

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

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

I have reviewed the accompanying consolidated and company statements of financial position as at 30 June 2013, the related consolidated and company statements of comprehensive income for the three-month and six-month period then ended, changes in shareholders' equity, and cash flows for the six-month period then ended, and condensed notes to interim financial information of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries, and of Eastern Water Resources Development and Management Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### *Scope of review*

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

### *Emphasis of Matter*

I draw attention to Note 19 to the interim financial information 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  
8 August 2013

**EASTERN WATER RESOURCES DEVELOPMENT AND  
MANAGEMENT PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL INFORMATION  
(UNAUDITED)**

**30 JUNE 2013**

**Eastern Water Resources Development and Management Public Company Limited**  
**Statements of Financial Position**  
**As at 30 June 2013**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2013	2012	2013	2012
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		221,184	238,473	124,259	199,660
Temporary investments	6	57,358	96,308	-	-
Trade and other receivables - net	7	499,422	473,963	419,723	340,767
Water loss treatment service income receivable - related party	17.2	9,377	7,679	-	-
Inventories		8,492	7,745	-	-
Other current assets		32,976	23,864	18,849	12,617
<b>Total current assets</b>		<b>828,809</b>	<b>848,032</b>	<b>562,831</b>	<b>553,044</b>
<b>Non-current assets</b>					
Investments in subsidiaries	8	-	-	543,750	510,887
Other long-term investments	9	91,470	91,470	91,470	91,470
Investment property - net	10	204,011	208,382	216,789	221,462
Property, plant and equipment - net	10	9,852,422	9,542,767	9,441,667	9,149,633
Assets under concession contracts - net	10	510,758	491,762	-	-
Deferred concession rights acquisition costs - net	10	522,525	531,792	-	-
Intangible assets - net	10	154,782	160,762	31,721	33,561
Deferred tax assets		9,429	9,676	-	-
Other non-current assets	11	545,707	555,441	469,976	520,022
<b>Total non-current assets</b>		<b>11,891,104</b>	<b>11,592,052</b>	<b>10,795,373</b>	<b>10,527,035</b>
<b>Total assets</b>		<b>12,719,913</b>	<b>12,440,084</b>	<b>11,358,204</b>	<b>11,080,079</b>

( )  
Director

( )  
Director

The accompanying notes on page 10 to 29 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statements of Financial Position** (continued)  
**As at 30 June 2013**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2013	2012	2013	2012
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	13.1	27,000	111,000	-	-
Trade accounts payable	12	121,587	157,561	131,498	147,544
Payable for purchase of fixed assets		65,737	38,465	64,176	16,341
Current portion of long-term liabilities under finance lease agreements		1,202	2,024	1,202	2,024
Current portion of long-term loans from financial institutions	13.2	637,690	737,690	590,250	690,250
Corporate income tax payable		180,781	135,653	174,216	123,233
Accrued expenses		104,226	120,000	60,286	92,442
Other current liabilities		59,928	55,852	49,360	44,952
<b>Total current liabilities</b>		<b>1,198,151</b>	<b>1,358,245</b>	<b>1,070,988</b>	<b>1,116,786</b>
<b>Non-current liabilities</b>					
Long-term liabilities under finance lease agreements		-	301	-	301
Long-term loans from financial institutions	13.2	3,503,448	3,456,281	2,907,750	2,943,750
Deferred tax liabilities		35,242	32,530	9,292	5,990
Employee benefit obligations		87,999	89,385	57,026	58,606
Other non-current liabilities		187,687	182,882	172,402	157,829
<b>Total non-current liabilities</b>		<b>3,814,376</b>	<b>3,761,379</b>	<b>3,146,470</b>	<b>3,166,476</b>
<b>Total liabilities</b>		<b>5,012,527</b>	<b>5,119,624</b>	<b>4,217,458</b>	<b>4,283,262</b>
<b>Shareholders' equity</b>					
Share capital					
Registered share capital					
Ordinary shares, 1,663,725,149 shares of par Baht 1 each		1,663,725	1,663,725	1,663,725	1,663,725
Issued and paid-up share capital					
Ordinary shares, 1,663,725,149 shares of par Baht 1 each		1,663,725	1,663,725	1,663,725	1,663,725
Share premium		2,138,522	2,138,522	2,138,522	2,138,522
Retained earnings					
Appropriated - legal reserve		166,500	166,500	166,500	166,500
Unappropriated		3,678,931	3,316,437	3,141,944	2,796,315
Other components of equity		30,055	31,755	30,055	31,755
Equity attributable to owners of the parent		7,677,733	7,316,939	7,140,746	6,796,817
Non-controlling interests		29,653	3,521	-	-
<b>Total shareholders' equity</b>		<b>7,707,386</b>	<b>7,320,460</b>	<b>7,140,746</b>	<b>6,796,817</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,719,913</b>	<b>12,440,084</b>	<b>11,358,204</b>	<b>11,080,079</b>

The accompanying notes on page 10 to 29 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statements of Comprehensive Income**  
**For the three-month period ended 30 June 2013**

		(Unit: Baht'000)			
Notes	Consolidated		Company		
	(Unaudited) 2013	(Unaudited) 2012	(Unaudited) 2013	(Unaudited) 2012	
<b>Revenues</b>	17.1				
Sales - raw water	720,428	668,303	786,098	706,781	
Sales - tap water	226,136	214,123	73,844	72,694	
<b>Total sales</b>	946,564	882,426	859,942	779,475	
Rental and service income	49,634	60,985	19,702	18,269	
Other income	18,142	20,558	38,257	18,542	
<b>Total revenues</b>	1,014,340	963,969	917,901	816,286	
<b>Expenses</b>	17.1				
Cost of sales - raw water	226,495	190,091	254,954	201,053	
Cost of sales - tap water	132,736	111,414	73,127	72,094	
<b>Total cost of sales</b>	359,231	301,505	328,081	273,147	
Cost of rental and services	43,695	54,066	17,354	16,276	
Selling expenses	1,719	4,610	1,351	4,298	
Administrative expenses	74,773	95,620	52,328	73,099	
Expenses for development of life quality and environment	5,451	5,505	5,321	6,194	
Finance costs	28,050	18,568	20,384	12,542	
<b>Total expenses</b>	512,919	479,874	424,819	385,556	
<b>Profit before income tax</b>	501,421	484,095	493,082	430,730	
Income tax	14 (110,126)	(104,900)	(104,221)	(91,745)	
<b>Net profit for the period</b>	391,295	379,195	388,861	338,985	
<b>Other comprehensive income (expense):</b>					
Write off asset transferred from customer	(850)	(850)	(850)	(850)	
<b>Other comprehensive expense for the period, net of tax</b>	(850)	(850)	(850)	(850)	
<b>Total comprehensive income for the period</b>	390,445	378,345	388,011	338,135	
<b>Profit attributable to</b>					
Equity holders of the parent company	391,354	379,040	388,861	338,985	
Non - controlling interests	(59)	155	-	-	
	391,295	379,195	388,861	338,985	
<b>Total comprehensive income attribute to</b>					
Equity holders of the parent company	390,037	378,190	388,011	338,135	
Non - controlling interests	408	155	-	-	
	390,445	378,345	388,011	338,135	
<b>Earnings per share for profit attributable to the equity holders of the parent company (Baht)</b>	15				
Basic earnings per share	0.24	0.23	0.23	0.20	

The accompanying notes on page 10 to 29 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statements of Comprehensive Income**  
**For the six-month period ended 30 June 2013**

		(Unit: Baht'000)			
		<b>Consolidated</b>		<b>Company</b>	
	<b>Notes</b>	<b>(Unaudited) 2013</b>	<b>(Unaudited) 2012</b>	<b>(Unaudited) 2013</b>	<b>(Unaudited) 2012</b>
<b>Revenues</b>	17.1				
Sales - raw water		1,432,817	1,296,140	1,563,079	1,369,458
Sales - tap water		442,211	417,413	146,509	140,981
<b>Total sales</b>		1,875,028	1,713,553	1,709,588	1,510,439
Rental and service income		108,471	118,929	38,797	36,313
Other income		22,825	23,331	42,326	45,855
<b>Total revenues</b>		2,006,324	1,855,813	1,790,711	1,592,607
<b>Expenses</b>	17.1				
Cost of sales - raw water		444,654	384,976	499,969	406,753
Cost of sales - tap water		264,497	221,810	145,324	139,877
<b>Total cost of sales</b>		709,151	606,786	645,293	546,630
Cost of rental and services		96,395	103,698	33,611	30,716
Selling expenses		5,090	9,985	4,449	9,419
Administrative expenses		158,387	170,650	111,886	126,420
Expenses for development of life quality and environment		17,059	23,859	16,733	23,223
Finance costs		56,344	36,849	41,200	24,319
<b>Total expenses</b>		1,042,426	951,827	853,172	760,727
<b>Profit before income tax</b>		963,898	903,986	937,539	831,880
Income tax	14	(202,351)	(200,391)	(192,628)	(176,789)
<b>Net profit for the period</b>		761,547	703,595	744,911	655,091
<b>Other comprehensive income (expense):</b>					
Write off asset transferred from customer		(1,699)	(1,699)	(1,699)	(1,699)
<b>Other comprehensive expense for the period, net of tax</b>		(1,699)	(1,699)	(1,699)	(1,699)
<b>Total comprehensive income for the period</b>		759,848	701,896	743,212	653,392
<b>Profit attributable to</b>					
Equity holders of the parent company		761,776	703,305	744,911	655,091
Non-controlling interests		(229)	290	-	-
		761,547	703,595	744,911	655,091
<b>Total comprehensive income attribute to</b>					
Equity holders of the parent company		760,077	701,606	743,212	653,392
Non - controlling interests		(229)	290	-	-
		759,848	701,896	743,212	653,392
<b>Earnings per share for profit attributable to the equity holders of the parent company (Baht)</b>	15				
Basic earnings per share		0.46	0.42	0.45	0.39

The accompanying notes on page 10 to 29 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statements of Changes in Shareholders' Equity**  
**For the six-month period ended 30 June 2013**

(Unit: Baht'000)										
Consolidated										
(Unaudited)										
Equity holders of the parent										
					Other components of					
					Other comprehensive income					
					Assets transferred from customers-net					
					Total other component of shareholders' equity					
					Total owner of the parent					
					Non-controlling interests					
					Total shareholders' equity					
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings							
			Appropriated - legal reserve	Unappropriated						
Opening balance as at 1 January 2012	1,663,725	2,138,522	166,500	2,929,182	35,152	35,152	6,933,081	3,119	6,936,200	
Dividend paid	16	-	-	(499,102)	-	-	(499,102)	(140)	(499,242)	
Comprehensive income for the period		-	-	703,305	(1,699)	(1,699)	701,606	290	701,896	
Closing balance as at 30 June 2012	1,663,725	2,138,522	166,500	3,133,385	33,453	33,453	7,135,585	3,269	7,138,854	
Opening balance as at 1 January 2013	1,663,725	2,138,522	166,500	3,316,437	31,754	31,754	7,316,938	3,522	7,320,460	
Investment in subsidiary	8	-	-	-	-	-	-	26,887	26,887	
Dividend paid	16	-	-	(399,282)	-	-	(399,282)	(527)	(399,809)	
Comprehensive income for the period		-	-	761,776	(1,699)	(1,699)	760,077	(229)	759,848	
Closing balance as at 30 June 2013	1,663,725	2,138,522	166,500	3,678,931	30,055	30,055	7,677,733	29,653	7,707,386	

The accompanying notes on page 10 to 29 are an integral part of these interim financial information.

**For the six-month period ended 30 June 2013**

The accompanying notes on page 10 to 29 are an integral part of these interim financial information.



**Eastern Water Resources Development and Management Public Company Limited**  
**Statements of Cash Flows**  
**For the six-month period ended 30 June 2013**

	Notes	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
		<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>					
Net profit before income tax		963,898	903,986	937,539	831,880
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities					
Reversal of allowance for doubtful accounts		-	(300)	-	(300)
Depreciation	10	167,988	151,043	143,017	126,212
Amortisation	10	20,534	19,915	1,840	1,672
Impairment loss	10	280	1,940	-	-
Income from amortisation of assets transferred from customers		(1,699)	(1,699)	(1,699)	(1,699)
Loss on disposals/written off of property, plant and equipment		3,571	12,447	3,571	12,447
Employee benefit liabilities		(1,386)	4,337	(1,581)	2,040
Dividend income		(11,890)	(13,479)	(32,188)	(38,622)
Interest income		(4,789)	(3,991)	(2,908)	(1,795)
Interest expenses and amortisation of deferred interest under finance lease agreements		55,807	36,061	40,727	23,576
<b>Income from operating activities before changes in operating assets and liabilities</b>		<b>1,192,314</b>	<b>1,110,260</b>	<b>1,088,318</b>	<b>955,411</b>
Changes in operating assets (increase) decrease					
Trade and other accounts receivables		(25,460)	(28,004)	(78,956)	(15,656)
Water loss treatment service income receivable - related parties		(1,699)	(14,374)	-	-
Inventories		(747)	(719)	-	-
Other current assets		(3,054)	16,486	(6,244)	21,841
Other non-current assets		(46,303)	(5,795)	-	-
Changes in operating liabilities increase (decrease)					
Trade accounts payable		(35,974)	5,071	(16,046)	(9,729)
Accrued expenses		(14,483)	(24,839)	(30,864)	(22,483)
Other current liabilities		2,815	11,100	4,368	6,212
Other non-current liabilities		4,804	9,563	14,573	7,805
Cash provided by operating activities		1,072,213	1,078,749	975,149	943,401
Interest paid		(57,088)	(26,247)	(42,011)	(13,790)
Income tax paid		(160,516)	(204,320)	(138,345)	(174,857)
<b>Net cash generated from operating activities</b>		<b>854,609</b>	<b>848,182</b>	<b>794,793</b>	<b>754,754</b>

The accompanying notes on page 10 to 29 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statements of Cash Flows (continued)**  
**For the six-month period ended 30 June 2013**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2013	2012	2013	2012
<b>Cash flows from investing activities</b>					
		38,950	48,980	-	50,000
	8	-	-	(32,863)	-
		(39,676)	(19,629)	-	-
		(6,374)	(10,267)	-	-
		4,976	3,801	2,913	1,804
		11,890	8,712	32,188	25,474
		(18)	-	-	-
		-	(3,075)	-	(3,075)
		-	(543)	-	(4)
		(338,404)	(868,594)	(303,663)	(815,940)
<b>Net cash used in investing activities</b>		(328,656)	(840,615)	(301,425)	(741,741)
<b>Cash flows from financing activities</b>					
		87,000	279,000	-	200,000
		(171,000)	(41,000)	-	-
	13.2	322,887	499,000	216,000	499,000
	13.2	(375,720)	(265,621)	(352,000)	(216,500)
		(1,049)	(1,263)	(1,049)	(1,263)
		(32,480)	(29,524)	(32,480)	(29,524)
		26,887	-	-	-
		(399,240)	(499,137)	(399,240)	(499,102)
		(527)	-	-	-
<b>Net cash used in financing activities</b>		(543,242)	(58,545)	(568,769)	(47,389)
<b>Net decrease in cash and cash equivalents</b>		(17,289)	(50,978)	(75,401)	(34,376)
		238,473	128,690	199,660	73,442
<b>Cash and cash equivalents at ending of the periods</b>		221,184	77,712	124,259	39,066
<b>Supplemental cash flow information</b>					
Non-cash related transactions:					
		(28,490)	(163,554)	(47,834)	(162,617)
		-	(1,390)	-	-
		-	(33,268)	-	-

The accompanying notes on page 10 to 29 are an integral part of these interim financial information.

**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 interim consolidated and company financial information were authorised on 8 August 2013 by the Audit Committee of the Company under authority delegated by the Company’s Board of Directors.

These interim consolidated and company financial information have been reviewed, not audited.

**2 Basis for preparation**

These interim consolidated and company financial information are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards (“TAS”) issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e., statement of financial position, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard (“TAS”) 34, “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

These interim financial information should be read in conjunction with the annual financial statement for the year ended 31 December 2012.

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

### **3 Accounting policies**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2012 except as described below.

#### **New accounting standards, amendments to accounting standards and related interpretations**

New and revised accounting standards and related interpretations which are effective on 1 January 2013 are:

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Group has early adopted TAS 12 Income taxes since 1 January 2011 and adopted new revised accounting standards and related interpretations since 1 January 2013. New accounting policies which are relevant to the Group are discussed in Note 4.

New interpretations which are effective on 1 January 2014 are:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

New accounting standard which is effective on 1 January 2016 are:

TFRS 4	Insurance Contracts
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The Group's management has determined that the interpretations and accounting standards will not material impact or relevant to the financial information except the following:

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. The management is currently assessing the impact of this interpretation.

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.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This standard will have an impact on disclosure.

### **3 Accounting policies (continued)**

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

### **4 New accounting policies**

#### **4.1 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 consolidated 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.

#### **4.2 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.

### **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, supply of raw water, produce and supply of tap water, waterworks management, and engineering services. These business operations are conducted only in one geographical area, which is Thailand.

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**5 Segment information (continued)**

The segment information is summarised as follows:

	<b>Consolidated (Unaudited)</b>						<b>(Unit: Baht'000)</b>
	<b>Sales</b>		<b>Service income</b>			<b>Elimination</b>	<b>Total</b>
	<b>Supply of raw water business</b>	<b>Supply of Tap water business</b>	<b>Waterworks management business</b>	<b>Engineering services</b>	<b>Others</b>		
<b>For the six-month period ended 30 June 2013</b>							
<b>Revenue</b>							
Revenue from third parties	1,432,817	442,211	32,304	39,725	36,442	-	1,983,499
Revenue from inter-segment	130,261	-	146,506	-	2,354	(279,121)	-
<b>Total revenue</b>	<b>1,563,078</b>	<b>442,211</b>	<b>178,810</b>	<b>39,725</b>	<b>38,796</b>	<b>(279,121)</b>	<b>1,983,499</b>
<b>Cost of sales and services</b>	<b>(499,969)</b>	<b>(330,125)</b>	<b>(183,045)</b>	<b>(37,579)</b>	<b>(33,611)</b>	<b>278,783</b>	<b>(805,546)</b>
Segment operating profit	1,063,109	112,086	(4,235)	2,146	5,185	(338)	1,177,953
<b>Unallocated revenue (expenses)</b>							
Other income							
Selling expenses							
Administrative expenses and other expenses							22,825
Finance costs							(5,090)
Income tax							(175,446)
							(56,344)
							(202,351)
<b>Net profit</b>							<b>761,547</b>
<b>As at 30 June 2013</b>							
<b>Total segment assets</b>	<b>9,876,247</b>	<b>1,204,285</b>	<b>609,932</b>	<b>11,778</b>	<b>205,096</b>	<b>(98,983)</b>	<b>11,808,355</b>
Unallocated assets							911,558
<b>Total assets</b>							<b>12,719,913</b>

	<b>Consolidated</b>						<b>(Unit: Baht'000)</b>
	<b>Sales</b>		<b>Service income</b>			<b>Elimination</b>	<b>Total</b>
	<b>Supply of raw water business</b>	<b>Supply of Tap water business</b>	<b>Waterworks management business</b>	<b>Engineering services</b>	<b>Others</b>		
<b>For the six-month period ended 30 June 2012 (Unaudited)</b>							
<b>Revenue</b>							
Revenue from third parties	1,296,140	417,413	29,433	55,394	34,102	-	1,832,482
Revenue from inter-segment	73,318	-	140,956	-	2,210	(216,484)	-
<b>Total revenue</b>	<b>1,369,458</b>	<b>417,413</b>	<b>170,389</b>	<b>55,394</b>	<b>36,312</b>	<b>(216,484)</b>	<b>1,832,482</b>
<b>Cost of sales and services</b>	<b>(406,753)</b>	<b>(279,977)</b>	<b>(156,627)</b>	<b>(52,505)</b>	<b>(14,440)</b>	<b>199,818</b>	<b>(710,484)</b>
Segment operating profit	962,705	137,436	13,762	2,889	21,872	(16,666)	1,121,998
<b>Unallocated revenue (expenses)</b>							
Other income							23,331
Selling expenses							(9,985)
Administrative expenses and other expenses							(194,509)
Finance costs							(36,849)
Income tax							(200,391)
<b>Net profit</b>							<b>703,595</b>
<b>As at 31 December 2012 (Audited)</b>							
<b>Total segment assets</b>	<b>9,545,184</b>	<b>1,193,581</b>	<b>567,993</b>	<b>17,467</b>	<b>209,328</b>	<b>(577,602)</b>	<b>10,955,951</b>
Unallocated assets							1,484,133
<b>Total assets</b>							<b>12,440,084</b>

## **6 Temporary investments**

As at 30 June 2013, the Group and the Company have temporary investments in fixed deposits with financial institutions that have maturity date 6 months and interest rate of 0.625% - 2.27 % per annum.

## **7 Trade and other receivables - net**

The detail of trade and other receivables as at 30 June 2013 and 31 December 2012 is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Trade receivables	465,826	387,867	394,328	316,222
Other receivables	5,648	65,243	942	7,559
Prepayments	27,057	18,815	24,061	15,629
Others	891	2,038	392	1,357
	<u>499,422</u>	<u>473,963</u>	<u>419,723</u>	<u>340,767</u>

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 financial information in accordance with the fact mentioned above, as at 30 June 2013, the subsidiary presented this accounts receivable which totaling Baht 46.7 million under trade and other receivables as Baht 1.2 million and other non-current assets as Baht 45.5 million (Note 11).

The detail of trade account receivables as at 30 June 2013 and 31 December 2012 is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Trade accounts receivable - billed				
- Third parties	97,629	105,937	97,585	105,576
- Related parties (Note 17.2)	276,467	196,535	291,857	205,860
Total trade account receivable - billed	<u>374,096</u>	<u>302,472</u>	<u>389,442</u>	<u>311,436</u>
Unbilled receivables				
- Third parties	305	299	-	-
- Related parties (Note 17.2)	91,425	85,096	4,886	4,786
Total unbilled receivables	<u>91,730</u>	<u>85,395</u>	<u>4,886</u>	<u>4,786</u>
	<u>465,826</u>	<u>387,867</u>	<u>394,328</u>	<u>316,222</u>

**7 Trade and other receivables - net** (continued)

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

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June 2013</b>	<b>31 December 2012</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
Within credit term	266,152	257,648	281,515	266,634
Overdue below 3 months	37,935	15,827	37,931	15,828
Overdue 3 - 6 months	28,253	15,055	28,236	15,032
Overdue 6 - 12 months	42,371	14,557	42,375	14,557
	374,711	303,087	390,057	312,051
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	<u>374,096</u>	<u>302,472</u>	<u>389,442</u>	<u>311,436</u>



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**8 Investments in subsidiaries**

Investments in subsidiaries which presented in the Company financial information are as follows:

Company	Nature of business	Country of incorporation	Company							
			Paid-up share capital		Ownership interest		Investment value		Dividends income	
			(Unaudited) 30 June 2013	(Audited) 31 December 2012	(Unaudited) 30 June 2013	(Audited) 31 December 2012	(Unaudited) 30 June 2013	(Audited) 31 December 2012	(Unaudited) 30 June 2013	(Unaudited) 30 June 2012
			(Baht Million)	(Baht Million)	%	%	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)
Universal Utilities Company Limited	Produce and Supply of tap water	Thailand	510	510	100	100	510,000	510,000	20,298	25,143
EW Utilities Company Limited	Water transportation by pipeline	Thailand	0.25	0.25	100	100	250	250	-	-
EW Water Balance (Chonburi) Company Limited	Water transportation by pipeline	Thailand	0.25	0.25	100	100	250	250	-	-
EW Smart Water (Rayong) Company Limited	Produce and supply of industrial water	Thailand	0.25	0.25	100	100	250	250	-	-
Samet Utilities Company Limited	Produce tap water from sea water	Thailand	60	0.25	55	55	33,000	137	-	-
Total investment in subsidiaries							543,750	510,887	20,298	25,143

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.

**9 Other long-term investments**

Other long-term investments represent investments in non-marketable securities consisted of the following:

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>General investments</b>				
- Egcom Tara Company Limited	91,470	91,470	91,470	91,470
	91,470	91,470	91,470	91,470

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**10 Capital expenditures**

						(Unit: Baht'000)		
	Consolidated					Company		
	Investment property	Property, plant and equipment	Assets under concession contracts	Deferred concession rights acquisition costs	Intangible assets	Investment property	Property, plant and equipment	Intangible assets
<b>For the six-month period ended 30 June 2013</b>								
Opening net book amount (Audited)	208,382	9,542,767	491,762	531,792	160,762	221,462	9,149,633	33,561
Additions	-	459,808	36,327	5,287	-	-	433,952	-
Write-off, net	-	(3,587)	-	-	-	-	(3,574)	-
Impairment loss	-	-	(280)	-	-	-	-	-
Depreciation/Amortisation	(4,371)	(146,566)	(17,051)	(14,554)	(5,980)	(4,673)	(138,344)	(1,840)
Closing net book amount (Unaudited)	<u>204,011</u>	<u>9,852,422</u>	<u>510,758</u>	<u>522,525</u>	<u>154,782</u>	<u>216,789</u>	<u>9,441,667</u>	<u>31,721</u>

As at 30 June 2013, the Group and the Company have motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 1.2 million and Baht 1.2 million, respectively. (As at 31 December 2012: amounting to Baht 2.3 million and Baht 2.3 million, respectively).

The Group and the Company have commitment to deliver assets under concession contracts to the contractors at the end of concession period.

As at 30 June 2013, the fair value of investment property in consolidated and company financial information was amounting to Baht 222.4 million and Baht 236.7 million, respectively. This fair value was determined by a report of independent appraiser in 2012 which management assessed that no significant change in fair value of investment property from appraised date.

**10 Capital expenditures (continued)**

On 16 July 2012, Koh Srichang Municipality gave written notice of the termination of its concession contract and asked the Company to transfer its tap water business to Koh Srichang Municipality. This was because the quality of tap water did not meet the standard required by the Provincial Waterworks Authority as specified in the contract. On 27 July 2012, the Company sent a letter to Koh Srichang Municipality to defend the quality of its tap water and to show that the quality did meet the standard by attaching lab test results. The Company then had a meeting with Koh Srichang Municipality to explain about tap water quality which was accepted. 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 which is still in the process of negotiation.

In the consolidated financial information, plant and equipment and assets under concession contracts at Koh Srichang which have been planned to sale have the net book value of Baht 2.3 million as at 30 June 2013 (Cost: Baht 38.9 million, accumulated depreciation: Baht 20.2 million, allowance for impairment loss: Baht 16.4 million).

**11 Other non-current assets**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June 2013</b>	<b>31 December 2012</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
Advance construction payment	467,619	522,637	466,393	516,191
Prepaid expenses	26,724	26,862	-	251
Deposit and Retention	1,950	1,950	-	-
Other receivables (Note 7)	45,420	-	-	-
Other	3,994	3,992	3,583	3,580
	<u>545,707</u>	<u>555,441</u>	<u>469,976</u>	<u>520,022</u>

**12 Trade accounts payable**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June 2013</b>	<b>31 December 2012</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
Third parties	99,461	142,553	59,988	100,654
Related parties (Note 17.2)	22,126	15,008	71,510	46,890
	<u>121,587</u>	<u>157,561</u>	<u>131,498</u>	<u>147,544</u>

### 13 Borrowings

#### 13.1 Short-term loans from financial institutions

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited) 30 June 2013</b>	<b>(Audited) 31 December 2012</b>	<b>(Unaudited) 30 June 2013</b>	<b>(Audited) 31 December 2012</b>
Promissory note	27,000	111,000	-	-
	<u>27,000</u>	<u>111,000</u>	<u>-</u>	<u>-</u>

As at 30 June 2013, the Group and the Company have a short-term loan from unsecured promissory note with financial institutions totalling Baht 27.0 million (As at 31 December 2012: Baht 111.0 million) which is due at call with an interest rate of 3.40 % - 3.45 % per annum (as at 31 December 2012: 3.40% per annum).

#### 13.2 Long-term loans from financial institutions

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited) 30 June 2013</b>	<b>(Audited) 31 December 2012</b>	<b>(Unaudited) 30 June 2013</b>	<b>(Audited) 31 December 2012</b>
Long-term loans from financial institutions	4,141,138	4,193,971	3,498,000	3,634,000
<u>Less</u> Current portion of long-term loans	<u>(637,690)</u>	<u>(737,690)</u>	<u>(590,250)</u>	<u>(690,250)</u>
Long-term loans from financial institutions - net	<u>3,503,448</u>	<u>3,456,281</u>	<u>2,907,750</u>	<u>2,943,750</u>

Movements in the long-term loans from financial institutions during the six-month period ended 30 June consisted of the following:

	<b>(Unit: Baht'000)</b> <b>Consolidated</b>		<b>Company</b>
Balance as at 1 January 2012 (Audited)	4,193,971		3,634,000
Additions	322,887		216,000
Repayments	<u>(375,720)</u>		<u>(352,000)</u>
Balance as at 30 June 2013 (Unaudited)	<u>4,141,138</u>		<u>3,498,000</u>

Long-term loan has no change in repayment condition and interest rate from detail which was disclosed in financial statement for the year ended 31 December 2012.

As at 30 June 2013, the Group and the Company have long-term loans that are not being used amounting to Baht 2,707.1 million and Baht 2,374.0 million, respectively. (As at 31 December 2012: Baht 3,030.0 million and Baht 2,590.0 million, respectively).

**14 Income tax**

The interim income tax expense is accrued based on management's estimate using the tax rate that based on the expected profit for the full year. The estimated tax rate is 19.64% per annum. (The estimated tax rate for the six-month period ended 30 June 2012 was 21.20% per annum).

**15 Earnings per share**

Earnings per share attributable to equity holders of the parent is calculated by dividing the net profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the periods (2013 and 2012: 1,663,725,149 shares).

There are no potential dilutive ordinary shares issued for this period, so diluted earnings per share is not presented in the financial statements.

**16 Dividend payments**

On 29 March 2012, at the Company's Annual General Shareholders' meeting of 2011, the meeting had approved a dividend payment of Baht 0.42 per share, totaling Baht 698.8 million. The Company paid an interim dividend of Baht 0.12 per share, totaling Baht 199.7 million on 20 September 2011 and additional dividend payment of Baht 0.30 per share, totalling Baht 499.1 million on 24 April 2012.

On 30 April 2013, at the Company's Annual General Shareholders' meeting of 2012, the meeting had approved a dividend payment of Baht 0.44 per share, totaling Baht 732.0 million. The Company paid an interim dividend of Baht 0.20 per share, totaling Baht 332.7 million on 21 September 2012 and additional dividend payment of Baht 0.24 per share, totalling Baht 399.3 million on 23 May 2013.

**17 Related parties transactions**

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 significant investments in subsidiaries are set out in note 8.

**17.1 Transactions incurred during the periods**

The following material transactions were carried out with related parties, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and these related parties.

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>Company</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>For the three-month periods ended 30 June</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b><u>Sales - raw water</u></b>				
<b>Major shareholders</b>				
Industrial Estate Authority of Thailand	230,709	220,285	230,709	220,285
Provincial Waterworks Authority	193,907	181,115	193,907	181,115
Electricity Generating Public Company Limited	16,281	14,841	16,281	14,841
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	65,669	40,975
<b><u>Sales - tap water</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	186,615	178,013	34,324	37,484
<b><u>Rental and Service income</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	7,254	24,268	-	-
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	1,186	1,073
<b>Other related party</b>				
Egcom Tara Company Limited	16,935	15,557	-	-
<b><u>Dividend income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	20,298	-
<b>Other related party</b>				
Egcom Tara Company Limited	11,890	4,767	11,890	4,767
<b><u>Other income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	1,330	1,317
Samet Utilities Company Limited	-	-	366	-
<b><u>Service fee (include in costs of sales)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	73,748	72,661

**17 Related parties transactions (continued)**

**17.1 Transactions incurred during the periods (continued)**

For the six-month period ended 30 June			(Unit: Baht'000)	
	Consolidated		Company	
	(Unaudited) 2013	(Unaudited) 2012	(Unaudited) 2013	(Unaudited) 2012
<b><u>Sales - raw water</u></b>				
<b>Major shareholders</b>				
Industrial Estate Authority of Thailand	462,414	427,301	462,414	427,301
Provincial Waterworks Authority	383,778	352,035	383,778	352,035
Electricity Generating Public Company Limited	30,119	29,196	30,119	29,196
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	130,261	75,815
<b><u>Sales - tap water</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	367,477	348,177	71,776	73,545
<b><u>Rental and Service income</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	11,874	45,886	-	-
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	2,354	2,210
<b>Other related party</b>				
Egcom Tara Company Limited	31,713	29,140	-	-
<b><u>Dividend income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	20,298	25,143
<b>Other related party</b>				
Egcom Tara Company Limited	11,890	4,767	11,890	4,767
<b><u>Other income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	3,359	2,583
Samet Utilities Company Limited	-	-	732	-
<b><u>Service fee (include in costs of sales)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	146,506	140,956

Pricing Policy for selling of raw water and rental is similar to market price.

Pricing Policy for selling of tap water and service income are mutually - agreed prices as stipulated in the contracts.

Cost of sale tap water are charged at mutually - agreed prices as stipulated in the contracts.



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**17 Related parties transactions (continued)**

**17.2 Outstanding balances at the end of the periods**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b><u>Trade accounts receivable - billed</u></b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	164,525	114,577	164,525	114,577
Industrial Estate Authority of Thailand	98,753	73,326	98,753	73,326
Electricity Generating Public Company Limited	6,446	3,492	6,446	3,492
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	22,133	14,465
<b>Other related company</b>				
Egcom Tara Company Limited	6,743	5,140	-	-
	<u>276,467</u>	<u>196,535</u>	<u>291,857</u>	<u>205,860</u>
<b><u>Unbilled receivables</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	86,082	80,098	-	-
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	4,886	4,786
<b>Other related company</b>				
Egcom Tara Company Limited	5,343	4,998	-	-
	<u>91,425</u>	<u>85,096</u>	<u>4,886</u>	<u>4,786</u>
<b><u>Water loss treatment service income receivables</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority				
- billed	212	153	-	-
- unbilled	9,165	7,526	-	-
	<u>9,377</u>	<u>7,679</u>	<u>-</u>	<u>-</u>
The age analysis of the water loss treatment service income receivable-billed is as follows:				
Within credit term	<u>212</u>	<u>153</u>	<u>-</u>	<u>-</u>
Total water loss treatment service income receivable - billed	<u>212</u>	<u>153</u>	<u>-</u>	<u>-</u>

17 Related parties transactions (continued)

17.2 Outstanding balances at the end of the periods (continued)

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 June 2013	(Audited) 31 December 2012	(Unaudited) 30 June 2013	(Audited) 31 December 2012
<b><u>Other receivable (include in trade and other receivables)</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	16	15	-	-
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	726	1,362
EW Smart Water (Rayong) Company Limited	-	-	1	-
EW Utilities Company Limited	-	-	1	-
EW Water Balance (Chonburi) Company Limited	-	-	1	-
Samet Utilities Company Limited	-	-	130	384
	<u>16</u>	<u>15</u>	<u>859</u>	<u>1,746</u>
<b><u>Trade accounts payable</u></b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	22,079	15,008	789	710
<b>Subsidiary</b>				
Samet Utilities Company Limited	-	-	-	137
Universal Utilities Company Limited	-	-	70,721	46,043
<b>Other related company</b>				
Egcom Tara Company Limited	47	-	-	-
	<u>22,126</u>	<u>15,008</u>	<u>71,510</u>	<u>46,890</u>
<b><u>Rental guarantees (include in other non-current liabilities)</u></b>				
<b>Subsidiaries</b>				
Universal Utilities Company Limited	-	-	58	58

**17 Related parties transactions (continued)**

**17.3 Management benefit expenses**

Management benefit expenses composed of salaries, meeting allowance gratuities and post-employee benefits can be categorised as follows:

			(Unit: Baht'000)	
	Consolidated		Company	
	(Unaudited) 2013	(Unaudited) 2012	(Unaudited) 2013	(Unaudited) 2012
<b>For the three-month period ended 30 June</b>				
Short-term employee benefits	20,451	22,500	12,872	17,683
Post-employee benefits	1,294	727	1,018	449
Other long-term employee benefits	16	-	11	-
	<u>21,761</u>	<u>23,227</u>	<u>13,901</u>	<u>18,132</u>
			(Unit: Baht'000)	
	Consolidated		Company	
	(Unaudited) 2013	(Unaudited) 2012	(Unaudited) 2013	(Unaudited) 2012
<b>For the six-month period ended 30 June</b>				
Short-term employee benefits	41,561	43,471	26,855	31,774
Post-employee benefits	2,589	1,455	2,037	898
Other long-term employee benefits	31	-	22	-
	<u>44,181</u>	<u>44,926</u>	<u>28,914</u>	<u>32,672</u>

**18 Commitments and contingent liabilities**

The Group and the Company had the following commitments and contingent liabilities.

**18.1 Capital expenditure commitments**

As at 30 June 2013, the Group and the Company had commitments in respect of in-progress construction and pipeline projects of Baht 2,666.4 million and Baht 2,648.1 million, respectively (as at 31 December 2012: Baht 5,538.0 million and Baht 5,495.6 million, respectively).

**18.2 Operating lease commitments**

The Group and the Company had future minimum lease payments required under non-cancellable operating leases contracts regarding to vehicles, land and computer equipment as following;

			(Unit: Million Baht)	
	Consolidated		Company	
	(Unaudited) 30 June 2013	(Audited) 31 December 2012	(Unaudited) 30 June 2013	(Audited) 31 December 2012
Within 1 year	18.6	6.8	9.5	4.3
Within 1-5 year	28.0	6.2	11.3	4.7
More than 5 years	4.1	4.1	-	-
	<u>50.7</u>	<u>17.1</u>	<u>20.8</u>	<u>9.0</u>

**18 Commitments and contingent liabilities (Continued)**

**18.3 Long-term service commitments**

As at 30 June 2013, the Group and the Company had commitments in respect of service agreements for water loss treatment project and other services. Future service fees payable were totalling Baht 32.8 million and Baht 16.1 million, respectively (as at 31 December 2012: Baht 19.7 million and Baht 13.4 million, respectively).

**18.4 Guarantees**

As at 30 June 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 153.7 million and Baht 90.4 million, respectively (as at and 31 December 2012: Baht 202.5 million and Baht 149.4 million, respectively).

**18.5 Litigation**

The Group and the Company had no additional progress of litigation from that disclosed in the annual financial statements for the year ended 31 December 2012 except cases as follows:

**Breach of a construction agreement**

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 totaling 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 totaling Baht 37.4 million. And then there was ruling from the Civil Court to consider these lawsuits together.

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 30<sup>th</sup> and 31<sup>st</sup> 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. In order that the litigant lodge the same appeal as well.

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. Nevertheless, this case has not yet been finalised.

**Progress of litigation**

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.

## **19 Project compensation**

A government agency is considering a deal for the Company to rent/manage the two pipeline connecting projects (“the projects”) and adjust the compensation. A letter issued by this government agency stipulated that the Company was initially to pay compensation for the projects at a percentage of the raw water sales from the projects, from the year operation commenced (1998). In addition, if it is later decided that the fair rate is more than the rate at which the Company has already paid, the Company is to make an additional payment, in full, as a lump sum; whereas if the fair rate is lower, the government agency agrees to pay back the surplus paid by offsetting it against the compensation 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. As at 30 June 2013, there was no significant progress from that disclosed in the annual financial statements for the year ended 31 December 2012.

## **20 Sales of raw water by distribution networks**

### **20.1 Sales volume of raw water classified by distribution networks**

	<b>Company (Unaudited)</b>			
	<b>For the three-month period ended 30 June</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Sales Volume Cubic Meters’000</b>	<b>Sales Baht’000</b>	<b>Sales Volume Cubic Meters’000</b>	<b>Sales Baht’000</b>
Nong Pla Lai - Map Ta Pud Network	22,154	283,361	18,802	189,502
Dok Krai - Map Ta Pud Network	22,914	191,361	26,510	265,140
Chachoengsao - Chonburi Network	23,512	247,703	19,782	198,544
Nong Pla Lai - Nong Khor Network	6,054	63,673	5,349	53,595
<b>Total</b>	<b>74,634</b>	<b>786,098</b>	<b>70,443</b>	<b>706,781</b>

  

	<b>Company (Unaudited)</b>			
	<b>For the six-month period ended 30 June</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Sales Volume Cubic Meters’000</b>	<b>Sales Baht’000</b>	<b>Sales Volume Cubic Meters’000</b>	<b>Sales Baht’000</b>
Nong Pla Lai - Map Ta Pud Network	39,714	468,335	38,456	377,077
Dok Krai - Map Ta Pud Network	50,109	477,739	52,372	512,243
Chachoengsao - Chonburi Network	45,447	479,043	38,617	378,446
Nong Pla Lai - Nong Khor Network	13,116	137,962	10,385	101,692
<b>Total</b>	<b>148,386</b>	<b>1,563,079</b>	<b>139,830</b>	<b>1,369,458</b>

**20 Sales of raw water by distribution networks** (continued)

**20.1 Sales volume of raw water classified by distribution networks** (continued)

Sales of raw water from Chachoengsao - Chonburi Network consisted of:

	<b>(Unit: Baht'000)</b>	
	<b>Company</b>	
	<b>(Unaudited)</b>	
	<b>For the three-month periods ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
Nong Khor - Laem Chabang Network 1	156,903	152,966
Nong Khor - Laem Chabang Network 2	45,428	37,446
Chachoengsao Network	45,372	8,132
Total	247,703	198,544

	<b>(Unit: Baht'000)</b>	
	<b>Company</b>	
	<b>(Unaudited)</b>	
	<b>For the six-month periods ended 30 June</b>	
	<b>2012</b>	<b>2011</b>
Nong Khor - Laem Chabang Network 1	316,032	294,943
Nong Khor - Laem Chabang Network 2	87,143	70,269
Chachoengsao Network	75,868	13,234
Total	479,043	378,446

**20.2 Proportion of raw water sold to end users**

	<b>Company</b>	
	<b>(Unaudited)</b>	
	<b>For the six-month periods ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
	<b>%</b>	<b>%</b>
Industrial Estates	48.50	50.76
Waterworks Authority	29.90	31.06
Factories	21.60	18.18
Total	100.00	100.00