RELATED PARTIES TRANSACTIONS

The Company and its affiliates engaged in the related parties transactions with the major shareholders; comprising the Provincial Waterworks Authority (PWA), the Industrial Estate Authority of Thailand (IEAT) and Electricity Generating Public Company Limited (EGCO). In this regard, the related parties transactions are presented in the Notes to the financial statements item 34.

Policy and Direction of the Future Related Parties Transactions

The Company shall perform the future related parties

transactions with fairness and follow the market situation as in general business characteristic. The Company shall conform with the Securities and Exchange law, regulations, notifications, orders, or the regulations of the Stock Exchange of Thailand, including following Procedures of the Disclosure, Related Parties Transactions, and the Acquisition or Disposal of significant Assets.

Additionally, the related parties transactions shall be disclosed in Notes of the financial statements which are examined by the Company's auditors.



DISCLOSURE OF AUDITORS' REMUNERATION

Auditors' Remuneration

1. Audit fee

The Company and the group paid for audit fee for the year 2013 to PricewaterhouseCoopers ABAS Limited (PWC) at the amount of B 2,384,000.

2. Non-audit fee

The Company and the group paid for Accounting Standard consulting fee during the year 2013 to PricewaterhouseCoopers ABAS Limited (PWC) at the amount of B 200,000 and will further pay for such service of the year 2013 at the amount of B 200,000.



GENERAL INFORMATION



Company Name

Eastern Water Resources Development and Management Public Company Limited (EASTW)

Business

Develop and manage the major water distribution pipeline systems to water consumers. In addition, the Company also provides consultancy services for clean water production and water distribution system in the industrial estates, factories, as well as maintenance of water pipelines and related equipments, and invest as joint venture with other firms as well.

Head Office

1 Vipavadeerangsit Soi 5, Vipavadeerangsit Road, Jomphol, Jatujak, Bangkok 10900

Registered No.

0107539000316 (Former Registered No. was Bor Mor Jor. 632)

Website

www.eastwater.com

Telephone

(662) 272-1600

Fax

(662) 272-1601 - 3

Common Share

As of December 31, 2013: the registered and paid-up capital are as follows:

Registered capital of 1,663,725,149 shares with a par value of Baht 1 per share, totaling Baht 1,663,725,149

Paid-up capital of 1,663,725,149 shares with a par value of Baht 1 per share, totaling Baht 1,663,725,149

List of Companies in which the Company holds more than 10% of shares

Name	Business	Type of Share	Paid - up capital (Million Baht)	% Shares
Universal Utilities Company Limited (UU) 1, Eastwater Building FL. 23-25 Soi Vipavadeerangsit 5, Jomphol, Jatujak, Bangkok 10900 Telephone: (662) 272-1688 Facsimile: (662) 272-1690- 2	Manage waterworks business and wastewater treatment system in the form of concession, business management contract and leasing contract	Common Share	510	100
Nakornsawan Water Supply Company Limited 1, Eastwater Building FL.23-25 Soi Vipavadeerangsit 5, Jomphol, Jomphol, Bangkok 10900 Telephone: (056) 256-690 and (662) 272-1688 Facsimile: (056) 256-526 and (662) 272-1690- 2	Manage tap water business including produce and supply tap water to the Provincial Waterworks Authority at Nakornsawan Province and to service water consumers	Common Share	40	(UU holds 99.9999875)
Bangpakong Water Supply Company Limited 1, Eastwater Building FL.23-25 Soi Vipavadeerangsit 5, Jomphol, Jomphol, Bangkok 10900 Telephone: (038) 539-365-7 and (662) 272-1688 Facsimile: (038) 539-368 and (662) 272-1690-2	Manage tap water business including produce and supply tap water to the Provincial Waterworks Authority at Bangpakong Office and to service water consumers	Common Share	40	(UU holds 99.9999875)
Chachoengsao Water Supply Company Limited 1, Eastwater Building FL.23-25 Soi Vipavadeerangsit 5, Jomphol, Jomphol, Bangkok 10900 Telephone: (038) 814-427- 9 and (662) 272-1688 Facsimile: (038) 814-427 and (662) 272-1690- 2	Manage tap water business including produce and supply tap water to the Provincial Waterworks Authority at Chachoengsao Office and to service water consumers	Common Share	100	(UU holds 98.999997)
Egcom Tara Company Limited 222 Moo 5, EGCO Tower, Vipawadeerangsit Road, Tungsonghong, Laksi, Bangkok 10210 Telephone: (662) 998-5710 Facsimile: (662) 955-0937	Produce and supply tap water	Common Share	345	15.88

Name	Business	Type of share	Paid - up capital (Maillion Baht)	% Shares
Samed Utilities Company Limited 52/21 Moo 2, Tambon Nam Kok, Muang, Rayong 21000 Telephone: (662) 272-1688 ext. 2478	Produce and supply tap water from sea water	Common Share	60 Remark On Jan.29,2013 Increase Capital to be B 60 MM	55
EW Water Balance (Chonburi) Company Limited 1, Eastwater Building Fl.23-25 Soi Vipavadeerangsit 5, Jomphol, Jomphol, Bangkok 10900 Telephone: (662) 272-1688 Facsimile: (662) 272-1690 - 2	Transport water through pipeline	Common Share	0.25	99.9985
EW Smart Water (Rayong) Company Limited 1, Eastwater Building Fl.23-25 Soi Vipavadeerangsit 5, Jomphol, Jomphol, Bangkok 10900 Telephone: (662) 272-1688 Facsimile: (662) 272-1690- 2	Produce and supply water for Industrial	Common Share	0.25	99.9985
EUU Utilities Company Limited 1, Eastwater Building Fl.23-25 Soi Vipavadeerangsit 5, Jomphol, Jomphol, Bangkok 10900 Telephone: (662) 272-1688 Facsimile: (662) 272-1690- 2	Transport water through pipeline	Common Share	0.25	99.9985

Reference Firm

Securities Registrar

(Common Shares)

Thailand Securities Depository Co.,Ltd
62 The Stock Exchange of Thailand Building
Ratchadapisek Road, Klongtoey, Klongtoey Bangkok 10110
Telephone: (662) 229-2800
Fax: (662) 654-5427

Auditor

PricewaterhouseCoopers ABAS Limited
179/74-80 15 th Floor, Bangkok City Tower South Sathorn Road, Tungmahamek,
Sathorn Bangkok 10120
Telephone: (662) 286-9999
Fax: (662) 286-5050





TOP TEN MAJOR SHAREHOLDERS

List of Top Ten Major Shareholders of Eastern Water Resources Development and Management Public Company Limited as of December 27, 2013 are as follows:

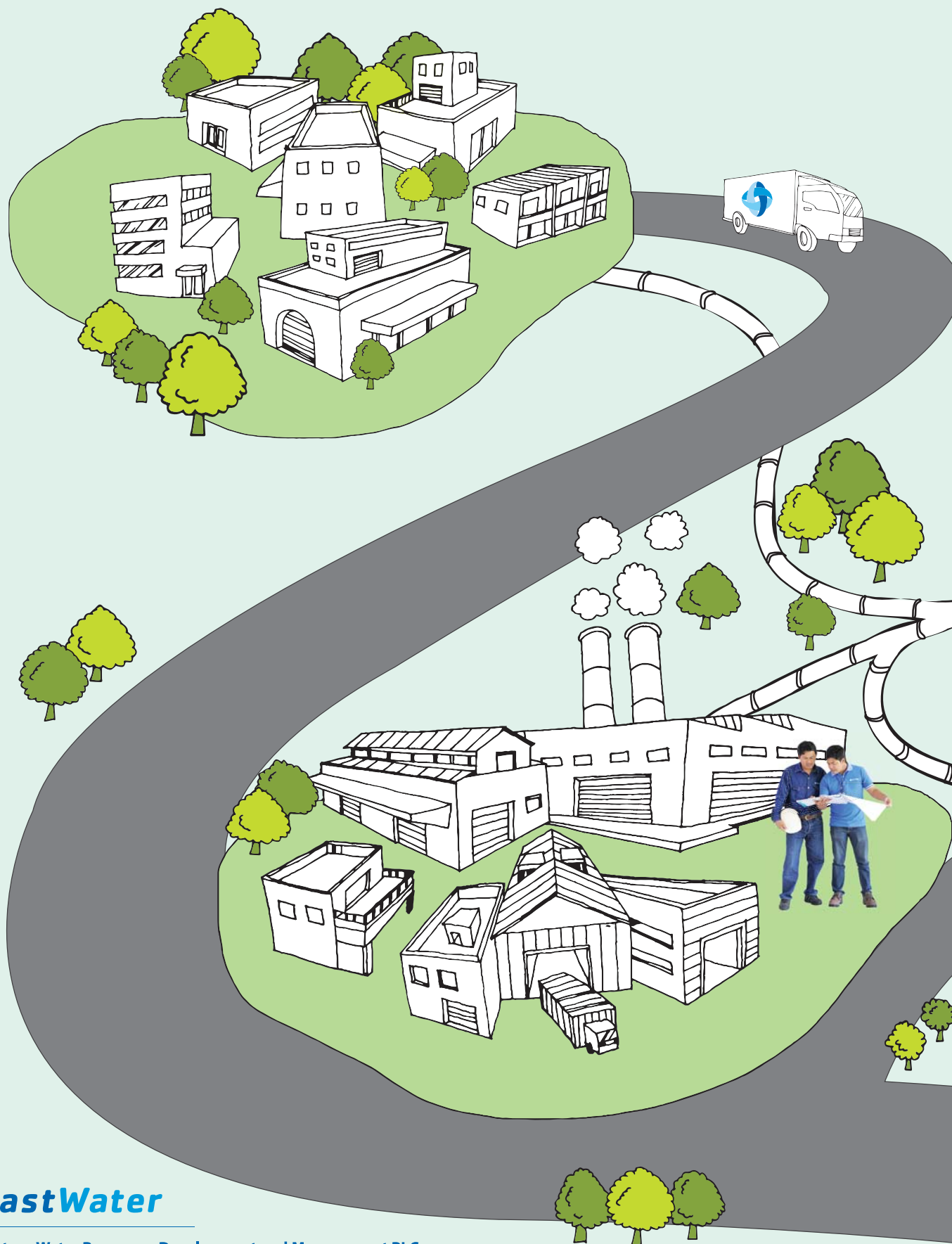
	Shareholder Name	No. of shares	(%) Shares
1	Provincial Waterworks Authority	668,800,000	40.20
2	Electricity Generating Public Company Limited	311,443,190	18.72
3	NORBAX INC.,13	136,548,800	8.21
4	Industrial Estate Authority of Thailand (IEAT)	76,000,000	4.57
5	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	40,779,100	2.45
6	Thai NVDR Company Limited (Thai NVDR)	34,650,398	2.08
7	NORTRUST NOMINEES LTD.	23,252,925	1.40
8	Aberdeen Long Term Equity Fund (ABLTF)	19,684,300	1.18
9	Mr. Min Tienworn	17,000,000	1.02
10	Aberdeen Growth Fund (ABG)	16,498,700	0.99
	Others	319,067,736	19.18
		1,663,725,149.00	100.00

Source : Thailand Securities Depository Co.,Ltd

Remark : Shareholders in No. 1, No.4 represents government sector, shareholder in No.2 is the juristic person; all these specific shareholders nominated Director, to be appointed in the Shareholder Meeting, who will participate in set up the Company Business Policy.

DIVIDEND POLICY

The Company's Board of Directors has a policy to propose to the Shareholders' Meeting to consider dividend paying at the rate of no less than 30% of its net profit of the consolidated financial statements after the deduction of legal reserves payable to shareholders of the parent company, subject to the justifications and considerations that the Board of Directors deems appropriate.



EastWater

Eastern Water Resources Development and Management PLC.

Eastwater Building FL.23-26, 1 Vibhavadi Rangsit soi 5, Jompon, Jatujak Bangkok Thailand

Tel : (66) 2272-1600 / Fax : (66) 2272-1601

www.eastwater.com / www.facebook.com/EasternWaterFanpage

GreenPrint Reduce CO₂ Emission 24.13%