

## **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 31 March 2014, the related consolidated and company statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-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 20 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  
9 May 2014

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

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

**31 MARCH 2014**

**Eastern Water Resources Development and Management Public Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2014**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Restated) (Audited)	(Unaudited)	(Restated) (Audited)
		31 March	31 December	31 March	31 December
Notes		2014	2013	2014	2013
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		255,423	243,306	81,498	133,895
Short-term investments	7	19,560	86,879	-	-
Trade and other receivables	8	472,007	414,274	345,309	308,346
Inventories		10,153	10,536	-	-
Other current assets		31,314	45,640	11,802	25,588
<b>Total current assets</b>		<b>788,457</b>	<b>800,635</b>	<b>438,609</b>	<b>467,829</b>
<b>Non-current assets</b>					
Investments in subsidiaries	9	-	-	543,750	543,750
Other long-term investments	10	91,470	91,470	91,470	91,470
Investment property - net	11	226,147	227,991	240,183	242,424
Property, plant and equipment - net	11	10,304,636	10,284,153	10,184,895	10,169,772
Intangible assets - net	11	1,634,522	1,532,242	33,068	34,163
Deferred tax assets		11,479	10,920	-	-
Other non-current assets	12	621,574	531,894	571,315	461,038
<b>Total non-current assets</b>		<b>12,889,828</b>	<b>12,678,670</b>	<b>11,664,681</b>	<b>11,542,617</b>
<b>Total assets</b>		<b>13,678,285</b>	<b>13,479,305</b>	<b>12,103,290</b>	<b>12,010,446</b>

Director \_\_\_\_\_  
 ( \_\_\_\_\_ )

Director \_\_\_\_\_  
 ( \_\_\_\_\_ )

The accompanying notes on pages 9 to 26 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 31 March 2014**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Restated) (Audited)	(Unaudited)	(Restated) (Audited)
		31 March	31 December	31 March	31 December
Notes		2014	2013	2014	2013
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	14.1	245,000	156,000	143,000	156,000
Trade accounts payable	13	141,632	144,147	92,494	103,625
Payable for purchase of fixed assets		67,432	264,227	46,170	244,235
Current portion of long-term liabilities under finance lease agreements		75	301	75	301
Current portion of long-term borrowings from financial institutions	14.2	613,280	568,610	504,000	490,250
Corporate income tax payable		211,014	131,519	199,769	125,265
Accrued expenses		73,569	133,155	41,372	86,382
Other current liabilities		49,803	57,279	38,438	38,677
<b>Total current liabilities</b>		<b>1,401,805</b>	<b>1,455,238</b>	<b>1,065,318</b>	<b>1,244,735</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	14.2	3,712,111	3,841,751	3,186,750	3,261,750
Deferred tax liabilities		37,721	36,437	14,726	13,185
Employee benefit obligations		94,752	91,424	62,350	60,295
Long-term provisions	15	13,324	22,778	-	-
Other non-current liabilities		146,799	130,893	118,734	110,523
<b>Total non-current liabilities</b>		<b>4,004,707</b>	<b>4,123,283</b>	<b>3,382,560</b>	<b>3,445,753</b>
<b>Total liabilities</b>		<b>5,406,512</b>	<b>5,578,521</b>	<b>4,447,878</b>	<b>4,690,488</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		4,245,745	3,873,880	3,659,157	3,322,854
Other components of equity		27,508	28,357	27,508	28,357
Equity attributable to owners of the parent		8,242,000	7,870,984	7,655,412	7,319,958
Non-controlling interests		29,773	29,800	-	-
<b>Total shareholders' equity</b>		<b>8,271,773</b>	<b>7,900,784</b>	<b>7,655,412</b>	<b>7,319,958</b>
<b>Total liabilities and shareholders' equity</b>		<b>13,678,285</b>	<b>13,479,305</b>	<b>12,103,290</b>	<b>12,010,446</b>

The accompanying notes on pages 9 to 26 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statement of Comprehensive Income**  
**For the three-month period ended 31 March 2014**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Restated)	(Unaudited)	(Unaudited)
Notes		2014	2013	2014	2013
<b>Revenues</b>	18.1				
Sales - raw water		690,895	712,389	699,196	776,981
Sales - tap water		226,594	216,049	73,882	72,665
Rental and service income		55,244	58,863	20,498	19,095
<b>Total sales and service income</b>		972,733	987,301	793,576	868,741
Other income		5,780	4,683	2,827	4,069
<b>Total revenues</b>		978,513	991,984	796,403	872,810
<b>Expenses</b>	18.1				
Cost of sales - raw water		225,921	224,646	228,635	245,015
Cost of sales - tap water		130,838	125,013	60,551	72,197
Cost of rental and services		51,870	52,700	16,126	16,257
<b>Total costs of sales and services</b>		408,629	402,359	305,312	333,469
Selling expenses		1,937	3,371	1,500	3,098
Administrative expenses		79,941	96,282	54,120	70,970
Finance costs		26,391	28,859	18,118	20,816
<b>Total expenses</b>		516,898	530,871	379,050	428,353
<b>Profit before income tax</b>		461,615	461,113	417,353	444,457
Income tax expense	16	(89,777)	(91,953)	(81,050)	(88,408)
<b>Net profit for the period</b>		371,838	369,160	336,303	356,049
<b>Other comprehensive income (expense):</b>					
Write off asset transferred from customer		(849)	(849)	(849)	(849)
<b>Other comprehensive expense for the period, net of tax</b>		(849)	(849)	(849)	(849)
<b>Total comprehensive income for the period</b>		370,989	368,311	335,454	355,200
<b>Profit attributable to</b>					
Equity holders of the parent company		371,865	369,330	336,303	356,049
Non-controlling interests		(27)	(170)	-	-
		371,838	369,160	336,303	356,049
<b>Total comprehensive income attributable to</b>					
Equity holders of the parent company		371,016	368,481	335,454	355,200
Non-controlling interests		(27)	(170)	-	-
		370,989	368,311	335,454	355,200
<b>Earnings per share for profit attributable to the equity holders of the parent company (Baht)</b>	17				
Basic earnings per share		0.22	0.22	0.20	0.21

The accompanying notes on pages 9 to 26 are an integral part of these interim financial information.

Eastern Water Resources Development and Management Public Company Limited  
Statement of Changes in Shareholders' Equity  
For the three-month period ended 31 March 2014

(Unit: Baht'000)									
(Unaudited)									
Consolidated									
Equity holders of the parent									
Other components of equity									
Other comprehensive income									
Assets									
transferred from customers-net									
Total other component of 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	transferred from customers-net	Total other component of equity	Total owner of the parent	Non-controlling interests	Total shareholders' equity
Opening balance as at 1 January 2013 - as previously reported	1,663,725	2,138,522	166,500	3,316,437	31,754	31,754	7,316,938	3,522	7,320,460
Adjustments from changes in accounting policy	-	-	-	(22,332)	-	-	(22,332)	-	(22,332)
Opening balance as at 1 January 2013 - as restated	1,663,725	2,138,522	166,500	3,294,105	31,754	31,754	7,294,606	3,522	7,298,128
Comprehensive income for the period - as previously reported	-	-	-	370,421	(849)	(849)	369,572	(170)	369,402
Adjustments from changes in accounting policy	-	-	-	(1,091)	-	-	(1,091)	-	(1,091)
Comprehensive income for the period - as restated	-	-	-	369,330	(849)	(849)	368,481	(170)	368,311
Proceeds from shares increased of subsidiary	-	-	-	-	-	-	-	26,886	26,886
Closing balance as at 31 March 2013	1,663,725	2,138,522	166,500	3,663,435	30,905	30,905	7,663,087	30,238	7,693,325
Opening balance as at 1 January 2014 - as restated	1,663,725	2,138,522	166,500	3,900,477	28,357	28,357	7,897,581	29,800	7,927,381
Adjustments from changes in accounting policy	-	-	-	(26,597)	-	-	(26,597)	-	(26,597)
Opening balance as at 1 January 2014 - as restated	1,663,725	2,138,522	166,500	3,873,880	28,357	28,357	7,870,984	29,800	7,900,784
Comprehensive income for the period	-	-	-	371,865	(849)	(849)	371,016	(27)	370,989
Closing balance as at 31 March 2014	1,663,725	2,138,522	166,500	4,245,745	27,508	27,508	8,242,000	29,773	8,271,773

The accompanying notes on pages 9 to 26 are an integral part of these interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Changes in Shareholders' Equity (continued)

For the three-month period ended 31 March 2014

	Company					(Unit: Baht'000) (Unaudited)	
					Other components of equity		
					Other comprehensive income		
					Assets transferred from customers-net	Total other component of equity	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings				
			Appropriated - legal reserve	Unappropriated			
Opening balance as at 1 January 2013	1,663,725	2,138,522	166,500	2,796,315	31,754	31,754	6,796,816
Comprehensive income for the period	-	-	-	356,049	(849)	(849)	355,200
Closing balance as at 31 March 2013	<u>1,663,725</u>	<u>2,138,522</u>	<u>166,500</u>	<u>3,152,364</u>	<u>30,905</u>	<u>30,905</u>	<u>7,152,016</u>
Opening balance as at 1 January 2014	1,663,725	2,138,522	166,500	3,322,854	28,357	28,357	7,319,958
Comprehensive income for the period	-	-	-	336,303	(849)	(849)	335,454
Closing balance as at 31 March 2014	<u>1,663,725</u>	<u>2,138,522</u>	<u>166,500</u>	<u>3,659,157</u>	<u>27,508</u>	<u>27,508</u>	<u>7,655,412</u>

The accompanying notes on pages 9 to 26 are an integral part of these interim financial information.

Eastern Water Resources Development and Management Public Company Limited  
Statement of Cash Flows  
For the three-month period ended 31 March 2014

		Consolidated		(Unit: Baht'000)	
		(Restated)		Company	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	2014	2013	2014	2013
<b>Cash flows from operating activities</b>					
Profit before income tax		461,615	461,113	417,353	444,457
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities					
Depreciation	11	79,336	73,312	77,241	71,520
Amortisation of assets under concession contracts	11	26,296	20,349	1,224	915
Amortisation of assets transferred from customers		(849)	(849)	(849)	(849)
Loss on disposals/written off of property, plant and equipment		2,640	1,132	3,689	1,118
Provisions	15	765	1,059	-	-
Interest income		(3,194)	(2,071)	48	(998)
Interest expenses and amortisation of deferred interest under finance lease agreements		26,154	28,538	17,917	20,525
<b>Income from operating activities before changes in operating assets and liabilities</b>		592,763	582,583	516,623	536,688
Changes in operating assets (increase) decrease					
Trade accounts receivable		(58,203)	(56,416)	(36,963)	(74,225)
Inventories		384	(540)	-	-
Other current assets		14,187	(3,054)	13,647	(1,141)
Other non-current assets		15,018	247	(5,579)	-
Changes in operating liabilities increase (decrease)					
Trade accounts payable		(2,515)	(9,460)	(11,131)	(908)
Accrued expenses		(53,886)	(33,344)	(39,310)	(40,404)
Other current liabilities		(7,584)	7,550	(207)	4,757
Employee benefit obligations		3,329	2,989	2,055	2,090
Long-term provisions	15	(10,680)	(839)	-	-
Other liabilities		15,906	1,752	8,211	9,661
Cash provided by operating activities		508,719	491,468	447,346	436,518
Interest paid		(31,252)	(28,760)	(23,617)	(21,316)
Income tax paid		(9,557)	(10,112)	(5,004)	(4,928)
<b>Net cash generated from operating activities</b>		467,910	452,596	418,725	410,274

The accompanying notes on pages 9 to 26 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statement of Cash Flows (continued)**  
**For the three-month period ended 31 March 2014**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2014	2013	2014	2013
<b>Cash flows from investing activities</b>					
	Purchases of short-term investments	(2,705)	(717)	-	-
	Proceeds from redeem of short-term investments	70,023	-	-	-
9	Acquisition for subsidiary	-	-	-	(32,863)
	Interest received	3,802	1,816	91	597
	Proceeds from disposals property, plant and equipment	3,260	-	2,211	-
	Purchases of intangible assets	(127,306)	(35,872)	(130)	-
	Purchases of property, plant and equipment and advance construction payment	(381,889)	(92,726)	(374,036)	(91,351)
	Interest paid for fund borrowed specifically to acquire qualifying assets	(24,750)	(15,385)	(24,750)	(15,385)
	<b>Net cash used in investing activities</b>	<b>(459,565)</b>	<b>(142,884)</b>	<b>(396,614)</b>	<b>(139,002)</b>
<b>Cash flows from financing activities</b>					
	Proceeds from short-term borrowings from financial institutions	583,000	29,000	481,000	-
	Payment on short-term borrowings from financial institutions	(494,000)	(80,000)	(494,000)	-
14.2	Proceeds from long-term borrowings	45,000	242,469	45,000	163,000
14.2	Payment on long-term borrowings	(129,970)	(129,970)	(106,250)	(106,250)
	Payment on liabilities under finance lease agreements	(226)	(561)	(226)	(561)
	Proceeds from issuing of ordinary share of subsidiary	-	26,886	-	-
	Dividends paid to shareholders	(32)	(29)	(32)	(29)
	<b>Net cash receipt from (used in) financing activities</b>	<b>3,772</b>	<b>87,795</b>	<b>(74,508)</b>	<b>56,160</b>
	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>12,117</b>	<b>397,507</b>	<b>(52,397)</b>	<b>327,432</b>
	Cash and cash equivalents at beginning of the periods	243,306	238,473	133,895	199,660
	<b>Cash and cash equivalents at ending of the periods</b>	<b>255,423</b>	<b>635,980</b>	<b>81,498</b>	<b>527,092</b>
<b>Supplemental cash flow information</b>					
	Non-cash related transactions:				
	Purchases of fixed assets on payable	46,608	138,399	32,272	127,665

The accompanying notes on pages 9 to 26 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 9 May 2014 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**

### **2.1 Basis of preparation**

This interim consolidated and company financial information was 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. The primary financial information (i.e. statements 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 34 (revised 2012), ‘Interim Financial Reporting’ and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013.

An English version of the interim consolidated and company financial information has been prepared from the interim financial information that is 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.

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 2013 except as described in note 3.

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.

**2 Basis for preparation (continued)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

The following amendments and related interpretations are effective for the periods beginning on or after 1 January 2014.

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
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 TAS 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

**2 Basis for preparation (continued)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (continued)**

These revised accounting standards, revised financial reporting standards, and related interpretations have no impact to the Group except the following :

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.

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. The operator shall recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. It is impracticable for the Group to apply this interpretation retrospectively. The Group, therefore, recognise intangible assets that existed at the start of the earliest period presented by using the previous carrying amounts of those intangible assets as their carrying amounts. The effect is mentioned in Note 4.

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

**3 New accounting policy**

**3.1 Service concession arrangements**

Service concession arrangements are arrangements between government (the grantor) and a private sector entity (an operator) which involve the operator constructing the infrastructure used to provide the public service or upgrading it and operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement. The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price and the grantor control-through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

If the Group as the operator provides construction or upgrade services, revenue and costs relating to construction or upgrade services shall be accounted for based on the stage of completion on the construction contract. The consideration received or receivable by the operator shall be recognized at its fair value of a financial asset or an intangible asset.

The Group shall recognise a financial asset to extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services and recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. Revenue and costs relating to operation services shall be recognised when service is provided by reference to the contract term.

Contractual obligations to maintain or restore infrastructure, except for any upgrade element shall be recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

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**4 Change in accounting policies, reclassifications, and errors**

The effects of the adoption of the amended standards and related interpretations to the statement of financial position as at 31 December 2013 and the statement of comprehensive income for the three-month period ended 31 March 2013 are present as following:

	<b>(Unit : Baht'000)</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>Statement of financial position as at 31 December 2013</b>		
Decrease in property, plant and equipment	(337,749)	(30,349)
Increase in investment property	28,389	30,349
Decrease in asset under concession contract	(555,572)	-
Decrease in deferred concession right acquisition costs	(522,446)	-
Increase in intangible assets - service concession right	1,379,226	-
Decreased in other non-current assets	(2,066)	-
Increase in deferred tax assets	4,310	-
Decrease in deferred tax liabilities	(2,089)	-
Increase in long-term provisions	22,778	-
Shareholders' equity		
Decrease in unappropriated retained earnings as at 1 January 2013	(22,332)	-
Decrease in unappropriated retained earnings as at 31 December 2013	(26,597)	-
<b>Statement of comprehensive income for the three-month period ended 31 March 2013</b>		
Decrease in sales-tap water	(26)	-
Increase in rental and service income	26	-
Increase in cost of sales-raw water	6,487	-
Decrease in cost of sales-tap water	(6,747)	-
Increase in administrative expenses	1,059	-
Increase in finance costs	565	-
Decrease in income tax expense	(273)	-
Decrease in total comprehensive income	(1,091)	-
Decrease in basic earnings per share (Baht)	(0.001)	-

**5 Estimates**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

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**6 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.

The segment information for the three-month periods ended 31 March 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 three-month period ended 31 March 2014</b>							
<b>Revenue</b>							
Revenue from third parties	690,895	226,594	11,718	24,057	19,469	-	972,733
Revenue from inter-segment	8,301	-	47,343	-	1,213	(56,857)	-
<b>Total revenue</b>	<b>699,196</b>	<b>226,594</b>	<b>59,061</b>	<b>24,057</b>	<b>20,682</b>	<b>(56,857)</b>	<b>972,733</b>
<b>Cost of sales and services</b>	<b>(225,921)</b>	<b>(153,281)</b>	<b>(42,915)</b>	<b>(24,399)</b>	<b>(16,126)</b>	<b>54,013</b>	<b>(408,629)</b>
Segment operating profit	473,275	73,313	16,146	(342)	4,556	(2,844)	564,104
<b>Unallocated revenue (expenses)</b>							
Other income							5,780
Selling expenses							(1,937)
Administrative expenses							(79,941)
Finance costs							(26,391)
Income tax							(89,777)
<b>Net profit</b>							<b>371,838</b>

	<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 three-month period ended 31 March 2013</b>							
<b>Revenue</b>							
Revenue from third parties	712,389	216,049	15,344	25,566	17,953	-	987,301
Revenue from inter-segment	64,592	-	72,759	-	1,168	(138,519)	-
<b>Total revenue</b>	<b>776,981</b>	<b>216,049</b>	<b>88,103</b>	<b>25,566</b>	<b>19,121</b>	<b>(138,519)</b>	<b>987,301</b>
<b>Cost of sales and services</b>	<b>(245,015)</b>	<b>(166,379)</b>	<b>(89,151)</b>	<b>(23,898)</b>	<b>(16,256)</b>	<b>138,340</b>	<b>(402,359)</b>
Segment operating profit	531,966	49,670	(1,048)	1,668	2,865	(179)	584,942
<b>Unallocated revenue (expenses)</b>							
Other income							4,683
Selling expenses							(3,371)
Administrative expenses							(96,282)
Finance costs							(28,859)
Income tax							(91,953)
<b>Net profit</b>							<b>369,160</b>

**7 Temporary investments**

As at 31 March 2014, the Group and the Company have temporary investments in fixed deposits with financial institutions that have maturity date 6 months and interest rate of 3.15% - 3.30% per annum.

**8 Trade and other receivables - net**

The detail of trade and other receivables as at 31 March 2014 and 31 December 2013 is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited) 31 March 2014</b>	<b>(Audited) 31 December 2013</b>	<b>(Unaudited) 31 March 2014</b>	<b>(Audited) 31 December 2013</b>
Trade receivables	395,345	379,138	314,512	289,959
Receivables from others	22,600	7,693	1,477	1,047
Water loss treatment service income receivable - related party (Note 18.2)	18,556	4,096	-	-
Prepayments	34,823	21,702	29,233	16,760
Others	683	1,645	87	580
	<u>472,007</u>	<u>414,274</u>	<u>345,309</u>	<u>308,346</u>

As at 31 March 2014, 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. Subsequently, on 1 April 2014, the agreement has been amended by increasing quantity of purchase and amount to be off-set. The receivable amount is expected to be settled within 3 years. To present information in accordance with the fact mentioned above, as at 31 March 2014, the Company prepared the consolidated financial statement by presenting this accounts receivable which totalling Baht 38.8 million as receivables from others under trade and other receivables as Baht 17.6 million and other non-current assets as Baht 21.2 million (Note 12).

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

The detail of trade account receivables as at 31 March 2014 and 31 December 2013 is as follows:

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>
Trade accounts receivable - billed				
- Third parties	132,858	96,417	127,221	90,526
- Related parties (Note 18.2)	176,826	194,127	170,851	188,014
Total trade account receivable - billed	309,684	290,544	298,072	278,540
Unbilled receivables				
- Third parties	5,907	6,267	-	-
- Related parties (Note 18.2)	79,754	82,327	16,440	11,419
Total unbilled receivables	85,661	88,594	16,440	11,419
	395,345	379,138	314,512	289,959

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>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>
Within credit term	306,530	241,027	295,124	229,231
Overdue below 3 months	2,865	18,234	2,865	18,059
Overdue 3 - 6 months	187	11,391	11	11,386
Overdue 6 - 12 months	54	19,844	24	19,816
Overdue more than 12 months	663	663	663	663
	310,299	291,159	298,687	279,155
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	309,684	290,544	298,072	278,540

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**9 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	
			(Unaudited) 31 March 2014 (Baht'000)	(Audited) 31 December 2013 (Baht'000)	(Unaudited) 31 March 2014 %	(Audited) 31 December 2013 %	(Unaudited) 31 March 2014 (Baht'000)	(Audited) 31 December 2013 (Baht'000)
Universal Utilities Company Limited	Produce and Supply of tap water	Thailand	510,000	510,000	100	100	510,000	510,000
EW Utilities	Water transportation by pipeline	Thailand	250	250	100	100	250	250
EW Water Balance (Chonburi) Company Limited	Water transportation by pipeline	Thailand	250	250	100	100	250	250
EW Smart Water (Rayong) Company Limited	Produce and supply of industrial water	Thailand	250	250	100	100	250	250
Samet Utilities Company Limited	Produce tap water from sea water	Thailand	60,000	60,000	55	55	33,000	33,000
Total investment in subsidiaries							543,750	543,750

On 29 January 2013, Samet Utilities Company Limited called for paid up at 75% of 200,000 ordinary/shares and 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.

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.

**10 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) 31 March 2014</b>	<b>(Audited) 31 December 2013</b>	<b>(Unaudited) 31 March 2014</b>	<b>(Audited) 31 December 2013</b>
<b><u>Long-term investments</u></b>				
<b><u>General investments</u></b>				
- Egcom Tara Company Limited	91,470	91,470	91,470	91,470
Total long-term investments	91,470	91,470	91,470	91,470

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**11 Capital expenditures**

	<b>Consolidated</b>			<b>Company</b>		
	<b>Investment property</b>	<b>Property, plant and equipment</b>	<b>Intangible assets</b>	<b>Investment property</b>	<b>Property, plant and equipment</b>	<b>Intangible assets</b>
<b>For the three-month periods ended 31 March 2014</b>						
Opening net book amount (Audited)	227,991	10,284,153	1,532,242	242,424	10,169,772	34,163
Additions	-	99,836	128,576	-	91,984	129
Transfer, net	333	(333)	-	87	(87)	-
Write-off, net	-	(1,861)	-	-	(1,861)	-
Depreciation/Amortisation	(2,177)	(77,159)	(26,296)	(2,328)	(74,913)	(1,224)
Closing net book amount (Unaudited)	<u>226,147</u>	<u>10,304,636</u>	<u>1,634,522</u>	<u>240,183</u>	<u>10,184,895</u>	<u>33,068</u>

As at 31 March 2014, the Group and the Company have motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 0.1 million and Baht 0.1 million, respectively. (As at 31 December 2013: amounting to Baht 0.3 million and Baht 0.3 million, respectively).

As at 31 March 2014, the fair value of investment property in consolidated and company financial information was amounting to Baht 306.0 million and Baht 325.9 million, respectively. This fair value was determined by a report of independent appraiser in 2013 which management assessed that no significant change in fair value of investment property from appraised date.

As at 31 March 2014, intangible assets in the consolidated financial statements included right from service concession arrangements of tap water business which the Group received from entering into the agreement with the Ministry of Natural Resources and Environment and the Provincial Waterworks Authority amount of Baht 1,484.7 million (As at 31 December 2013 : Baht 1,379.2 million).

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**12 Other non-current assets**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>
Advance payment for construction	559,285	444,969	558,059	443,743
Prepaid expenses	39,064	37,328	13,228	13,228
Deposit and Retention	1,950	1,950	-	-
Other receivables (Note 8)	21,247	43,580	-	-
Other	28	4,067	28	4,067
	<u>621,574</u>	<u>531,894</u>	<u>571,315</u>	<u>461,038</u>

**13 Trade accounts payable**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>
Third parties	98,777	110,872	56,555	76,509
Related parties (Note 18.2)	42,855	33,275	35,939	27,116
	<u>141,632</u>	<u>144,147</u>	<u>92,494</u>	<u>103,625</u>

**14 Borrowings**

**14.1 Short-term loans from financial institutions**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>	<b>(Unaudited)</b> <b>31 March</b> <b>2014</b>	<b>(Audited)</b> <b>31 December</b> <b>2013</b>
Promissory note	245,000	156,000	143,000	156,000
	<u>245,000</u>	<u>156,000</u>	<u>143,000</u>	<u>156,000</u>

As at 31 March 2014, the Group and the Company had a short-term loan from unsecured promissory note with financial institutions which is due at call with an interest rate of 2.91% - 3.75% per annum (as at 31 December 2013: 3.45% - 3.86% per annum).

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**14 Borrowings (continued)**

**14.2 Long-term loans from financial institutions**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Long-term loans from financial institutions	4,325,391	4,410,361	3,690,750	3,752,000
<u>Less</u> Current portion of long-term loans	<u>(613,280)</u>	<u>(568,610)</u>	<u>(504,000)</u>	<u>(490,250)</u>
Long-term loans from financial institutions - net	<u>3,712,111</u>	<u>3,841,751</u>	<u>3,186,750</u>	<u>3,261,750</u>

Movements in the long-term loans from financial institutions during the three-month period ended 31 March consisted of the following:

	<b>(Unit: Baht'000)</b>	
	<b>Consolidated</b>	<b>Company</b>
Balance as at 31 December 2013 (Audited)	4,410,361	3,752,000
Additions	45,000	45,000
Repayments	<u>(129,970)</u>	<u>(106,250)</u>
Balance as at 31 March 2014 (Unaudited)	<u>4,325,391</u>	<u>3,690,750</u>

Long-term loan had no change in repayment condition and interest rate from detail which was disclosed in financial statement for the year ended 31 December 2013.

As at 31 March 2014, the Group and the Company had long-term loans that are not being used amounting to Baht 2,001.4 million and Baht 1,723.0 million, respectively. (As at 31 December 2013: Baht 2,062.2 million and Baht 1,768.0 million, respectively).

**15 Provisions for other liabilities**

	<b>(Unit : Baht)</b> <b>Consolidated</b>
	<b>Contractual obligations from service concession arrangements</b>
<b>For the three-month period ended 31 March 2014</b>	
Opening net book	22,778
Additional provisions	765
Increased in finance costs	461
Utilised during period	<u>(10,680)</u>
Closing net book amount	<u>13,324</u>

**16 Deferred tax and 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 19.05% per annum. (The estimated tax rate for the three-month period ended 31 March 2013 was 19.64% per annum).

**17 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 (2014 and 2013: 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.

**18 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 9.

**18.1 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>Company</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>For the three-month periods ended 31 March</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b><u>Sales - raw water</u></b>				
<b>Major Shareholders</b>				
Industrial Estate Authority of Thailand	237,635	231,705	237,635	231,705
Provincial Waterworks Authority	148,439	189,871	148,439	189,871
Electricity Generating Public Company Limited	6,861	13,838	6,861	13,838
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	8,301	64,592
<b><u>Sales - tap water</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	188,116	180,862	35,221	37,451
<b><u>Rental and Service income</u></b>				
<b>Shareholder</b>				
Provincial Waterworks Authority	47,063	4,620	-	-
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	1,213	1,168
<b><u>Other income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	1,791	1,329
Samet Utilities Company Limited	-	-	120	-
<b><u>Service fee (include in costs of sales)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	47,344	72,759

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.

18 Related parties transactions (continued)

18.2 Outstanding balances at the end of the periods

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 31 March 2014	(Audited) 31 December 2013	(Unaudited) 31 March 2014	(Audited) 31 December 2013
<b><u>Trade accounts receivable - billed</u></b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	86,683	71,609	77,202	61,931
Industrial Estate Authority of Thailand	88,319	121,021	88,320	121,021
Electricity Generating Public Company Limited	1,824	1,497	1,823	1,497
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	3,506	3,565
	<u>176,826</u>	<u>194,127</u>	<u>170,851</u>	<u>188,014</u>
<b><u>Unbilled receivables</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	79,754	82,327	-	-
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	16,440	11,419
	<u>79,754</u>	<u>82,327</u>	<u>16,440</u>	<u>11,419</u>
<b><u>Water loss treatment service income receivables</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority				
- billed	380	686	-	-
- unbilled	18,176	3,410	-	-
	<u>18,556</u>	<u>4,096</u>	<u>-</u>	<u>-</u>

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**18 Related parties transactions (continued)**

**18.2 Outstanding balances at the end of the periods (continued)**

The age analysis of the water loss treatment service income 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>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b><u>Other receivable</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	20	11	-	-
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	1,050	871
EW Smart Water (Rayong)				
Company Limited	-	-	-	18
EW Utilities Company Limited	-	-	-	18
EW Water Balance (Chonburi)				
Company Limited	-	-	-	17
Samet Utilities Company Limited	-	-	42	42
	<u>20</u>	<u>11</u>	<u>1,092</u>	<u>966</u>
<b><u>Trade accounts payable</u></b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	42,855	33,275	17,186	12,099
<b>Subsidiary</b>				
Universal Utilities Company Limited	-	-	18,753	15,017
	<u>42,855</u>	<u>33,275</u>	<u>35,939</u>	<u>27,116</u>
<b><u>Rental guarantees (include in other non-current liabilities)</u></b>				
<b>Subsidiaries</b>				
Universal Utilities Company Limited	-	-	58	58

**18.3 Management benefit expenses**

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

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>For the three-month period ended 31 March</b>				
Short-term employee benefits	23,341	21,110	15,083	13,983
Post-employee benefits	1,349	1,294	1,060	1,018
Other long-term employee benefits	14	16	11	12
	<u>24,704</u>	<u>22,420</u>	<u>16,154</u>	<u>15,013</u>

## **19 Commitments and contingent liabilities**

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

### **19.1 Capital expenditure commitments**

As at 31 March 2014, the Group and the Company had commitments in respect of in-progress construction projects of Baht 4,372.1 million and Baht 4,335.8 million, respectively (as at 31 December 2013: Baht 2,498.6 million and Baht 2,404.7 million, respectively).

### **19.2 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;

	<b>Consolidated</b>		<b>(Unit: Million Baht)</b> <b>Company</b>	
	<b>(Unaudited) 31 March 2014</b>	<b>(Audited) 31 December 2013</b>	<b>(Unaudited) 31 March 2014</b>	<b>(Audited) 31 December 2013</b>
Within 1 year	21.1	18.4	8.9	10.0
Within 1-5 year	36.9	27.6	11.7	13.5
More than 5 years	4.1	4.1	-	-
	<b>62.1</b>	<b>50.1</b>	<b>20.6</b>	<b>23.5</b>

### **19.3 Long-term service commitments**

- 19.3.1 As at 31 March 2014 and 31 December 2013, 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.
- 19.3.2 As at 31 March 2014, the Company had commitments in respect of raw water purchase agreements with private company. The future payables were totalling Baht 5,360.3 million (as at December 2013: Baht 132.5 million)
- 19.3.3 As at 31 March 2014, 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 83.4 million and Baht 62.1 million, respectively (as at 31 December 2013: Baht 68.2 million and Baht 65.0 million, respectively).

**19 Commitments and contingent liabilities (continued)**

**19.4 Guarantees**

As at 31 March 2014, 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 129.8 million and Baht 81.9 million, respectively (as at and 31 December 2013: Baht 119.3 million and Baht 71.5 million, respectively).

**19.5 Litigation**

The Group and the Company had no significant additional progress of litigation from that disclosed in the annual financial statements for the year ended 31 December 2013.

**20 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 31 March 2014, there was no significant progress from that disclosed in the annual financial statements for the year ended 31 December 2013.

The Company recorded this project compensation in the interim financial information at a above preliminary rate. The management considered that this rate is the best estimation based on current information.

**21 Significant agreement**

The Group has the following concession agreement, besides other agreements in notes to financial statements as at 31 December 2013.

- 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 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 28 March 2014, Universal Utilities Company Limited entered into a waterworks system operation and management agreement with the Huaro Subdistrict Municipality for a 30-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 Huaro Subdistrict Municipality free-of-charge at the end of agreement.

**Eastern Water Resources Development and Management Public Company Limited**  
**Condensed Notes to the Interim Financial Information**  
**For the three-month period ended 31 March 2014**

**22 Sales of raw water by distribution networks**

**22.1 Sales volume of raw water classified by distribution networks**

	Company (Unaudited)			
	For the three-month periods ended 31 March			
	2014	2013	2014	2013
	Sales Volume Cubic Meters'000	Sales Baht'000	Sales Volume Cubic Meters'000	Sales Baht'000
<b>Total used volume of raw water</b>				
Nong Pla Lai - Map Ta Pud Network	15,531	167,212	17,560	184,975
Dok Krai - Map Ta Pud Network	27,023	296,609	27,195	286,378
Chachoengsao - Chonburi Network	19,288	198,642	21,935	231,339
Nong Pla Lai - Nong Khor Network	6,781	73,093	7,062	74,289
Total	68,623	735,556	73,752	776,981
<b>Less Raw water uses to produce tap water</b>				
Dok Krai - Map Ta Pud Network	(3,252)	(32,199)	-	-
Nong Pla Lai - Nong Khor Network	(420)	(4,161)	-	-
Total sales of raw water	64,951	699,196	73,752	776,981

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

	(Unit: Baht'000)	
	Company (Unaudited)	
	For the three-month periods ended 31 March	
	2014	2013
Nong Khor - Laem Chabang Network 1	131,338	159,128
Nong Khor - Laem Chabang Network 2	36,525	41,715
Chachoengsao Network	30,779	30,496
Total	198,642	231,339

**22.2 Quantity proportion of raw water sold to end users**

	Company (Unaudited)	
	For the three-month periods ended 31 March	
	2014	2013
	%	%
Industrial Estates	56	50
Waterworks Authority	23	30
Factories	21	20
Total	100	100

**23 Post balance sheet event**

On 22 April 2014, at the Company's Annual General Shareholders' meeting, the meeting had approved a dividend payment of Baht 0.42 per share, totalling Baht 698.7 million. The Company paid an interim dividend of Baht 0.20 per share, totalling Baht 332.7 million on 27 September 2013. The additional dividend payment of Baht 0.22 per share, totalling Baht 366.0 million, will be paid on 21 May 2014.