

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 September 2014, the related consolidated and company statements of comprehensive income for the three-month and nine-month period then ended, changes in shareholders' equity, and cash flows for the nine-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
12 November 2014

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

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

30 SEPTEMBER 2014

Eastern Water Resources Development and Management Public Company Limited
Statement of Financial Position
As at 30 September 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Restated) (Audited)	(Unaudited)	(Restated) (Audited)
		30 September	31 December	30 September	31 December
Notes		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents		118,874	243,306	20,845	133,895
Short-term investments	7	54,154	86,879	-	-
Trade and other receivables	8	393,339	414,274	315,826	308,346
Inventories		10,240	10,536	-	-
Other current assets		40,154	45,640	19,431	25,588
Total current assets		616,761	800,635	356,102	467,829
Non-current assets					
Investments in subsidiaries	9	-	-	543,000	543,750
Other long-term investments	10	91,470	91,470	91,470	91,470
Investment property - net	11	224,075	227,991	238,448	242,424
Property, plant and equipment - net	11	11,057,961	10,284,153	10,915,154	10,169,772
Intangible assets - net	11	1,705,687	1,533,155	34,871	34,163
Deferred tax assets		12,038	10,738	-	-
Other non-current assets	12	722,135	532,308	666,347	461,038
Total non-current assets		13,813,366	12,679,815	12,489,290	11,542,617
Total assets		14,430,127	13,480,450	12,845,392	12,010,446

Director _____
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Director _____
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Eastern Water Resources Development and Management Public Company Limited

Statement of Financial Position (continued)

As at 30 September 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Restated)		(Restated)	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from					
financial institutions	14.1	988,000	156,000	946,000	156,000
Trade accounts payable	13	199,925	144,147	150,131	103,625
Payable for purchase of fixed assets		70,380	264,227	45,955	244,235
Current portion of long-term liabilities				-	
under finance lease agreements		1,942	301	1,942	301
Current portion of long-term borrowings				-	
from financial institutions	14.2	513,280	568,610	404,000	490,250
Corporate income tax payable		72,860	131,519	63,863	125,265
Accrued expenses		125,878	133,155	76,464	86,382
Other current liabilities		57,075	57,279	37,703	38,677
Total current liabilities		2,029,340	1,455,238	1,726,058	1,244,735
Non-current liabilities					
Long-term liabilities under					
finance lease agreements		3,512	-	3,512	-
Long-term borrowings from					
financial institutions	14.2	3,826,471	3,841,751	3,291,750	3,261,750
Deferred tax liabilities		40,580	36,436	18,107	13,185
Employee benefit obligations		101,073	91,424	66,124	60,295
Long-term provisions	15	12,554	22,778	-	-
Other non-current liabilities		175,225	130,893	142,729	110,523
Total non-current liabilities		4,159,415	4,123,282	3,522,222	3,445,753
Total liabilities		6,188,755	5,578,520	5,248,280	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

Statement of Financial Position (continued)

As at 30 September 2014

	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited)	(Restated) (Audited)	(Unaudited)	(Restated) (Audited)
	30 September 2014	31 December 2013	30 September 2014	31 December 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	4,217,418	3,875,026	3,602,556	3,322,854
Other components of equity	25,809	28,357	25,809	28,357
Equity attributable to owners of the parent	8,211,974	7,872,130	7,597,112	7,319,958
Non-controlling interests	29,398	29,800	-	-
Total shareholders' equity	8,241,372	7,901,930	7,597,112	7,319,958
Total liabilities and shareholders' equity	14,430,127	13,480,450	12,845,392	12,010,446

Eastern Water Resources Development and Management Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 September 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Restated)			
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2014	2013	2014	2013
Revenues	19.1				
Sales - raw water		690,772	667,579	704,706	693,283
Sales - tap water		254,514	217,748	87,093	68,785
Construction revenue under concession agreement		28,869	5,332	-	-
Rental and service income		51,902	49,453	22,161	20,630
Total sales and service income		1,026,057	940,112	813,960	782,698
Other income		13,051	18,741	11,300	17,533
Total revenues		1,039,108	958,853	825,260	800,231
Expenses	19.1				
Cost of sales - raw water		281,172	225,637	290,521	234,757
Cost of sales - tap water		160,187	128,238	77,752	60,016
Construction cost under concession agreement		28,869	5,332	-	-
Cost of rental and services		41,157	44,598	17,338	17,066
Total costs of sales and services		511,385	403,805	385,611	311,839
Selling expenses		4,304	1,568	3,512	2,755
Administrative expenses		102,654	87,486	62,651	63,366
Finance costs		25,987	30,026	17,317	21,674
Total expenses		644,330	522,885	469,091	399,634
Profit before income tax		394,778	435,968	356,169	400,597
Income tax expense	16	(79,521)	(90,571)	(69,654)	(82,427)
Net profit for the period		315,257	345,397	286,515	318,170
Other comprehensive income (expense):					
Write off asset transferred from customer		(849)	(849)	(849)	(849)
Other comprehensive expense for the period, net of tax		(849)	(849)	(849)	(849)
Total comprehensive income for the period		314,408	344,548	285,666	317,321
Profit attributable to					
Equity holders of the parent company		315,240	345,457	286,515	318,170
Non-controlling interests		17	(60)	-	-
		315,257	345,397	286,515	318,170
Total comprehensive income attributable to					
Equity holders of the parent company		314,391	344,608	285,666	317,321
Non-controlling interests		17	(60)	-	-
		314,408	344,548	285,666	317,321
Earnings per share for profit attributable to the equity holders of the parent company (Baht)	17				
Basic earnings per share		0.19	0.21	0.17	0.19

Eastern Water Resources Development and Management Public Company Limited
Statement of Comprehensive Income
For the nine-month period ended 30 September 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Restated)			
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2014	2013	2014	2013
Revenues	19.1				
Sales - raw water		2,119,563	2,100,396	2,148,327	2,256,362
Sales - tap water		733,222	659,959	248,375	215,294
Construction revenue under concession agreement		232,904	62,448	-	-
Rental and service income		164,504	157,832	63,697	59,427
Total sales and service income		3,250,193	2,980,635	2,460,399	2,531,083
Other income		39,195	41,658	57,072	59,859
Total revenues		3,289,388	3,022,293	2,517,471	2,590,942
Expenses	19.1				
Cost of sales - raw water		751,810	683,940	767,305	734,726
Cost of sales - tap water		433,031	379,365	211,198	205,340
Construction cost under concession agreement		232,904	62,448	-	-
Cost of rental and services		150,964	142,199	51,693	50,677
Total costs of sales and services		1,568,709	1,267,952	1,030,196	990,743
Selling expenses		8,528	6,658	6,837	7,204
Administrative expenses		303,054	262,652	190,448	191,985
Finance costs		79,775	87,500	54,393	62,874
Total expenses		1,960,066	1,624,762	1,281,874	1,252,806
Profit before income tax		1,329,322	1,397,531	1,235,597	1,338,136
Income tax expense	16	(271,420)	(292,455)	(240,515)	(275,055)
Net profit for the period		1,057,902	1,105,076	995,082	1,063,081
Other comprehensive income (expense):					
Write off asset transferred from customer		(2,548)	(2,548)	(2,548)	(2,548)
Other comprehensive expense for the period, net of tax		(2,548)	(2,548)	(2,548)	(2,548)
Total comprehensive income for the period		1,055,354	1,102,528	992,534	1,060,533
Profit attributable to					
Equity holders of the parent company		1,057,772	1,105,365	995,082	1,063,081
Non-controlling interests		130	(289)	-	-
		1,057,902	1,105,076	995,082	1,063,081
Total comprehensive income attributable to					
Equity holders of the parent company		1,055,224	1,102,817	992,534	1,060,533
Non-controlling interests		130	(289)	-	-
		1,055,354	1,102,528	992,534	1,060,533
Earnings per share for profit attributable to the equity holders of the parent company (Baht)	17				
Basic earnings per share		0.64	0.66	0.60	0.64

For the nine-month period ended 30 September 20147

Eastern Water Resources Development and Management Public Company Limited

Statement of Changes in Shareholders' Equity (continued)

For the nine-month period ended 30 September 2014

								(Unit: Baht'000)
								(Unaudited)
Company								
						Other components of equity		
						Other comprehensive income		
						Assets transferred from customers-net	Total other component of equity	Total shareholders' equity
Note	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	31,755	31,755	6,796,817	
Dividend paid	18	-	-	(732,017)	-	-	(732,017)	
Comprehensive income for the period		-	-	1,063,081	(2,548)	(2,548)	1,060,533	
Closing balance as at 30 September 2013	<u>1,663,725</u>	<u>2,138,522</u>	<u>166,500</u>	<u>3,127,379</u>	<u>29,207</u>	<u>29,207</u>	<u>7,125,333</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	-	-	(715,380)	-	-	(715,380)	
Comprehensive income for the period		-	-	995,082	(2,548)	(2,548)	992,534	
Closing balance as at 30 September 2014	<u>1,663,725</u>	<u>2,138,522</u>	<u>166,500</u>	<u>3,602,556</u>	<u>25,809</u>	<u>25,809</u>	<u>7,597,112</u>	

Eastern Water Resources Development and Management Public Company Limited

Statement of Cash Flows

For the nine-month period ended 30 September 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Restated)			
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2014	2013	2014	2013
Cash flows from operating activities					
		1,329,322	1,397,531	1,235,597	1,338,136
	Profit before income tax				
	Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities				
	Depreciation	11	245,599	225,155	238,086
	Amortisation	11	85,133	60,365	3,803
	Income from amortisation of assets transferred from customers		(2,548)	(2,548)	(2,548)
	Loss on disposals/written off of property, plant and equipment		3,746	8,112	3,956
	Loss on disposals of subsidiaries		-	-	323
	Provisions	15	2,294	3,177	-
	Employee benefit obligations		10,325	9,939	6,504
	Dividend income		(18,240)	(17,917)	(42,210)
	Interest income		(5,433)	(6,854)	(659)
	Interest expenses and amortisation of deferred interest under finance lease agreements		78,938	83,593	53,662
Income from operating activities before changes in operating assets and liabilities					
		1,729,136	1,760,553	1,496,514	1,589,045
	Changes in operating assets (increase) decrease				
	Trade and other receivable		20,472	(98,990)	(7,480)
	Inventories		296	(1,867)	-
	Other current assets		4,823	4,967	5,958
	Other non-current assets		10,107	(12,173)	(5,375)
	Changes in operating liabilities increase (decrease)				
	Trade accounts payable		55,778	(30,550)	46,563
	Accrued expenses		(2,435)	602	(5,076)
	Other current liabilities		(523)	(1,985)	(1,349)
	Employee benefit obligations		(675)	(10,225)	(675)
	Long-term provisions	15	(13,902)	(8,246)	-
	Other liabilities		44,332	35,679	32,206
	Cash provided by operating activities		1,847,409	1,637,765	1,561,286
	Interest paid		(82,395)	(92,022)	(58,504)
	Income tax paid		(327,987)	(346,071)	(296,995)
Net cash generated from operating activities			1,437,027	1,205,787	1,109,224

Eastern Water Resources Development and Management Public Company Limited

Statement of Cash Flows (continued)

For the nine-month period ended 30 September 2014

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Note		2014	2013	2014	2013
Cash flows from investing activities					
	Purchases of short-term investment	(16,712)	(76,232)	-	-
	Proceeds from disposals of short-term investment	49,436	96,665	-	-
	Acquisition for subsidiary	-	-	-	(32,863)
	Proceeds from disposals of subsidiaries	-	-	427	-
	Interest received	6,096	6,857	859	3,528
	Dividend received from a related party and subsidiaries	18,240	17,917	42,210	38,215
	Proceeds from disposals of property, plant and equipment	7,815	-	6,925	-
	Purchases of intangible assets	(253,251)	(60,341)	(4,511)	-
	Purchases of property, plant and equipment and advance construction payment	(1,337,925)	(781,412)	(1,302,481)	(761,371)
	Interest paid for fund borrowed specifically to acquire qualifying assets	(79,445)	(51,512)	(79,445)	(51,512)
	Net cash used in investing activities	(1,605,746)	(848,058)	(1,336,016)	(804,003)
Cash flows from financing activities					
	Proceeds from short-term borrowings from financial institutions	3,390,000	220,500	3,182,000	180,000
	Payment on short-term borrowings from financial institutions	(2,558,000)	(198,000)	(2,392,000)	(80,000)
14.2	Proceeds from long-term borrowings	366,000	751,830	302,000	644,000
14.2	Payment on long-term borrowings	(436,610)	(505,690)	(358,250)	(458,250)
	Payment on liabilities under finance lease agreements	(1,509)	(1,686)	(1,509)	(1,686)
	Proceeds from issuing of ordinary share of subsidiary	-	26,888	-	-
	Dividends paid to shareholders	(715,062)	(535,616)	(715,062)	(535,616)
	Dividends paid to non-controlling interests	(532)	(526)	-	-
	Net cash generated from (used in) financing activities	44,287	(242,300)	17,179	(251,552)
	Net increase (decrease) in cash and cash equivalents	(124,432)	109,314	(113,050)	53,669
	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	118,874	347,787	20,845	253,329
Supplemental cash flow information					
Non-cash related transactions:					
	Purchases of fixed assets on payable and financial lease agreement	49,540	9,312	32,058	2,370

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 12 November 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

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 nine-month period ended 30 September 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
Deferred tax assets	6,610	4,128	-	10,738
Deferred tax liabilities	38,526	(2,090)	-	36,436
Long-term provisions	-	22,778	-	22,778
Shareholders' equity				
Unappropriated retained earnings as at 1 January 2013	3,316,437	(22,332)	-	3,294,105
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 reported	Adjustments from changes in accounting policy	Reclassification	As restated
Statement of comprehensive income for the three-month period ended 30 September 2013				
Construction revenue under concession agreement	-	5,332	-	5,332
Rental and service income	49,559	(106)	-	49,453
Other income	18,635	106	-	18,741
Cost of sales - raw water	216,456	-	9,181	225,637
Cost of sales-tap water	137,152	267	(9,181)	128,238
Construction cost under concession agreement	-	5,332	-	5,332
Cost of rental and services	43,511	1,087	-	44,598
Administrative expenses	87,486	-	-	87,486
Finance costs	29,460	566	-	30,026
Income tax expense	90,638	(67)	-	90,571
Total comprehensive income	345,664	(267)	-	345,397
Basic earnings per share (Baht)	0.21	-	-	0.21
Statement of comprehensive income for the nine-month period ended 30 September 2013				
Construction revenue under concession agreement	-	62,448	-	62,448
Rental and service income	158,030	(198)	-	157,832
Other income	41,460	198	-	41,658
Cost of sales - raw water	661,110	-	22,830	683,940
Cost of sales-tap water	401,649	546	(22,830)	379,365
Construction cost under concession agreement	-	62,448	-	62,448
Cost of rental and services	139,905	2,294	-	142,199
Administrative expenses	262,932	(280)	-	262,652
Finance costs	85,804	1,696	-	87,500
Income tax expense	292,989	(534)	-	292,455
Total comprehensive income	1,107,211	(2,135)	-	1,105,076
Basic earnings per share (Baht)	0.67	(0.01)	-	0.66

(Unit : Baht'000)

	Company		
	As previously reported	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 nine-month period ended 30 September is summarised as follows:

	(Unit: Baht'000)						
	Consolidated (Unaudited)						
	Sales		Service income				
	Supply of raw water business	Supply of tap water business	Waterworks management business	Engineering services	Others	Elimination	Total
For the nine-month period ended 30 September 2014							
Revenue							
Revenue from third parties	2,119,563	966,126	42,880	61,581	60,043	-	3,250,193
Revenue from inter-segment	28,764	-	157,506	-	3,655	(189,925)	-
Total revenue	2,148,327	966,126	200,386	61,581	63,698	(189,925)	3,250,193
Cost of sales and services	(751,810)	(665,935)	(175,143)	(60,578)	(51,693)	136,450	(1,568,709)
Segment operating profit	1,396,517	300,191	25,243	1,003	12,005	(53,475)	1,681,484
Unallocated revenue (expenses)							
Other income							39,195
Selling expenses							(8,528)
Administrative expenses							(303,054)
Finance costs							(79,775)
Profit before income tax							1,329,322
Income tax							(271,420)
Net profit							1,057,902

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6 Segment information (continued)

The segment information for the nine-month periods ended 30 September 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 nine-month period ended 30 September 2013							
Revenue							
Revenue from third parties	2,100,396	722,407	48,367	53,851	55,614	-	2,980,635
Revenue from inter-segment	155,966	-	196,694	-	3,813	(356,473)	-
Total revenue	2,256,362	722,407	245,061	53,851	59,427	(356,473)	2,980,635
Cost of sales and services	(683,940)	(441,813)	(242,393)	(51,584)	(50,678)	202,456	(1,267,952)
Segment operating profit	1,572,422	280,594	2,668	2,267	8,749	(154,017)	1,712,683
Unallocated revenue (expenses)							
Other income							41,658
Selling expenses							(6,658)
Administrative expenses							(262,652)
Finance costs							(87,500)
Profit before income tax							1,397,531
Income tax							(292,455)
Net profit							1,105,076

7 Short-term investments

As at 30 September 2014, the Group and the Company have short-term investments in fixed deposits with financial institutions that have maturity term of 6 months and interest rate of 2.60% - 3.15% per annum.

8 Trade and other receivables - net

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

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Trade receivables - net	353,046	379,138	297,778	289,959
Receivables from others	14,878	7,693	860	1,047
Water loss treatment service income receivable - related party (Note 19.2)	3,207	4,096	-	-
Prepayments	21,320	21,702	16,901	16,760
Others	888	1,645	287	580
	393,339	414,274	315,826	308,346

8 Trade and other receivables - net (continued)

As at 30 September 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 26 September 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 September 2014, the Company prepared the consolidated financial statement by presenting this accounts receivable which totaling Baht 34.61 million as receivables from others under trade and other receivables as Baht 10.03 million and other non-current assets as Baht 24.58 million (Note 12).

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

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2014	(Audited) 31 December 2013
Trade accounts receivable - billed				
- Third parties	100,586	96,417	94,600	90,526
- Related parties (Note 19.2)	147,585	194,127	156,476	188,014
Total trade account receivable - billed	248,171	290,544	251,076	278,540
Unbilled receivables				
- Third parties	6,125	6,267	-	-
- Related parties (Note 19.2)	98,750	82,327	46,702	11,419
Total unbilled receivables	104,875	88,594	46,702	11,419
	353,046	379,138	297,778	289,959

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

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2014	(Audited) 31 December 2013
Within credit term	247,631	241,027	250,549	229,231
Overdue below 3 months	278	18,234	272	18,059
Overdue 3 - 6 months	165	11,391	165	11,386
Overdue 6 - 12 months	49	19,844	42	19,816
Overdue more than 12 months	663	663	663	663
	248,786	291,159	251,691	279,155
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	248,171	290,544	251,076	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		Dividends income	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
			30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	30 September 2013
			(Baht'000)	(Baht'000)	%	%	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)
Universal Utilities Company Limited	Produce and Supply of tap water	Thailand	510,000	510,000	100	100	510,000	510,000	23,970	20,298
EW Utilities Company Limited	Water transportation by pipeline	Thailand	-	250	-	100	-	250	-	-
EW Water Balance (Chonburi) Company Limited	Water transportation by pipeline	Thailand	-	250	-	100	-	250	-	-
EW Smart Water (Rayong) Company Limited	Produce and supply of industrial water	Thailand	-	250	-	100	-	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							543,000	543,750	23,970	20,298

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. On 18 August 2014, the liquidation of these subsidiaries has been finished.

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 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 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 nine-month periods end 30 September 2014, Egcom Tara Company Limited paid dividend to the Company amount of Baht 18.2 million (2013: Baht 24.1 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 nine-month period ended 30 September 2014						
Opening net book amount (Audited)	227,991	10,284,153	1,533,155	242,424	10,169,772	34,163
Additions	1,125	1,021,208	257,665	1,204	985,130	4,511
Transfer, net	(81)	(6,761)	-	(87)	(6,755)	-
Write-off, net	1,713	(1,713)	-	2,045	(2,045)	-
Depreciation/Amortisation	(6,673)	(238,926)	(85,133)	(7,138)	(230,948)	(3,803)
Closing net book amount (Unaudited)	<u>224,075</u>	<u>11,057,961</u>	<u>1,705,687</u>	<u>238,448</u>	<u>10,915,154</u>	<u>34,871</u>

As at 30 September 2014, the Group and the Company have motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 5.3 million and Baht 5.3 million, respectively. (As at 31 December 2013: amounting to Baht 0.3 million and Baht 0.3 million, respectively).

As at 30 September 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 1,558.2 million (As at 31 December 2013: Baht 1,380.1 million).

Borrowing costs of Baht 79.4 million arresting from financing specifically entered into a pipeline constructing project were capitalised during the period and are included in "Additions" of consolidated and company financial information.

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12 Other non-current assets

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Advance payment for construction	648,942	444,969	647,715	443,743
Prepaid expenses	46,214	37,328	18,604	13,228
Deposit and Retention	1,951	1,950	-	-
Other receivables (Note 8)	24,581	43,580	-	-
Other	447	4,481	28	4,067
	<u>722,135</u>	<u>532,308</u>	<u>666,347</u>	<u>461,038</u>

13 Trade accounts payable

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Third parties	112,876	110,872	78,977	76,509
Related parties (Note 19.2)	87,049	33,275	71,154	27,116
	<u>199,925</u>	<u>144,147</u>	<u>150,131</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 September	31 December	30 September	31 December
	2014	2013	2014	2013
Promissory note	988,000	156,000	946,000	156,000
	<u>988,000</u>	<u>156,000</u>	<u>946,000</u>	<u>156,000</u>

As at 30 September 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 2.65% - 3.75% per annum (as at 31 December 2013: 3.45% - 3.86% per annum).

14 Borrowings (continued)

14.2 Long-term loans from financial institutions

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2014	(Audited) 31 December 2013
Long-term loans from financial institutions	4,339,751	4,410,361	3,695,750	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>3,826,471</u>	<u>3,841,751</u>	<u>3,291,750</u>	<u>3,261,750</u>

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

	Consolidated	(Unit: Baht'000) Company
Balance as at 31 December 2013 (Audited)	4,410,361	3,752,000
Additions	366,000	302,000
Repayments	<u>(436,610)</u>	<u>(358,250)</u>
Balance as at 30 September 2014 (Unaudited)	<u>4,339,751</u>	<u>3,695,750</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.

In the third quarter of 2014, the Company had additional unsecured loan agreement from local bank with a credit facility of Baht 2,900.0 million and has already drawn down Baht 143.0 million. The principal is repayable within ten years.

As at 30 September 2014, the Group and the Company had long-term loans that are not being used amounting to Baht 4,580.4 million and Baht 4,366.0 million, respectively. (As at 31 December 2013: Baht 2,062.2 million and Baht 1,768.0 million, respectively).

15 Provisions

	(Unit: Baht'000) Consolidated
	Contractual obligations from service concession arrangements
For the nine-month period ended 30 September 2014	
Opening net book	22,778
Additional provisions	2,294
Increased in finance costs	1,384
Utilised during period	<u>(13,902)</u>
Closing net book amount	<u>12,554</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 19.08% per annum. (The estimated tax rate for the nine-month period ended 30 September 2013 was 19.81% 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

2014:

On 22 April 2014, at the Company's Annual General Shareholders' meeting of 2013, 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 and additional dividend payment of Baht 0.22 per share, totalling Baht 366.0 million on 21 May 2014.

On 27 August 2014, at the Board of Director's meeting, the meeting had approved an interim dividend payment from operating results for the six-months period ended 30 June 2014 to the Company's shareholders of Baht 0.21 per share, totalling Baht 349.4 million. The Company paid this dividend on 26 September 2014.

2013:

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, totalling Baht 732.0 million. The Company paid an interim dividend of Baht 0.20 per share, totalling Baht 332.7 million on 21 September 2012 and additional dividend payment of Baht 0.24 per share, totalling Baht 399.3 million on 23 May 2013.

On 30 August 2013, at the Board of Director's meeting, the meeting had approved an interim dividend payment from operating results for the six-months period ended 30 June 2013 to the Company's shareholders of Baht 0.20 per share, totalling Baht 332.7 million. The Company paid this dividend on 27 September 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 September	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited) 2014	(Unaudited) 2013	(Unaudited) 2014	(Unaudited) 2013
<u>Sales - raw water</u>				
Major shareholders				
Industrial Estate Authority of Thailand	244,498	220,944	244,498	220,944
Provincial Waterworks Authority	159,072	183,895	159,072	183,895
Electricity Generating Public Company Limited	8,491	4,270	8,491	4,270
Subsidiary				
Universal Utilities Company Limited	-	-	13,934	25,704
<u>Sales - tap water</u>				
Major shareholder				
Provincial Waterworks Authority	207,856	180,066	43,711	31,103
<u>Rental and Service income</u>				
Major shareholder				
Provincial Waterworks Authority	3,341	7,240	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	1,248	1,459
<u>Other income</u>				
Subsidiary				
Universal Utilities Company Limited	-	-	1,281	1,273
Samet Utilities Company Limited	-	-	120	366
<u>Service fee (include in costs of sales)</u>				
Subsidiary				
Universal Utilities Company Limited	-	-	55,547	50,188

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19 Related parties transactions (continued)

19.1 Transactions incurred during the periods (continued)

For the nine-month period ended 30 September	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	730,397	683,358	730,397	683,358
Provincial Waterworks Authority	463,628	567,673	463,628	567,673
Electricity Generating Public Company Limited	17,968	34,388	17,968	34,388
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	28,764	155,966
<u>Sales - tap water</u>				
<u>Major shareholder</u>				
Provincial Waterworks Authority	602,829	547,543	121,258	102,879
<u>Rental and Service income</u>				
<u>Major shareholder</u>				
Provincial Waterworks Authority	24,495	19,115	-	-
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	3,654	3,813
<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	-	-	4,270	4,632
Samet Utilities Company Limited	-	-	360	1,098
<u>Service fee (include in costs of sales)</u>				
<u>Subsidiary</u>				
Universal Utilities Company Limited	-	-	157,507	196,694

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 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2014	(Audited) 31 December 2013
<u>Trade accounts receivable - billed</u>				
Major shareholders				
Provincial Waterworks Authority	67,123	71,609	67,119	61,931
Industrial Estate Authority of Thailand	80,458	121,021	80,458	121,021
Electricity Generating Public Company Limited	4	1,497	4	1,497
Subsidiary				
Universal Utilities Company Limited	-	-	8,895	3,565
	<u>147,585</u>	<u>194,127</u>	<u>156,476</u>	<u>188,014</u>
<u>Unbilled receivables</u>				
Major shareholder				
Provincial Waterworks Authority	98,750	82,327	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	46,702	11,419
	<u>98,750</u>	<u>82,327</u>	<u>46,702</u>	<u>11,419</u>
<u>Water loss treatment service income receivables</u>				
Major shareholder				
Provincial Waterworks Authority				
- billed	318	686	-	-
- unbilled	2,889	3,410	-	-
	<u>3,207</u>	<u>4,096</u>	<u>-</u>	<u>-</u>

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) 30 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2014	(Audited) 31 December 2013
<u>Other receivable</u>				
Major shareholder				
Provincial Waterworks Authority	22	11	-	-
Subsidiary				
Universal Utilities Company Limited		-	598	871
EW Smart Water (Rayong) Company Limited		-	-	18
EW Utilities Company Limited		-	-	18
EW Water Balance (Chonburi) Company Limited		-	-	17
Samet Utilities Company Limited		-	54	42
	<u>22</u>	<u>11</u>	<u>652</u>	<u>966</u>
<u>Trade account payable</u>				
Major shareholder				
Provincial Waterworks Authority	87,049	33,275	50,931	12,099
Subsidiary				
Universal Utilities Company Limited	-	-	20,223	15,017
	<u>87,049</u>	<u>33,275</u>	<u>71,154</u>	<u>27,116</u>
<u>Rental guarantees (include in other non-current liabilities)</u>				
Subsidiaries				
Universal Utilities Company Limited	-	-	58	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:

	Consolidated		(Unit: Baht'000)	
	(Unaudited)	(Unaudited)	Company	(Unaudited)
	2014	2013	2014	2013
For the three-month period ended 30 September				
Short-term employee benefits	23,453	17,772	15,597	12,573
Post-employee benefits	1,348	1,295	1,060	1,018
Other long-term employee benefits	14	15	11	11
	<u>24,815</u>	<u>19,082</u>	<u>16,668</u>	<u>13,602</u>
	Consolidated		(Unit: Baht'000)	
	(Unaudited)	(Unaudited)	Company	(Unaudited)
	2014	2013	2014	2013
For the nine-month period ended 30 September				
Short-term employee benefits	69,585	58,387	45,813	39,428
Post-employee benefits	4,046	3,884	3,180	3,055
Other long-term employee benefits	41	46	33	33
	<u>73,672</u>	<u>62,317</u>	<u>49,026</u>	<u>42,516</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 September 2014, the Group and the Company had commitments in respect of in-progress construction projects of Baht 3,536.3 million and Baht 3,453.6 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;

	Consolidated		(Unit: Million Baht)	
	(Unaudited)	(Audited)	Company	(Audited)
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Within 1 year	25.0	18.4	12.5	10.0
Within 1-5 year	35.2	27.6	14.4	13.5
More than 5 years	4.1	4.1	-	-
	<u>64.3</u>	<u>50.1</u>	<u>26.9</u>	<u>23.5</u>

20 Commitments and contingent liabilities (continued)

20.3 Long-term service commitments

- 20.3.1 As at 30 September 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 September 2014, the Company had commitments in respect of raw water purchase agreements with private company. The future payables were totalling Baht 5,342.7 million (as at December 2013: Baht 132.5 million).
- 20.3.3 As at 30 September 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 77.2 million and Baht 57.3 million, respectively (as at 31 December 2013: Baht 68.2 million and Baht 65.0 million, respectively).

20.4 Guarantees

As at 30 September 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 141.3 million and Baht 74.8 million, respectively (as at 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 September 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 52.9 million. The liabilities were recorded as trade accounts payable - related parties totalling Baht 50.1 million. However, the Company has not yet recorded the remaining compensation totalling Baht 2.8 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 currently does not file a lawsuit within the statute of limitations. Therefore, the case is terminated.

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 September 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.
- 4) On 15 September 2014, Universal Utilities Company Limited entered into a Chilled Water agreement at Yodpiman River Walk Market for a 15-year period from the start of operations. The subsidiary is responsible for repair and maintenance or installations of the assets. At the end of contrac, the subsidiary has a right to demolish the property relate to this agreement or offering to buyer.

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 September			
	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	30,249	320,574	15,275	163,490
Dok Krai - Map Ta Pud Network	14,377	165,343	26,667	280,862
Chachoengsao - Chonburi Network	21,143	207,296	20,894	219,998
Nong Pla Lai - Nong Khor Network	5,741	61,098	5,654	56,763
Total	71,510	754,311	68,490	721,113
Less Raw water uses to produce tap water				
Dok Krai - Map Ta Pud Network	(3,867)	(38,278)	(2,392)	(25,117)
Nong Pla Lai - Nong Khor Network	(1,144)	(11,327)	(258)	(2,713)
Total sales of raw water	66,499	704,706	65,840	693,283

	Company (Unaudited)			
	For the nine-month period ended 30 September			
	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	73,112	781,570	54,989	631,826
Dok Krai - Map Ta Pud Network	60,748	677,108	76,776	758,601
Chachoengsao - Chonburi Network	61,292	618,806	66,342	699,040
Nong Pla Lai - Nong Khor Network	19,223	206,012	18,770	194,725
Total	214,375	2,283,496	216,877	2,284,192
Less Raw water uses to produce tap water				
Dok Krai - Map Ta Pud Network	(11,056)	(109,453)	(2,392)	(25,117)
Nong Pla Lai - Nong Khor Network	(2,598)	(25,716)	(258)	(2,713)
Total sales of raw water	200,721	2,148,327	214,227	2,256,362

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 September	
	2014	2013
Nong Khor - Laem Chabang Network 1	140,199	157,608
Nong Khor - Laem Chabang Network 2	39,439	44,693
Chachoengsao Network	27,658	17,697
Total	207,296	219,998

	(Unit: Baht'000)	
	Company	
	(Unaudited)	
	For the nine-month periods ended 30 September	
	2014	2013
Nong Khor - Laem Chabang Network 1	396,428	473,639
Nong Khor - Laem Chabang Network 2	118,630	131,836
Chachoengsao Network	103,748	93,565
Total	618,806	699,040

23.2 Quantity proportion of raw water sold to end users

	Company	
	(Unaudited)	
	For the nine-month periods ended 30 September	
	2014	2013
	%	%
Industrial Estates	56.40	49.31
Provincial Waterworks Authority	21.52	29.44
Factories	22.08	21.25
Total	100.00	100.00

24 Subsequent event to reporting date

On 9 October 2014, the Management and Investment Committee under the authority delegated by the Company's Board of Directors held the meeting No.14/2014. The meeting approved the sale of 6.6 million shares in Samet Utilities Company Limited to a private company at Baht 4.85 per share. This transaction is still in process.