

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 2014, 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 21 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
13 August 2014

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

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

30 JUNE 2014

Eastern Water Resources Development and Management Public Company Limited

Statement of Financial Position

As at 30 June 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Restated)		(Restated)	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents		113,363	243,306	19,861	133,895
Short-term investments	7	45,150	86,879	-	-
Trade and other receivables	8	461,321	414,274	350,705	308,346
Inventories		10,613	10,536	-	-
Other current assets		39,314	45,640	16,384	25,588
Total current assets		669,761	800,635	386,950	467,829
Non-current assets					
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	226,342	227,991	240,874	242,424
Property, plant and equipment - net	11	10,449,579	10,284,153	10,326,400	10,169,772
Intangible assets - net	11	1,704,087	1,533,155	32,335	34,163
Deferred tax assets		11,529	10,738	-	-
Other non-current assets	12	793,674	532,308	745,928	461,038
Total non-current assets		13,276,681	12,679,815	11,980,757	11,542,617
Total assets		13,946,442	13,480,450	12,367,707	12,010,446

Director _____
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Director _____
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The accompanying notes on pages 11 to 32 are an integral part of these interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Financial Position (continued)

As at 30 June 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Restated)		(Restated)	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from					
financial institutions	14.1	575,000	156,000	575,000	156,000
Trade accounts payable	13	197,156	144,147	138,961	103,625
Payable for purchase of fixed assets		52,249	264,227	15,372	244,235
Current portion of long-term liabilities					
under finance lease agreements		1,877	301	1,877	301
Current portion of long-term borrowings					
from financial institutions	14.2	513,280	568,610	404,000	490,250
Corporate income tax payable		169,716	131,519	157,406	125,265
Accrued expenses		89,140	133,155	51,952	86,382
Other current liabilities		53,636	57,279	34,966	38,677
Total current liabilities		1,652,054	1,455,238	1,379,534	1,244,735
Non-current liabilities					
Long-term liabilities under					
finance lease agreements		4,027	-	4,027	-
Long-term borrowings from					
financial institutions	14.2	3,701,111	3,841,751	3,111,750	3,261,750
Deferred tax liabilities		39,047	36,436	16,304	13,185
Employee benefit obligations		97,631	91,424	63,956	60,295
Long-term provisions	15	14,213	22,778	-	-
Other non-current liabilities		162,024	130,893	131,319	110,523
Total non-current liabilities		4,018,053	4,123,282	3,327,356	3,445,753
Total liabilities		5,670,107	5,578,520	4,706,890	4,690,488

The accompanying notes on pages 11 to 32 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 2014

(Unit: Baht'000)				
Notes	Consolidated		Company	
	(Restated)		(Restated)	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Liabilities and shareholders' equity (Cont'd)				
Shareholders' equity				
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				
	4,251,549	3,875,026	3,665,412	3,322,854
Other components of equity	26,658	28,357	26,658	28,357
Equity attributable to owners of the parent	8,246,954	7,872,130	7,660,817	7,319,958
Non-controlling interests	29,381	29,800	-	-
Total shareholders' equity	8,276,335	7,901,930	7,660,817	7,319,958
Total liabilities and shareholders' equity	13,946,442	13,480,450	12,367,707	12,010,446

The accompanying notes on pages 11 to 32 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 30 June 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Restated)			
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2014	2013	2014	2013
Revenues	19.1				
Sales - raw water		737,896	720,428	744,425	786,098
Sales - tap water		252,114	226,162	87,400	73,844
Construction revenue under concession agreement		75,589	28,887	-	-
Rental and service income		57,358	49,516	21,038	19,702
Total sales and service income		1,122,957	1,024,993	852,863	879,644
Other income		20,364	18,234	42,945	38,257
Total revenues		1,143,321	1,043,227	895,808	917,901
Expenses	19.1				
Cost of sales - raw water		244,717	233,657	248,149	254,954
Cost of sales - tap water		142,006	126,114	72,895	73,127
Construction cost under concession agreement		75,589	28,887	-	-
Cost of rental and services		57,937	44,901	18,229	17,354
Total costs of sales and services		520,249	433,559	339,273	345,435
Selling expenses		2,287	1,719	1,825	1,351
Administrative expenses		120,459	78,884	73,677	57,649
Finance costs		27,397	28,615	18,958	20,384
Total expenses		670,392	542,777	433,733	424,819
Profit before income tax		472,929	500,450	462,075	493,082
Income tax expense	16	(102,122)	(109,931)	(89,811)	(104,220)
Net profit for the period		370,807	390,519	372,264	388,862
Other comprehensive income (expense):					
Write off asset transferred from customer		(850)	(850)	(850)	(850)
Other comprehensive expense					
for the period, net of tax		(850)	(850)	(850)	(850)
Total comprehensive income for the period		369,957	389,669	371,414	388,012
Profit attributable to					
Equity holders of the parent company		370,667	390,578	372,264	388,862
Non-controlling interests		140	(59)	-	-
		370,807	390,519	372,264	388,862
Total comprehensive income attributable to					
Equity holders of the parent company		369,817	389,728	371,414	388,012
Non-controlling interests		140	(59)	-	-
		369,957	389,669	371,414	388,012
Earnings per share for profit attributable					
to the equity holders of the parent					
company (Baht)	17				
Basic earnings per share		0.22	0.23	0.22	0.23

The accompanying notes on pages 11 to 32 are an integral part of these interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Comprehensive Income

For the six-month period ended 30 June 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Restated)			
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2014	2013	2014	2013
Revenues	19.1				
Sales - raw water		1,428,791	1,432,817	1,443,621	1,563,079
Sales - tap water		478,708	442,211	161,282	146,509
Construction revenue under concession agreement		204,035	57,116	-	-
Rental and service income		112,602	108,379	41,536	38,797
Total sales and service income		2,224,136	2,040,523	1,646,439	1,748,385
Other income		26,144	22,917	45,772	42,326
Total revenues		2,250,280	2,063,440	1,692,211	1,790,711
Expenses	19.1				
Cost of sales - raw water		470,638	458,303	476,784	499,969
Cost of sales - tap water		272,844	251,127	133,446	145,324
Construction cost under concession agreement		204,035	57,116	-	-
Cost of rental and services		109,807	97,601	34,355	33,611
Total costs of sales and services		1,057,324	864,147	644,585	678,904
Selling expenses		4,224	5,090	3,325	4,449
Administrative expenses		200,400	175,166	127,797	128,619
Finance costs		53,788	57,474	37,076	41,200
Total expenses		1,315,736	1,101,877	812,783	853,172
Profit before income tax		934,544	961,563	879,428	937,539
Income tax expense	16	(191,899)	(201,884)	(170,861)	(192,628)
Net profit for the period		742,645	759,679	708,567	744,911
Other comprehensive income (expense):					
Write off asset transferred from customer		(1,699)	(1,699)	(1,699)	(1,699)
Other comprehensive expense					
for the period, net of tax		(1,699)	(1,699)	(1,699)	(1,699)
Total comprehensive income for the period		740,946	757,980	706,868	743,212
Profit attributable to					
Equity holders of the parent company		742,532	759,908	708,567	744,911
Non-controlling interests		113	(229)	-	-
		742,645	759,679	708,567	744,911
Total comprehensive income attributable to					
Equity holders of the parent company		740,833	758,209	706,868	743,212
Non-controlling interests		113	(229)	-	-
		740,946	757,980	706,868	743,212
Earnings per share for profit attributable					
to the equity holders of the parent					
company (Baht)	17				
Basic earnings per share		0.45	0.46	0.43	0.45

The accompanying notes on pages 11 to 32 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 six-month period ended 30 June 2014

		Consolidated							(Unit: Baht'000)	
		Equity holders of the parent								
		Other components of equity								
						Assets transferred from customers-net	Total other component of equity	Total owner of the parent	Non-controlling interests	shareholders' equity
		Issued and paid-up share capital	Premium on share capital	Appropriated - legal reserve	Retained earnings Unappropriated					
Notes										
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
- as previously reported										
Adjustments from changes in accounting policy	3, 4	-	-	-	(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		-	-	-	761,776	(1,699)	(1,699)	760,077	(229)	759,848
Adjustments from changes in accounting policy	3, 4	-	-	-	(1,868)	-	-	(1,868)	-	(1,868)
Comprehensive income for the period - as restated		-	-	-	759,908	(1,699)	(1,699)	758,209	(229)	757,980
Investment in subsidiary		-	-	-	-	-	-	-	26,886	26,886
Dividend paid	18	-	-	-	(399,282)	-	-	(399,282)	(527)	(399,809)
Closing balance as at 30 June 2013		1,663,725	2,138,522	166,500	3,654,731	30,055	30,055	7,653,533	29,652	7,683,185
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	3, 4	-	-	-	(25,451)	-	-	(25,451)	-	(25,451)
Opening balance as at 1 January 2014 - as restated		1,663,725	2,138,522	166,500	3,875,026	28,357	28,357	7,872,130	29,800	7,901,930
Dividend paid	18	-	-	-	(366,009)	-	-	(366,009)	(532)	(366,541)
Comprehensive income for the period		-	-	-	742,532	(1,699)	(1,699)	740,833	113	740,946
Closing balance as at 30 June 2014		1,663,725	2,138,522	166,500	4,251,549	26,658	26,658	8,246,954	29,381	8,276,335

The accompanying notes on pages 11 to 32 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 six-month period ended 30 June 2014

							(Unit: Baht'000)
Company							(Unaudited)
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total shareholders' equity
			Appropriated - legal reserve	Unappropriated	Assets transferred from customers-net	Total other component of equity	
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
Dividend paid	18	-	-	(399,282)	-	-	(399,282)
Comprehensive income for the period	-	-	-	744,911	(1,699)	(1,699)	743,212
Closing balance as at 30 June 2013	<u>1,663,725</u>	<u>2,138,522</u>	<u>166,500</u>	<u>3,141,944</u>	<u>30,055</u>	<u>30,055</u>	<u>7,140,746</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
Dividend paid	18	-	-	(366,009)	-	-	(366,009)
Comprehensive income for the period	-	-	-	708,567	(1,699)	(1,699)	706,868
Closing balance as at 30 June 2014	<u>1,663,725</u>	<u>2,138,522</u>	<u>166,500</u>	<u>3,665,412</u>	<u>26,658</u>	<u>26,658</u>	<u>7,660,817</u>

The accompanying notes on pages 11 to 32 are an integral part of these interim financial information.

For the six-month period ended 30 June 2014

The accompanying notes on pages 11 to 32 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 six-month period ended 30 June 2014

					(Unit: Baht'000)
	Notes	Consolidated		Company	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		2014	2013	2014	2013
Cash flows from investing activities					
Purchases of short-term investments		(2,707)	(1,210)	-	-
Receive from short-term investment		44,435	40,160	-	-
Acquisition for subsidiary	9	-	-	-	(32,863)
Interest received		5,712	4,976	749	2,913
Dividend received from a related party and subsidiaries		11,775	11,890	35,745	32,188
Proceeds from disposals property, plant and equipment		4,063	-	4,063	-
Purchases of intangible assets		(207,898)	(41,762)	(641)	-
Purchases of property, plant and equipment and advance construction payment		(783,717)	(338,348)	(770,307)	(303,663)
Interest paid for fund borrowed specifically to acquire qualifying assets		(50,768)	(32,480)	(50,768)	(32,480)
Net cash used in investing activities		(979,105)	(356,774)	(781,159)	(333,905)
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions		1,785,000	87,000	1,636,000	-
Payment on short-term borrowings from financial institutions		(1,366,000)	(171,000)	(1,217,000)	-
Proceeds from long-term borrowings	14.2	186,000	322,888	122,000	216,000
Payment on long-term borrowings	14.2	(381,970)	(375,720)	(358,250)	(352,000)
Payment on liabilities under finance lease agreements		(1,058)	(1,123)	(1,058)	(1,049)
Proceeds from issuing of ordinary share of subsidiary		-	26,888	-	-
Dividends paid to shareholders		(365,907)	(399,240)	(365,906)	(399,240)
Dividends paid to Non-controlling interests		(532)	(527)	-	-
Net cash used in financing activities		(144,467)	(510,834)	(184,214)	(536,289)
Net decrease in cash and cash equivalents		(129,943)	(17,289)	(114,034)	(75,401)
Cash and cash equivalents at beginning of the periods		243,306	238,473	133,895	199,660
Cash and cash equivalents at ending of the periods		113,363	221,184	19,861	124,259
Supplemental cash flow information					
Non-cash related transactions:					
Purchases of fixed assets on payable and financial lease agreement		31,426	51,484	1,475	50,278

The accompanying notes on pages 11 to 32 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 13 August 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 revised accounting standards and financial report systems 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 recognised 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.

4 Change in accounting policies, reclassifications, and errors

The effects of the adoption of the revised 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 and six-month period ended 30 June 2013 are present as following:

(Unit : Baht'000)				
Consolidated				
	As previously report	Adjustments from changes in accounting policy	Reclassification	As restated
Statement of financial position as at 31 December 2013				
Property, plant and equipment	10,621,901	(309,358)	(28,390)	10,284,153
Investment property	199,601	-	28,390	227,991
Asset under concession contract	555,572	(555,572)	-	-
Deferred concession right acquisition costs	552,446	(522,446)	-	-
Intangible assets	153,016	1,380,139	-	1,533,155
Other non-current assets	533,960	(1,652)	-	532,308
Increase in deferred tax assets	6,610	4,127	-	10,737
Decrease in deferred tax liabilities	38,526	(2,090)	-	36,436
Increase in long-term provisions	-	22,778	-	22,778
Shareholders' equity				
Decrease in unappropriated retained earnings as at 1 January 2013	3,316,437	(22,332)	-	3,294,105
Decrease in unappropriated retained earnings as at 31 December 2013	3,900,477	(25,451)	-	3,875,026

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4 Change in accounting policies, reclassifications, and errors (continued)

(Unit : Baht'000)				
	Consolidated			
	As previously report	Adjustments from changes in accounting policy	Reclassification	As restated
Statement of comprehensive income for the three-month period ended 30 June 2013				
Construction revenue under concession agreement	-	28,887	-	28,887
Rental and service income	49,634	(66)	-	49,568
Other income	18,142	66	-	18,208
Cost of sales - raw water	226,495	-	7,162	233,657
Cost of sales-tap water	132,736	158	(7,162)	125,732
Construction cost under concession agreement	-	28,887	-	28,887
Cost of rental and services	43,695	582	-	44,277
Administrative expenses	80,224	(280)	-	79,944
Finance costs	28,050	565	-	28,615
Income tax expense	110,126	(205)	-	109,921
Total comprehensive income	390,445	(820)	-	389,625
Basic earnings per share (Baht)	0.24	(0.1)	-	0.23
Statement of comprehensive income for the six-month period ended 30 June 2013				
Construction revenue under concession agreement	-	57,116	-	57,116
Rental and service income	108,471	(92)	-	108,379
Other income	22,825	92	-	22,917
Cost of sales - raw water	444,654	-	13,649	458,303
Cost of sales-tap water	264,497	279	(13,649)	251,127
Construction cost under concession agreement	-	57,116	-	57,116
Cost of rental and services	96,395	1,206	-	97,601
Administrative expenses	175,446	(280)	-	175,166
Finance costs	56,344	1,130	-	57,474
Income tax expense	202,351	(467)	-	201,884
Total comprehensive income	759,848	(1,868)	-	757,980
Basic earnings per share (Baht)	0.46	-	-	0.46

(Unit : Baht'000)			
	Company		
	As previously report	Reclassification	As restated
Statement of financial position as at 31 December 2013			
Property, plant and equipment	10,200,121	(30,349)	10,169,772
Investment property	212,075	30,349	242,424

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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.

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 six-month period ended 30 June is summarised as follows:

	Consolidated (Unaudited)					(Unit: Baht'000)	
	Sales		Service income				
	Supply of raw water business	Supply of tap water business	Waterworks management business	Engineering services	Others	Elimination	Total
For the six-month period ended 30 June 2014							
Revenue							
Revenue from third parties	1,428,791	682,743	28,977	44,528	39,097	-	2,224,136
Revenue from inter-segment	14,830	-	101,960	-	2,438	(119,228)	-
Total revenue	1,443,621	682,743	130,937	44,528	41,535	(119,228)	2,224,136
Cost of sales and services	(470,638)	(476,879)	(110,932)	(46,502)	(34,354)	81,981	(1,057,324)
Segment operating profit	972,983	205,864	20,005	(1,974)	7,181	(37,247)	1,166,812
Unallocated revenue (expenses)							
Other income							26,144
Selling expenses							(4,224)
Administrative expenses							(200,400)
Finance costs							(53,788)
Income tax							(191,899)
Net profit							742,645

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6 Segment information (continued)

The segment information for the six-month periods ended 30 June is summarised as follows:

	Consolidated (Unaudited)						(Unit: Baht'000)
	Sales		Service income			Elimination	Total
	Supply of raw water business	Supply of Tap water business	Waterworks management business	Engineering services	Others		
For the six-month period ended 30 June 2013							
Revenue							
Revenue from third parties	1,432,817	527,556	32,304	39,725	36,350	-	2,068,752
Revenue from inter-segment	130,261	-	146,506	-	2,354	(279,121)	-
Total revenue	1,563,078	527,556	178,810	39,725	38,704	(279,121)	2,068,752
Cost of sales and services	(458,303)	(336,472)	(183,045)	(37,579)	(33,611)	156,634	(892,376)
Segment operating profit	1,104,775	191,084	(4,235)	2,146	5,093	(122,487)	1,176,376
Unallocated revenue (expenses)							
Other income							22,917
Selling expenses							(5,090)
Administrative expenses							(175,166)
Finance costs							(57,474)
Income tax							(201,884)
Net profit							759,679

7 Temporary investments

As at 30 June 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 1.55% -3.15% per annum.

8 Trade and other receivables - net

The detail of trade and other receivables as at 30 June 2014 and 31 December 2013 is as follows:

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Trade receivables	399,758	379,138	327,064	289,959
Receivables from others	23,384	7,693	1,115	1,047
Water loss treatment service income receivable - related party (Note 19.2)	11,296	4,096	-	-
Prepayments	26,487	21,702	22,411	16,760
Others	396	1,645	115	580
	461,321	414,274	350,705	308,346

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8 Trade and other receivables - net (continued)

As at 30 June 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 30 June 2014, the Company prepared the consolidated financial statement by presenting this accounts receivable which totaling Baht 35.88 million as receivables from others under trade and other receivables as Baht 18.33 million and other non-current assets as Baht 17.55 million (Note 12).

The detail of trade account receivables as at 30 June 2014 and 31 December 2013 is as follows:

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 June 2014	(Audited) 31 December 2013	(Unaudited) 30 June 2014	(Audited) 31 December 2013
Trade accounts receivable - billed				
- Third parties	128,588	96,417	121,715	90,526
- Related parties (Note 19.2)	172,612	194,127	171,006	188,014
Total trade account receivable - billed	301,200	290,544	292,721	278,540
Unbilled receivables				
- Third parties	6,838	6,267	-	-
- Related parties (Note 19.2)	91,720	82,327	34,343	11,419
Total unbilled receivables	98,558	88,594	34,343	11,419
	399,758	379,138	327,064	289,959

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

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 June 2014	(Audited) 31 December 2013	(Unaudited) 30 June 2014	(Audited) 31 December 2013
Within credit term	298,053	241,027	289,774	229,231
Overdue below 3 months	1,789	18,234	1,620	18,059
Overdue 3 - 6 months	1,258	11,391	1,258	11,386
Overdue 6 - 12 months	52	19,844	21	19,816
Overdue more than 12 months	663	663	663	663
	301,815	291,159	293,336	279,155
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	301,200	290,544	292,721	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) 30 June 2014 (Baht'000)	(Audited) 31 December 2013 (Baht'000)	(Unaudited) 30 June 2014 %	(Audited) 31 December 2013 %	(Unaudited) 30 June 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 Company Limited	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:

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 June 2014	(Audited) 31 December 2013	(Unaudited) 30 June 2014	(Audited) 31 December 2013
<u>Long-term investments</u>				
<u>General investments</u>				
- Egcom Tara Company Limited	91,470	91,470	91,470	91,470
Total long-term investments	91,470	91,470	91,470	91,470

For the six-month periods end 30 June 2014, Egcom Tara Company Limited paid dividend to the Company amount of Baht 11.8 million (2013 : Baht 11.9 million).

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11 Capital expenditures

(Unit: Baht'000)

	Consolidated			Company		
	Investment property	Property, plant and equipment	Intangible assets	Investment property	Property, plant and equipment	Intangible assets
For the six-month period ended 30 June 2014						
Opening net book amount (Audited)	227,991	10,284,153	1,533,155	242,424	10,169,772	34,163
Additions	1,124	327,907	224,927	1,204	314,417	641
Transfer, net	1,713	(1,713)	-	2,045	(2,045)	-
Write-off, net	(81)	(3,931)	-	(87)	(3,926)	-
Depreciation/Amortisation	(4,405)	(156,837)	(53,995)	(4,712)	(151,818)	(2,469)
Closing net book amount (Unaudited)	226,342	10,449,579	1,704,087	240,874	10,326,400	32,335

As at 30 June 2014, the Group and the Company have motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 5.9 million and Baht 5.9 million, respectively. (As at 31 December 2013: amounting to Baht 0.3 million and Baht 0.3 million, respectively).

As at 30 June 2014, the fair value of investment property in consolidated and company financial information was amounting to Baht 214.8 million and Baht 228.5 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 30 June 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 1,557.0 million (As at 31 December 2013 : Baht 1,380.1 million).

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12 Other non-current assets

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Advance payment for construction	728,699	444,969	726,996	443,743
Prepaid expenses	44,722	37,328	18,604	13,228
Deposit and Retention	1,951	1,950	-	-
Other receivables (Note 8)	17,550	43,580	-	-
Other	752	4,481	328	4,067
	<u>793,674</u>	<u>532,308</u>	<u>745,928</u>	<u>461,038</u>

13 Trade accounts payable

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Third parties	126,765	110,872	79,184	76,509
Related parties (Note 19.2)	70,391	33,275	59,777	27,116
	<u>197,156</u>	<u>144,147</u>	<u>138,961</u>	<u>103,625</u>

14 Borrowings

14.1 Short-term loans from financial institutions

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Promissory note	575,000	156,000	575,000	156,000
	<u>575,000</u>	<u>156,000</u>	<u>575,000</u>	<u>156,000</u>

As at 30 June 2014, the Group and the Company had a short-term loan from unsecured promissory note with financial institutions which is due between 1-3 months with an interest rate of 2.73% - 3.29% per annum (as at 31 December 2013: 3.45% - 3.86% per annum).

14.2 Long-term loans from financial institutions

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Long-term loans from financial institutions	4,214,391	4,410,361	3,515,750	3,752,000
<u>Less</u> Current portion of long-term loans	<u>(513,280)</u>	<u>(568,610)</u>	<u>(404,000)</u>	<u>(490,250)</u>
Long-term loans from financial institutions - net	<u>3,701,111</u>	<u>3,841,751</u>	<u>3,111,750</u>	<u>3,261,750</u>

14 Borrowings (continued)

14.2 Long-term loans from financial institutions (continued)

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

	Consolidated	(Unit: Baht'000) Company
Balance as at 31 December 2013 (Audited)	4,410,361	3,752,000
Additions	186,000	122,000
Repayments	<u>(381,970)</u>	<u>(358,250)</u>
Balance as at 30 June 2014 (Unaudited)	<u>4,214,391</u>	<u>3,515,750</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 30 June 2014, the Group and the Company had long-term loans that are not being used amounting to Baht 1,860.4 million and Baht 1,646.0 million, respectively. (As at 31 December 2013: Baht 2,062.2 million and Baht 1,768.0 million, respectively).

15 Provisions

	(Unit : Baht) Consolidated
	Contractual obligations from service concession arrangements
For the six-month period ended 30 June 2014	
Opening net book	22,778
Additional provisions	1,529
Increased in finance costs	923
Utilised during period	<u>(11,017)</u>
Closing net book amount	<u>14,213</u>

16 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 six-month period ended 30 June 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 Dividend payments

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, was paid on 21 May 2014.

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, was paid on 23 May 2013.

19 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.

19.1 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.

For the three-month periods ended 30 June	Consolidated		(Unit: Baht'000)	
	Company			
	(Unaudited) 2014	(Unaudited) 2013	(Unaudited) 2014	(Unaudited) 2013
<u>Sales - raw water</u>				
Major shareholders				
Industrial Estate Authority of Thailand	248,265	230,709	248,265	230,709
Provincial Waterworks Authority	156,117	193,907	156,117	193,907
Electricity Generating Public Company Limited	8,491	16,281	8,491	16,281
Subsidiary				
Universal Utilities Company Limited	-	-	6,530	65,669
<u>Sales - tap water</u>				
Major shareholder				
Provincial Waterworks Authority	206,857	186,615	42,327	34,324
<u>Rental and Service income</u>				
Major shareholder				
Provincial Waterworks Authority	3,294	7,254	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	1,225	1,186
<u>Dividend income</u>				
Subsidiary				
Universal Utilities Company Limited	-	-	23,970	20,298
<u>Other income</u>				
Subsidiary				
Universal Utilities Company Limited	-	-	1,199	1,330
Samet Utilities Company Limited	-	-	120	366
<u>Service fee (include in costs of sales)</u>				
Subsidiary				
Universal Utilities Company Limited	-	-	54,616	73,748

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19 Related parties transactions (continued)

19.1 Transactions incurred during the periods (continued)

For the six-month period ended 30 June	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 2014	(Unaudited) 2013	(Unaudited) 2014	(Unaudited) 2013
<u>Sales - raw water</u>				
<u>Major shareholders</u>				
Industrial Estate Authority of Thailand	485,900	462,414	485,900	462,414
Provincial Waterworks Authority	304,556	383,778	304,556	383,778
Electricity Generating Public Company Limited	15,352	30,119	15,352	30,119
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	14,830	130,261
<u>Sales - tap water</u>				
<u>Major shareholder</u>				
Provincial Waterworks Authority	394,973	367,477	77,547	71,776
<u>Rental and Service income</u>				
<u>Major shareholder</u>				
Provincial Waterworks Authority	21,154	11,874	-	-
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	2,438	2,354
<u>Dividend income</u>				
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	23,970	20,298
<u>Other income</u>				
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	2,989	3,359
Samet Utilities Company Limited	-	-	240	732
<u>Service fee (include in costs of sales)</u>				
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	101,960	146,506

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.

19 Related parties transactions (continued)

19.2 Outstanding balances at the end of the periods

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 June 2014	(Audited) 31 December 2013	(Unaudited) 30 June 2014	(Audited) 31 December 2013
<u>Trade accounts receivable - billed</u>				
<u>Major shareholders</u>				
Provincial Waterworks Authority	86,217	71,609	77,430	61,931
Industrial Estate Authority of Thailand	83,834	121,021	83,834	121,021
Electricity Generating Public Company Limited	2,561	1,497	2,561	1,497
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	7,181	3,565
	<u>172,612</u>	<u>194,127</u>	<u>171,006</u>	<u>188,014</u>
<u>Unbilled receivables</u>				
<u>Major shareholder</u>				
Provincial Waterworks Authority	91,720	82,327	-	-
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	34,343	11,419
	<u>91,720</u>	<u>82,327</u>	<u>34,343</u>	<u>11,419</u>
<u>Water loss treatment service income receivables</u>				
<u>Major shareholder</u>				
Provincial Waterworks Authority				
- billed	222	686	-	-
- unbilled	11,074	3,410	-	-
	<u>11,296</u>	<u>4,096</u>	<u>-</u>	<u>-</u>

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19 Related parties transactions (continued)

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

The age analysis of the water loss treatment service income receivable-billed is as follows:

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
<u>Other receivable</u>				
Major shareholder				
Provincial Waterworks Authority	24	11	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	658	871
EW Smart Water (Rayong)				
Company Limited	-	-	1	18
EW Utilities Company Limited	-	-	1	18
EW Water Balance (Chonburi)				
Company Limited	-	-	1	17
Samet Utilities Company Limited	-	-	43	42
	<u>24</u>	<u>11</u>	<u>704</u>	<u>966</u>
<u>Trade account payable</u>				
Major shareholder				
Provincial Waterworks Authority	70,391	33,275	38,629	12,099
Subsidiary				
Universal Utilities Company Limited	-	-	20,671	15,017
EW Smart Water (Rayong)	-	-	159	-
Company Limited				
EW Utilities Company Limited	-	-	159	-
EW Water Balance (Chonburi)				
Company Limited	-	-	159	-
	<u>70,391</u>	<u>33,275</u>	<u>59,777</u>	<u>27,116</u>
<u>Rental guarantees (include in other non-current liabilities)</u>				
Subsidiaries				
Universal Utilities Company Limited	-	-	63	58

19 Related parties transactions (continued)

19.3 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) 2014	(Unaudited) 2013	(Unaudited) 2014	(Unaudited) 2013
For the three-month period ended 30 June				
Short-term employee benefits	22,792	20,451	15,133	12,872
Post-employee benefits	1,348	1,294	1,060	1,018
Other long-term employee benefits	14	16	11	11
	<u>24,154</u>	<u>21,761</u>	<u>16,204</u>	<u>13,901</u>

			(Unit: Baht'000)	
	Consolidated		Company	
	(Unaudited) 2014	(Unaudited) 2013	(Unaudited) 2014	(Unaudited) 2013
For the six-month period ended 30 June				
Short-term employee benefits	46,132	41,561	30,216	26,855
Post-employee benefits	2,697	2,589	2,120	2,037
Other long-term employee benefits	28	31	22	22
	<u>48,857</u>	<u>44,181</u>	<u>32,358</u>	<u>28,914</u>

20 Commitments and contingent liabilities

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

20.1 Capital expenditure commitments

As at 30 June 2014, the Group and the Company had commitments in respect of in-progress construction projects of Baht 4,071.3 million and Baht 3,996.9 million, respectively (as at 31 December 2013: Baht 2,498.6 million and Baht 2,404.7 million, respectively).

20.2 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 2014	(Audited) 31 December 2013	(Unaudited) 30 June 2014	(Audited) 31 December 2013
Within 1 year	23.7	18.4	11.5	10.0
Within 1-5 year	37.4	27.6	15.2	13.5
More than 5 years	4.1	4.1	-	-
	<u>65.2</u>	<u>50.1</u>	<u>26.7</u>	<u>23.5</u>

20 Commitments and contingent liabilities (continued)

20.3 Long-term service commitments

- 20.3.1 As at 30 June 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.
- 20.3.2 As at 30 June 2014, the Company had commitments in respect of raw water purchase agreements with private company. The future payables were totalling Baht 5,355.2 million (as at December 2013: Baht 132.5 million)
- 20.3.3 As at 30 June 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 50.9 million and Baht 33.7 million, respectively (as at 31 December 2013: Baht 68.2 million and Baht 65.0 million, respectively).

20.4 Guarantees

As at 30 June 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 136.3 million and Baht 87.2 million, respectively (as at and 31 December 2013: Baht 119.3 million and Baht 71.5 million, respectively).

20.5 The Compensation for the water supply below the minimum quantity.

As at 30 June 2014, The Company had argument related to a minimum requirement quantity for tap water purchase agreement with the Provincial Waterworks Authority for Sattahip and Pattaya Waterworks. The compensation for the water supply below the minimum quantity totalling Baht 36.6 million. The liabilities were recorded as trade accounts payable - related parties totalling Baht 21.3 million. However, the Company has not yet recorded the remaining compensation totalling Baht 15.3 million because it still has not finalised negotiations.

20.6 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 except cases as follows:

Case of Samet Utilities Company Limited regarding a breach of an agreement:

On 24 December 2013, Samet Utilities Company Limited, a subsidiary, was sued by a joint venture for compensation and damages in a lawsuit with black case number 1954/2556 regarding a breach of an agreement. The joint venture filed with the Rayong Provincial Court requested the subsidiary to pay damages totaling Baht 23.8 million. The subsidiary entered a plea on 31 January 2014 and the Court set a date for settlement of the issue on 21 April 2014.

Progress of litigation

On 9 July 2014, Rayong Provincial Court delivered its verdict to dismiss the case because the joint venture is not a juristic person under the law and does not have the authority to indict. The joint venture is now considering lodging an appeal.

21 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 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.

22 Significant agreement

The Group has the following significant agreements, 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.

23 Sales of raw water by distribution networks

23.1 Sales volume of raw water classified by distribution networks

	Company (Unaudited)			
	For the three-month period ended 30 June			
	2014		2013	
	Sales Volume Cubic Meters'000	Sales Baht'000	Sales Volume Cubic Meters'000	Sales Baht'000
Total used volume of raw water				
Nong Pla Lai - Map Ta Pud Network	27,332	293,785	26,898	283,360
Dok Krai - Map Ta Pud Network	19,348	215,156	18,170	191,361
Chachoengsao - Chonburi Network	20,860	212,868	23,512	247,703
Nong Pla Lai - Nong Khor Network	6,701	71,820	6,054	63,674
Total	74,241	793,629	74,634	786,098
Less Raw water uses to produce tap water				
Dok Krai - Map Ta Pud Network	(3,937)	(38,976)	-	-
Nong Pla Lai - Nong Khor Network	(1,033)	(10,227)	-	-
Total sales of raw water	69,271	744,426	74,634	786,098

	Company (Unaudited)			
	For the six-month period ended 30 June			
	2014		2013	
	Sales Volume Cubic Meters'000	Sales Baht'000	Sales Volume Cubic Meters'000	Sales Baht'000
Total used volume of raw water				
Nong Pla Lai - Map Ta Pud Network	42,863	460,996	44,458	468,335
Dok Krai - Map Ta Pud Network	46,371	511,765	45,366	477,739
Chachoengsao - Chonburi Network	40,148	411,510	45,447	479,043
Nong Pla Lai - Nong Khor Network	13,481	144,914	13,116	137,962
Total	142,863	1,529,185	148,387	1,563,079
Less Raw water uses to produce tap water				
Dok Krai - Map Ta Pud Network	(7,189)	(71,175)	-	-
Nong Pla Lai - Nong Khor Network	(1,453)	(14,389)	-	-
Total sales of raw water	134,221	1,443,621	148,387	1,563,079

23 Sales of raw water by distribution networks (continued)

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

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

	(Unit: Baht'000)	
	Company	
	(Unaudited)	
	For the three-month periods ended 30 June	
	2014	2013
Nong Khor - Laem Chabang Network 1	124,891	156,903
Nong Khor - Laem Chabang Network 2	42,665	45,428
Chachoengsao Network	45,312	45,372
Total	212,868	247,703

	(Unit: Baht'000)	
	Company	
	(Unaudited)	
	For the six-month periods ended 30 June	
	2014	2013
Nong Khor - Laem Chabang Network 1	256,230	316,032
Nong Khor - Laem Chabang Network 2	79,190	87,143
Chachoengsao Network	76,090	75,868
Total	411,510	479,043

23.2 Quantity proportion of raw water sold to end users

	Company	
	(Unaudited)	
	For the six-month periods ended 30 June	
	2014	2013
	%	%
Industrial Estates	55.43	48.50
Waterworks Authority	22.90	29.90
Factories	21.67	21.60
Total	100.00	100.00