



Step to a bright future for a sustainable growth



ANNUAL REPORT
2012

Eastern Water Resources Development and Management PLC.

Contents

Highlights of the year	Vision • Mission • Strategy	Message from the Chairman	Board of Directors	Executives Corporate
12	14	16	18	22
Organization Structure	Industry and Competitiveness Analysis	Nature of business & Shareholding Ratio in its subsidiaries	Risk Factors	Management Discussion and Analysis of the consolidated financial statement for the year 2012
25	26	28	30	32
Good Corporate Governance	Definition of Independent Directors	Assessment of the Sufficiency of Internal Control System for 2012	Report of Corporate Governance of the Audit Committee for 2012	Report the Corporate Governance & Nominating Committee
36	50	51	54	57
Report of the Board of Directors' Responsibility toward Financial Statement Report	Auditor's Report	Financial Statements & Notes to the Company financial statements	Related Parties Transactions	Auditors' Remuneration
58	59	60	123	124
General Information	Major Shareholders (Top 10 Shareholders)	Dividend Policy		
125	127	128		



Step to a bright future for a sustainable growth

With over 20 years of experience in field operation of “EastWater”, we are committed to the development and investment of our water related services to meet the increasing demand of water users. We always concern about the water quality by monitoring and researching the water regularly. We assigned the water management specialist to ensure that the water consumer will receive high quality water and services in order to give stakeholders greatest satisfaction by taking into account of the strong community, pleasant society and vibrant environment, for the sustainable growth in the future.

A long bridge spans a body of water at sunset. The sky is filled with orange and yellow clouds, and the sun is low on the horizon. The bridge's lights are on, and their reflection is visible on the water. The bridge has several support pillars and a series of lights along its length.

Step to the future with strong operational performance

With EastWater's potentials, we are strived for the continuous and systematic development by our strong management with the strategic visions which will lead us to define the target accurately, leading us to become the leader in the business line with the sustainable growth and running into the bright future confidently.



Step forward with dedicated management



With EastWater's long-standing management, we are ready to continuously improve our potential for the better performance and to always keep the pace with the changes by applying the corporate governance for transparency and accountability. This will create the stakeholder's confident.



Potential growth with the commitment investment

The significant force that drives the growth of East Water is the potential to invest in stable and consistent investments with the prudent business plan and strategy. Also, we operate with the strong financial position to enhance the production capacity and accommodate the consumer's need, with the international quality standard.





Creativity and innovative from employees and specialist staffs

Creativity/Innovative in the business is what EastWater had always been committed to. From the experiences of the skilled employees and professional staffs, we are able to create the corporate culture that is full of dedication, active and truly an organization of development.

A group of young children, likely students, are gathered outdoors. The child in the foreground is wearing an orange uniform and a green necklace with a gold-colored pendant. They are making a peace sign with their right hand. Other children in similar orange uniforms are visible in the background, some also making peace signs. The setting appears to be a schoolyard or playground with a blue metal fence and trees in the background.

Stand by the environment and society



EastWater realized that the important of the efficient and sustainable growth comes from co-operation and unity, improving the potential in all the areas altogether. Therefore, we continuously establish the projects for society and environment to distribute the happiness, creating the sustainability for everyone and moving forward together into the bright future.

Highlights of the year

Water distribution capacity and raw water consumption volume during 2005-2012

Unit: Million Cubic Meters/Year	2005	2006	2007	2008	2009	2010	2011	2012
Total water consumption	190.10	199.36	211.20	227.69	221.27	244.88	261.51	278.69
Water distribution capacity	423.00	423.00	473.00	473.00	473.00	473.00	473.00	619.00
Water distribution capacity to water Consumption ratio (Times)	2.23	2.12	2.24	2.08	2.28	1.93	1.81	1.70

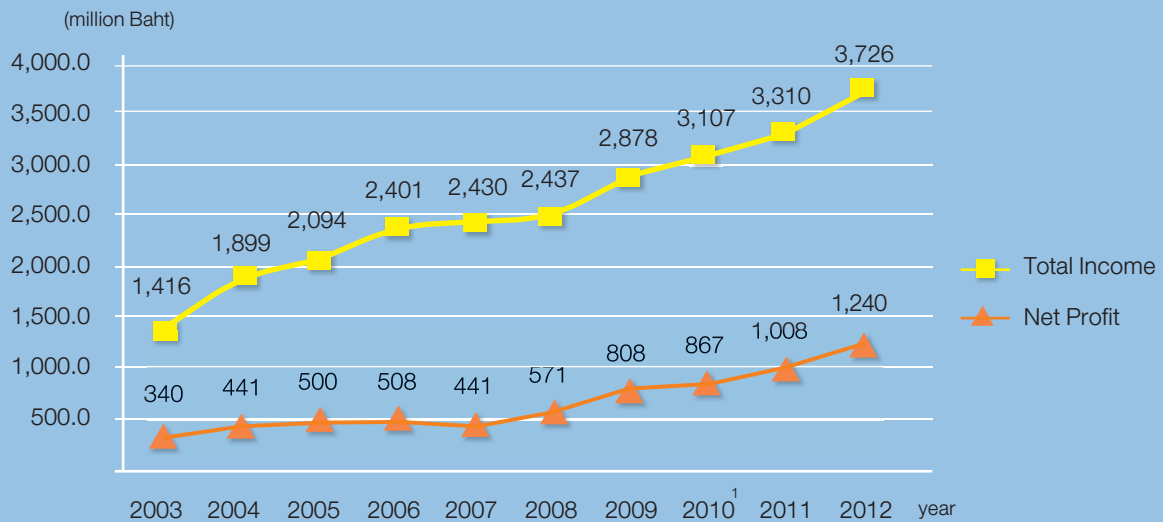
Financial Ration

Description	Consolidated Financial Statement					Company financial Statement				
	2008	2009	2010 ¹	2011	2012	2008	2009	2010 ¹	2011	2012
Book value (per/share)	3.59	3.81	3.98	4.17	4.40	3.47	3.63	3.74	3.91	4.09
Net profit (per/share)	0.34	0.49	0.55	0.61	0.75	0.31	0.44	0.50	0.55	0.69
Dividend (per/share)	0.25	0.35	0.38	0.42	0.20 ²	0.25	0.35	0.38	0.12	0.20 ²
Net profit to total income (%)	23.45	28.04	27.87	30.45	33.28	25.30	30.92	30.20	32.75	32.72
Return on shareholders equity (ROE) (time)	10.70	12.96	13.41	14.88	17.40	10.09	12.96	12.83	14.25	17.23
Return on assets (ROA) (time)	5.97	8.73	9.46	9.76	10.68	5.87	8.63	9.66	9.84	11.05
Debt to equity ratios (D/E) (time)	0.56	0.44	0.49	0.55	0.70	0.52	0.35	0.41	0.49	0.63

Remarks: ¹ Excluding the revenue, cost, profit and tax effects related to the project construction of pipeline connecting Prasae reservoir to Klong Yai reservoir in Rayong Province from the calculation in order to compare in part of the Company's operating results

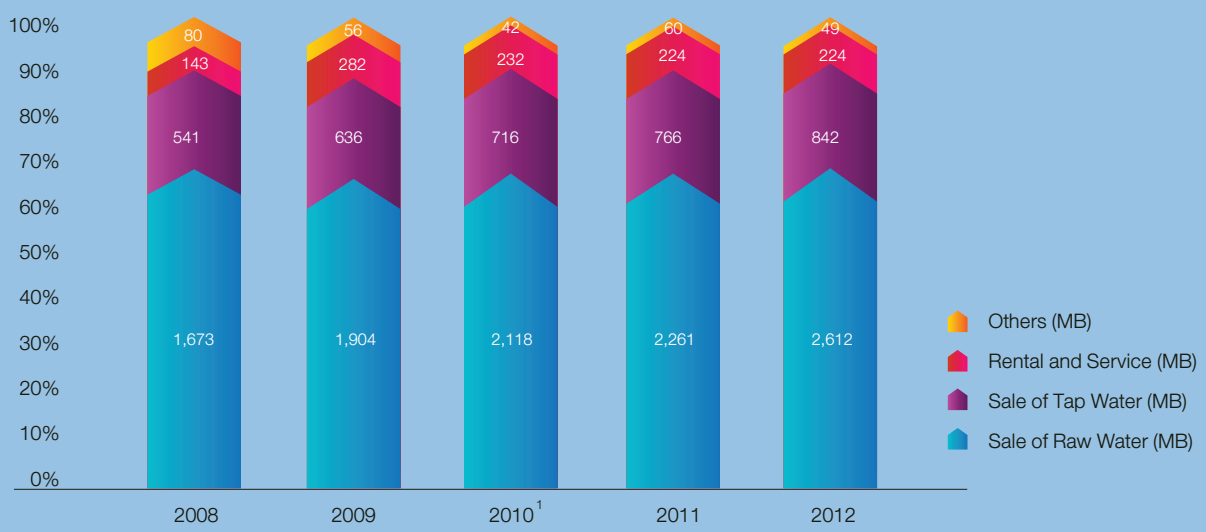
² The interim dividend payment announced in accordance with the resolution of the Board of Directors' Meeting on September 20, 2012

Income and Net Profit in past 10 years



Remarks: ¹ In 2010, exclusion from income cost of sales profit and tax impact relating to pipe line construction project, from Pra Sae reservoir to Khlong Yai reservoir in Rayong, to compare the analysis of specific Company's

Source of income



Remarks: ¹ In 2010, exclusion from income cost of sales profit and tax impact relating to pipe line construction project, from Pra Sae reservoir to Khlong Yai reservoir in Rayong, to compare the analysis of specific Company's



Vision

“Leaders in sustainable water transportation management and develop environmental management for utilities and renewable energy”

Mission

1. To expand investment management and business development of water transport system for continued growth and sustainability.
2. To expand investment in environmental management for utilities and renewable energy.
3. To provide excellent service to our customers.
4. To manage based on principles of good governance, have a responsibility to community, social, and environmental including build ongoing relationships with stakeholders in order to visualize value of the business

Strategy

To be in line with its vision and mission, the company sets forth the strategy to be consistent with the following eight key focus areas:-

1. Manage financials, investments, risks, and effective transformation.
2. Manage and develop the sufficient raw water resources.
3. Maintain and develop the water pumping systems, tap water production system and expand investment in water business.
4. Develop and expand investment in related businesses such as environmental business, energy business and others to create investment opportunities.
5. Develop an excellent service system and build ongoing relationships with stakeholders.
6. Develop know how, information technology systems and innovation research to accommodate water pumping, water production and effect workflow.
7. Develop overall company's quality management system.
8. Develop all the groups of people to have access to competition quality and ready for changes.



“

The Company developed in sustainable way together with excellence under good corporate governance. Apart from this, the company is also aware of social responsibility and community this can be seen through CSR activities to meet the needs of its stakeholders with appropriate.

”

Message from the Chairman

During 2012, the Company amended the future strategies to make it more challenging the amendment includes Vision and Mission of the Company. Moreover, the Company expanded its investment in new businesses such as energy and environmental business etc., and also paid attention to create excellent products and services for the clients.

Furthermore, the Company also focuses on the sufficiency of water resources and water pipelines to support long term sustainable business, and to ensure customers that the Company will be able to supply sufficient raw water to its customers.

The Board of Directors has adopted the financial and investment strategies together with cost controls. As a result, the company continues consistent revenue growth and has the ability to declare interim dividends for the fiscal year 2012.

The Company developed in sustainable way together with excellence under good corporate governance. Apart from this, the company is also aware of social responsibility and community this can be seen through CSR activities to meet the needs of its stakeholders with appropriate. Furthermore, the company pays importance to the development of Human Resources, improved information technology to be ready to accommodate future changes in entering to the Asean Economic Community (AEC).



Finally, on behalf of the Board of Directors, I would like to express my sincere appreciation to all valued customers, shareholders and business alliances for your ongoing support and my sincere thanks also goes to the management and staff that are involved in reaching success together.



Mr. Chanin Yensudjai
Chairman of the Board of Directors

Board of Directors



Mr. Chanin Yensudchai

Age 53 Years

Position

Chairman (Independent Director)

Work Experience

13 Dec 12-Present	Chairman Eastern Water Resources Development and Management Plc.
2011-2012	Board of Directors Resolution Alliance Co.,Ltd.
2010-2012	Group CEO Bangkok 9 International Hospital Co.,Ltd
2009-2010	Board of Directors Yarnapund Group Co.,Ltd
2003-2010	Board of Directors Prasit Pattana Co.,Ltd

Education

- Master of Business Administration Worcester Polytechnic Institute, Worcester Massachusetts, USA
- Engineering King Mongkut's University of Technology Thonburi
- Special Course ACP 28/2009, SFE 5/2009, RCC 2/2007, DCP 57/2005, DAP 32/2005, RCP 11/2005

Shareholding

- 22,100 shares or 0.001%*



Mr. Jiratt Nithianantporn

Age 34 Years

Position

Board of Directors

Chairman of Executive and Investment Committee

Work Experience

13 Dec 12-Present	Board of Directors Eastern Water Resources Development and Management Plc.
2012	Advisor to the Minister, Ministry of Interior Advisor to the Minister, Ministry of Transport Coordination Committee Member of the Act to provide for the Community, Prime Minister's office
2010	Board of Directors Thailand Institute of Scientific and Technological Research (TISTR)
2009	Academician of Committee of Prevention and Mitigation from Natural Disasters and Public Hazard (The House of Representative)
2008-2009	Attach to the Secretariat of the Prime Minister's Office

Education

- Bachelor of Business Administration Program in Industrial Management Bundit Borihanturakit University

Special Course

- None

Shareholding

- None



Mr. Kallayana Vipattipumiprakes

Age 47 Years

Position

Board of Directors (Independent Director)

Work Experience

13 Dec 12-Present	Board of Directors Eastern Water Resources Development and Management Plc.
Present	Deputy Director-General Department of Consular Affairs Ministry of Foreign Affairs of Thailand
2009-2012	Minister-counsellor and Minister Royal Thai Embassy, Yangon, Myanmar
2006-2009	Director of the East Asia 2 Ministry of Foreign Affairs of Thailand
2005-2006	Minister-counsellor Royal Thai Embassy, Yangon, Myanmar

Education

- International Relations and Diplomacy University of London
- Bachelor of Political Science International Relations Ramkhamhaeng University

Special Course

- None

Shareholding

- None

* Without holding shares since 11 January 2013.



Gen. Chuchai Boonyoi

Age 61 Years

Position

Board of Directors (Independent Director)

Work Experience

13 Dec 12–Present	Board of Directors Eastern Water Resources Development and Management Plc.
2008	Commander Armed Forces Security Center (AFSC)
2005–2006	Deputy Commander Armed Forces Security Center (AFSC)
2003–2005	Assistance Commander Armed Forces Security Center (AFSC)
1974–1986	Instructor at Department of Ordnance Engineering, Chulachomklao Royal Military Academy

Education

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

Special Course

- NDC 2004

Shareholding

- None

Mr. Prinya Nakchudtree

Age 71 Years

Position

Board of Directors (Independent Director)

Work Experience

20 Dec 12–Present	Board of Directors Eastern Water Resources Development and Management Plc.
2012–Present	Chairman The Commission on Local Government Personnel Standards
2011–Present	Board of Directors Universal Utilities Co., Ltd. Board of Directors Bangpakong Water Supply Co., Ltd. (BWS) Board of Directors Nakhonsawan Water Supply Co., Ltd. (NWS) Board of Directors Chachoengsao Water Supply Co., Ltd. (CWS) Chairman Ekarat Solar Co., Ltd. Board of Directors Ekarat Engineering Plc. Chairman Universal Utilities Co., Ltd. Chairman Bangpakong Water Supply Co., Ltd. (BWS) Chairman Nakhonsawan Water Supply Co., Ltd. (NWS) Chairman Chachoengsao Water
2008–Present	
2008–2011	

2001

Supply Co., Ltd. (CWS)
Chairman
The Provincial Electricity
Authority
Chairman
The Provincial Waterworks
Authority
Chairman
Eastern Water Resources
Development and
Management Plc.
Board of Directors
PTT Exploration and
Production Plc.
Board of Directors
The Electricity Generating
Plc.

Education

- Ph.D. in Political Science (Hans) Ramkhamhaeng
University
- Master of Science in Economic Development
Kasetsart University
- Master of Political Science Sukhothai
Thammathirat Open University
- M.A. in Economics, Columbia University, USA
- Bachelor of Education Srinakharinwirot
University
- Bachelor of Political Science Ramkhamhaeng
University

Special Course

- ICMA14, KPI 6, NDC 1989, RCC 12/2011,
SFE 13/2011, RCP 24/2010, DCP 111/2008

Shareholding

- None

Board of Directors



Mr. Chinawat Assavapokee

Age 38 Years

Position

Board of Directors

Director of Executive and Investment Committee

Work Experience

20 Dec 12–Present Board of Directors
Eastern Water Resources
Development and
Management Plc.

1999–Present Partner Baker &
McKenzie Ltd.

2008–2009 Sub-committee
(Finance) MCOT Plc.

Education

- LL M (Taxation) University of Washington
- LL B Thammasat University

Special Course

- EDP-8/2011

Shareholding

- None



Mr. Thairatana Jotikabhukkana

Age 60 Years

Position

Board of Directors (Independent Director)

Work Experience

20 Dec 12–Present Board of Directors
Eastern Water Resources
Development and
Management Plc.

2006–2012 Team Leader,
Subsidiary Audit
Department PTT Plc.

2002–2005 Audit Specialist,
Office of Corporate
Audit PTT Plc.

2000–2001 Senior Internal Auditor,
Office of Corporate Audit
PTT Plc.

1987–2000 Internal Auditor,
Office of Corporate Audit
PTT Plc.

Education

- M.S. (Computer Science) California State University, Chico, California, USA
- B.S. (Accounting) Ramkhamhaeng University

Special Course

- None

Shareholding

- None



Mrs. Rattana Kitchawan

Age 55 Years

Position

Board of Directors

Director of Risk Management Committee

Work Experience

Apr 12–Present Board of Directors
Eastern Water Resources
Development and
Management Plc.

15 Mar 12–Present Governor, The Provincial
Waterworks Authority
(PWA)

2011–2012 Deputy Governor (Corporate
Strategy and Finance) &
Chief Financial officer
The Provincial Waterworks
Authority (PWA)

2009–2011 Deputy Governor (Planning
and Strategy) & Chief
Financial officer The
Provincial Waterworks
Authority (PWA)

2008 Deputy Governor
(Administration & Finance) &
Chief Financial officer The
Provincial Waterworks
Authority (PWA)

2007 Chief Financial officer
Assistant Governor
(Administration & Finance)
& Chief Financial officer
The Provincial Waterworks
Authority (PWA)

2004

Education

- Bachelor of Art (Finance) Thammasat University

Special Course

- DCP162/2012, GPL8

Shareholding

- None



Mr. Verapong Chaiperm

Age 46 Years

Position

Board of Directors
 Director of Corporate Governance and Nominating Committee
 Director of Evaluation and Remuneration Committee

Work Experience

Apr 12–Present Board of Directors Eastern Water Resources Development and Management Plc.
 Mar 11–Present Governor Industrial Estate Authority of Thailand (IEAT)
 Jul 11–Mar 12 Deputy Governor (Corporate Strategy and Finance) The Industrial Estate Authority of Thailand (IEAT)
 Oct 08–Jun 11 Deputy Governor (Industrial Port) The Industrial Estate Authority of Thailand (IEAT)
 Jan 08–Sep 08 Acting Deputy Governor (Industrial Port) The Industrial Estate Authority of Thailand (IEAT)
 Oct 04–Sep 08 Director, Industrial Estate and Port Directing Department The Industrial Estate Authority of Thailand (IEAT)
 Nov 03–Oct 04 Director, Strategy and Business Development Department The Industrial Estate Authority of Thailand (IEAT)

Education

- D. Eng in Environmental Engineering (Water and Wastewater Engineering) Asian Institute of Technology (AIT)
- M.S. in Civil Engineering (Environmental Engineering) University of Missouri-Rolla, USA
- B.Eng. (Civil Engineering) Chulalongkorn University

Special Course

- DCP161/2012

Shareholding

- None



Mr. Sahust Pratuknukul

Age 57 Years

Position

Board of Directors
 Director of Evaluation Committee and Remuneration Committee
 Director of Risk Management Committee

Work Experience

Apr 12–Present Board of Directors Eastern Water Resources Development and Management Plc.
 Oct 11–Present Chairman Natural Energy Development Co., Ltd.
 Chairman NED Wind Co., Ltd.
 Chairman Khanom Electricity Generating Co., Ltd.
 Chairman EGCO Engineering and Service Co., Ltd.
 Board of Directors Xayaburi Power Co., Ltd.
 Board of Directors Gulf Electric Plc.
 Board of Directors BLCP Power Co., Ltd.
 Oct 10–Sep 11 Deputy Governor–Policy and Planning Electricity Generating Authority of Thailand (EGAT)
 Jan 08–Dec 10 Board of Directors EGAT International Co., Ltd.

Education

- Bachelor of Engineering (Electrical Engineering) Chulalongkorn University

Special Course

- DCP 73/2006, NDC 2008, CMA14

Shareholding

- None



Mr. Praphant Asava-aree

Age 56 Years

Position

Board of Directors
 Director of Executive and Investment Committee

Work Experience

May 08–Present Board of Directors
 Jan 07–Jan 08 Board of Directors Eastern Water Resources Development and Management Plc.
 Apr 07–Present President & CEO Eastern Water Resources Development and Management Plc.
 Mar 07–Present Board of Directors Universal Utilities Co., Ltd
 Apr 09–Present Board of Directors Thai Listed Companies Association

Education

- Executive Coaching, University of California Berkeley, USA
- Orchestrating Winning Program (OWP), IMD International Lausanne, Switzerland
- Bachelor of Arts (Political Science) Ramkhamhaeng University

Special Course

- DCP 101/2008
- ACP 21/2007

Remarks

DCP : Director Certification Program
 RCP : Role of the Chairman Program
 ACP : Audit Committee Program
 NDC : The National Defence College

SFE : Successful Formulation & Execution the Strategy
 RCC : Role of the Compensation Committee
 DAP : Director Accreditation Program
 CMA : Capital market Academy

EDP : Executive Development Program
 GPL : Governmental Administration and Public Law
 KPI : King Prajadhipok's Institute

Executives Corporate



Mr. Praphant Asava-Aree

Age 56 Years

Position

President & CEO

Work Experience

Eastern Water Resources Development and Management Pcl.

Apr 07–Present	President & CEO Eastern Water Resources Development and Management Pcl.
Jan 07–Jan 08	Board of Director Eastern Water Resources Development and Management Pcl.
Mar 07–Present	Board of Director Universal Utilities Co., Ltd
Apr 09–Present	Board of Director Thai Listed Companies Association
May 07–Feb 12	Board of Director Seamico Securities Plc.

Education

- B.A. (Political Science) Ramkamhaeng University

Special Course

- Executive Coaching University of California (Berkeley) USA., 2012
- Orchestrating Winning Program (OWP), IMD International Lausanne, Switzerland
- Corporate Governance for Directors and Senior Executives of Government Enterprise and Public Company, Class 4, The Public Director Institute (PDI) (2010)
- DCP 101/2008*
- ACP 21/2007 *



Mr. Jaroensuk Worapansopak

Age 49 Years

Position

Executive Vice President, Operation

Work Experience

Eastern Water Resources Development and Management Pcl.

Feb 11–Present	Executive Vice President, Operation
Mar 10–Jan 10	Acting Executive Vice President, Operation
Jan 09–Feb 10	Vice President, Customer Service Department and Acting Executive Vice President Project Planning and Customer Service
Nov 02–Dec 08	Vice President, Project Planning Department
Aug 08–May 09	Director Egcom Thara Co., Ltd.

Education

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

Special Course

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012
- DCP 146/2011, 2011*
- Senior Executive Program–SEP, 2010
- Executive Development Program (EDP) Class 3, 2009



Mr. Namsak Wannavisute

Age 47 Years

Position

Executive Vice President of Finance & Accounting Department

Work Experience

Eastern Water Resources Development and Management Pcl.

Jan 11–Present	Executive Vice President, Finance and Accounting
Jan 09–Dec 10	Vice President, Finance and Accounting
June 07–Dec 08	Vice President, General Affairs Department and Acting Vice President, Human Resources Department
Nov 02–June 07	Vice President, Business Development Department
Nov 01–Oct 02	Acting Vice President, Business Development Department
Mar 01–Oct 01	Manager, Business Development Division

Education

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

Special Course

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA., 2012
- Advance Senior Executive Program–ASEP 2010



Mrs. Namphon Rassadanukul

Age 50 Years

Position

Senior Vice President,
President & CEO Office and Corporate Secretary

Work Experience

Eastern Water Resources Development and
Management Pcl.

Jun 07-Present	Senior Vice President, President and CEO Office and Corporate Secretary
Feb 04-Jun 07	Senior Vice President, Internal Audit Department and Corporate Secretary
Nov 01-Feb 04	Vice President Internal Audit Department
Mar 01-Oct 01	Vice President, President and CEO Office
94-01	Vice President, Management Department

Education

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

Special Course

- Leadership Development Workshop by
Executive Coaching Institute, Berkeley
USA., 2012
- Senior Executive Program-SEP 2011
- Director Certification Program - DCP 4/2000
- Advanced Certificate, Public Administration
and Law for Executives, Class 1, KPI
- Advanced Certificate, Politics and Governance
in Democratic systems for Executives,
Class 11, KPI



Mrs. Thidarut Kraiprasit

Age 49 Years

Position

Senior Vice President, Internal Audit Department

Work Experience

Eastern Water Resources Development and
Management Pcl.

Jan 09-Present	Senior Vice President, Internal Audit Department
Jun 07-Dec 08	Senior Vice President, Finance and Accounting Department
Oct 04-Jun 07	Senior Vice President, Finance and Human Resources Department
01-Oct 04	Vice President, Finance and Human Resources Department
97-01	Vice President, Finance and Procurement Department

Education

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

Special Course

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



Mr. Cherdchai Pitiwacharakul

Age 48 Years

Position

Vice President,
Operation and Customer Service Department

Work Experience

Eastern Water Resources Development and
Management Pcl.

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

Education

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

Special Course

- Leadership Development Workshop by
Executive Coaching Institute, Berkeley USA.,
2012
- Integration Water Resources Management
for Executives, Class 2
- Executive Development Program (EDP),
Class 3

Executives Corporate



Mrs. Wirawan Tharanont

Age 54 Years

Position

Vice President, Corporate Affairs Department

Work Experience

Eastern Water Resources Development and Management Pcl.

Jan 09–Present Vice President, Corporate Affairs Department

Jun 07–Dec 08 Vice President, Internal Audit Department

Oct 06–Jun 07 Vice President, Department of President and CEO Office

Oct 05–Sep 06 Manager, Department of President and CEO Office
04–05 Corporate Risk Manager

Education

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

Special Course

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



Mr. Sombat Yusamart

Age 42 Years

Position

Vice President, Finance and Accounting Department

Work Experience

Eastern Water Resources Development and Management Pcl.

Feb 11–Present Vice President, Finance and Accounting Department
Oct 09–Jan 11 Assistant Vice President, Finance and Accounting Department

Apr 09–Sep 09 Acting Assistant Vice President, Finance and Accounting Department

Apr 09–Sep 09 Finance and Accounting Manager (Secondment-UU)

Mar 07–Mar 09 Accounting Manager, Finance and Accounting Department

Apr 05–Feb 07 Administrative and Finance Manager (Secondment-GWS)

Nov 03–Mar 05 Budget and Finance Manager Finance and Accounting Department

Apr 03–Oct 03 Acting Budget and Finance Manager, Finance & Accounting Department

Jul 01–Mar 03 Senior Accountant

Education

- MBA Kasetsart University
- BBA Kasetsart University (Accounting)

Special Course

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



Ms. Kanyanart Viraphandu

Age 43 Years

Position

Vice President, Corporate Communications Department

Work Experience

Eastern Water Resources Development and Management Pcl.

Feb 11–Present Vice President, Corporate Communications Department
Aug 07–Jan 11 Assistant Vice President, Corporate Communication Department

Oct 06–Jul 07 Public Relations Manager, CEO Office

Oct 02–Sep 06 Administrative and General Cooperation Manager, (Secondment-EHP)

Dec 01–Sep 02 Corporate Relations Manager, General Affairs Department

Mar 01–Nov 01 Corporate Relations Manager, CEO Office

Jan 96–Feb 01 Public Relations Specialist, General Affairs Department

Education

- BBA., Assumption University

Special Course

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

Remarks

DCP : Director Certification Program

RCP : Role of the Chairman Program

ACP : Audit Committee Program

SFE : Successful Formulation & Execution the Strategy

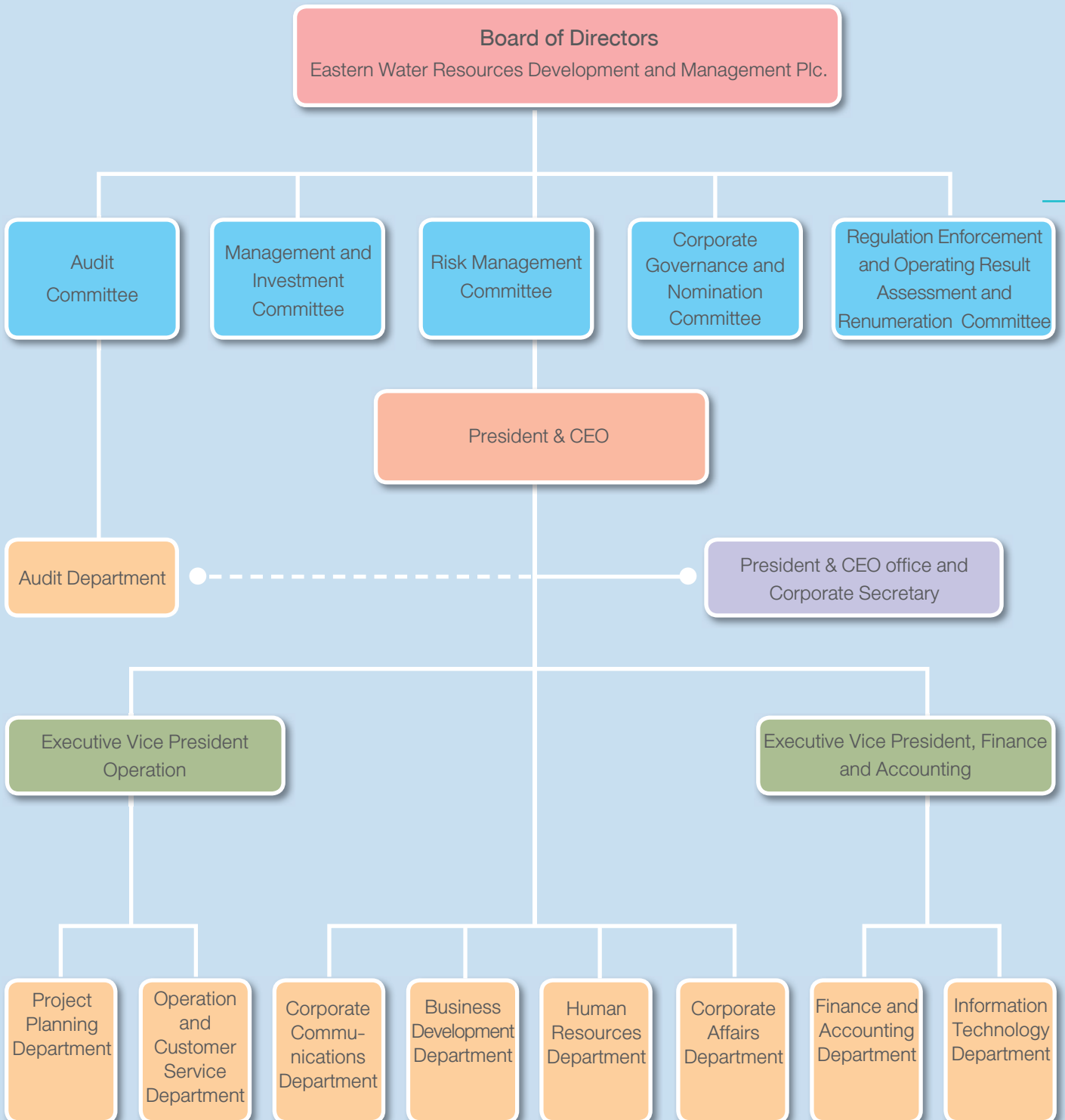
RCC : Role of the Compensation Committee

DAP : Director Accreditation Program

EDP : Executive Development Program

GPL : Governmental Administration and Public Law

Organization Structure



Industry and Competitiveness Analysis



The unraveling of recent global uncertainties, such as the election of the new President of the United States, the alarming U.S. Fiscal Cliff, the waning force of the U.S. government's stimulating fiscal policy, and the threatening financial crisis in Europe, was a huge drag on the growth of Thai economy. Essentially, Thai GDP growth in 2012 is expected to be at a modest level of approximately 5.4-5.5%, with a disappointing export growth being the main factor of the mediocre figure.

Nevertheless, Thai economy still benefited from several supporting factors, including the growth in telecommunication sector due to the authorization of 3G licensing, the growth in automobile-part industry due to the tax subsidization for the purchase of the first car, the expansion of consumption due to the government's stimulating policies, and the increase in foreign investment.

The industries that faced the highest growth in the eastern area of Thailand is automobile industry and automobile parts industry. Second to those aforementioned was service and infrastructure sector, such as industrial parks, which facilitate the shift of production base into the region, and international procurement offices (IPO), which is becoming more popular especially those procuring for automobile parts electronic parts in industry and public utility providers. In 2012, the number of projects approved

from BOI was 768 projects, resulting in the investment of Baht 357,200 million and the employment of 81,273 persons. Rayong received the highest volume of BOI-approved investment of nearly Baht 2 billion, or 57.30% of total BOI-approved investment. Chonburi came second with the figure of 25.10% of the BOI-approved investment volume.



EASTW business performance is a good gauge of the health of the manufacturing industry. In 2012, the company distributed 278.69 million cubic metres, representing 6.57% growth y-o-y. Household water supply providers in Chonburi were the biggest buyers; combined usage of Pattaya Waterworks, Laem-Chabang Waterworks and Sri-Racha Waterworks increased by 8.04 million cubic metres. Borwin-Plaungdang area also saw its water consumption increased by 9.4%, mainly from industrial sector, with the highest coming from ESIE, representing 2.02 million cubic metres increase in water consumption. Growth in industrial plants and drought in the area, which prohibited manufactures from pumping their own water, are two main factors for the inflated demand for raw water supplied by EASTW.

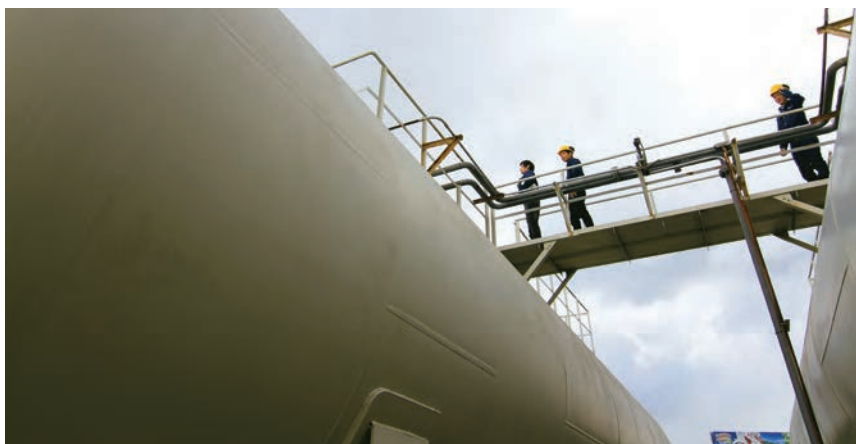
Raw water business generally has low level of rivalry; EASTW faces no direct competitor up to date. One reason is the huge amount of investment required. In order to distribute raw water profitably, a company must cover an extensive service area, have voluminous reserve system in place, and have a high-technology distribution system installed. Also, the fact that water is a scarce resource leads to a company being required to obtain an authorization from the government to offer the service. All of these factors lead to the business' naturally high barrier of entry.

The level of usable raw water is hugely affected by the variation in climate, or simply Climate Change, which has become more and more unpredictable nowadays. Such variations are changes in surface temperature, changes in wind current, changes in level of rainfalls, and delay in raining and drought. These phenomena are technically known as the alteration between El Nino and La Nina. As current demand for raw water is approximately equal to the amount of raw water in its natural sources, EASTW has been investing in many projects to enhance the efficiency of its water distribution system to match with the increasing demand from industrial and household sectors and to avoid water supply shortage. Such projects



include Nong-Pla-Lia –Maptaput Pipe# 3 Construction Project, Tap-Ma Raw Water Reserve Construction Project, Map-Kha 2 Pond Construction Project, Control Center Project, Laem-Chabang Distribution System Efficiency Enhancement Project, and Regulating Well Project. These efforts to ensure water supply stability have, nevertheless, led to EASTW's increased cost of production.

Apart from raw water distribution, the company also invested in other related businesses, taking advantages of potential synergies within the group. For example, it set up Clean Water Supply for Industrial Use and Household Consumption. In 2012, EASTW pioneered in the initiative to convert sea water into fresh water by the method of Reverse Osmosis (RO). In so doing it cofounded Samed Utilities Co., Ltd with Rayong Provincial Administrative Organization to distribute fresh water supply in Samed Island. In 2013, EASTW raises the bar even higher by opening new business lines, such as renewable energy and full-service salvage management, to nurture the growth of its business in the future.



“

Development and management of the major water distribution pipeline systems mainly in the Eastern Seaboard of Thailand. The Company distributes raw water to industrial estates, factories and waterworks through four major water

”

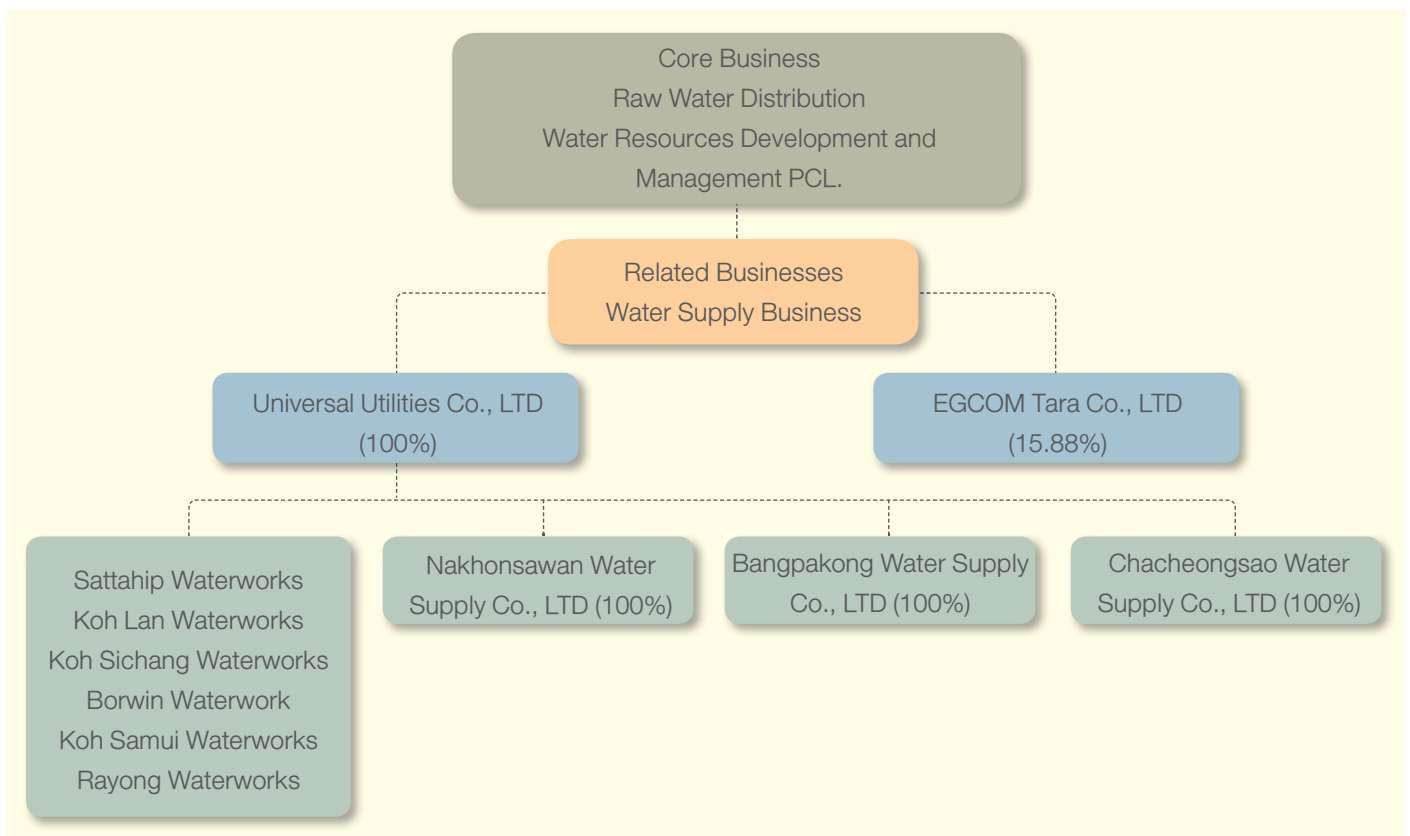


Nature of business & Shareholding Ratio in its Subsidiaries

Raw Water Distribution (Core Business)

Eastern Water Resources Development and Management Public Company Limited or “East Water” was founded on October 15, 1992 is engaged in the development and management of the major water distribution pipeline systems mainly in the Eastern Seaboard of Thailand. The Company distributes raw water to industrial estates, factories and waterworks through four major water pipelines in Chonburi, Rayong, and Chachoengsao areas, covering a total of 340 kilometers with the average capacity of water distribution system in these areas is approximately 475 million cubic meters per year (m3/y).

The four major water pipelines in the areas of Chonburi, Rayong, and Chachoengsao are 1) Nong Pla Lai-Dok Krai-Map Ta Phut-Sattahip Water Pipeline System Project; 2) Nong Kho-Laem Chabang-Pattaya-Bang Phra Water Pipeline System Project; 3) Nong Pla Lai-Nong Kho Water Pipeline System Project; and 4) Water Pipeline System Project in Chachoengsao area.



Risk Factors

With full awareness of uncertainties that encompass its business, Eastern Water Resources Development and Management Public Company Limited (“EASTW”) unequivocally focuses on the development of its Enterprise Risk Management (ERM) scheme. In the past years, the company has identified key factors that may significantly affect water resource management, and, has strategically reviewed its organization structure, guidelines, and tools to strengthen its risk management capacity according to the COSO’s ERM framework, an international standard for the risk management procedure.

The Risk Management Committee is the main body responsible for establishing and evaluating risk management policies and supervising corporate risks. Its mission is to mitigate corporate risks to the predetermined limits that will support EASTW’s growth objectives. The Committee executes its duty through the enforcement of the Risk Management Plan and the evaluation of Quarterly Risk Management Report. EASTW’s key risks in 2012 are identified as 1) Risk of Variation in Demand-Supply, 2) Risk of Raw Water Cost, 3) Operational Risk, 4) Risk of Community Conflict, and 5) Regulatory Risk.

1. Risk of Variation in Demand-Supply

The variation in Demand-Supply of water resource is caused by the following factors:

1.1 Climate Variation and Drought In 2012, huge climatic variability, especially from late-September to December, led to dryness and drought in the Eastern part of Thailand. The company responded by reserving higher volume of raw water, adjusting the production plan more frequently, and cooperating with the Eastern Region Water Management War Room to monitor the situation attentively.

1.2 Sensitivity of Water Demand Forecast Total demand of raw water is intrinsically difficult to anticipate as its determinants, basically climatic variability and the expansion of industry demand in the Eastern area, naturally fluctuate from time to time. Demand forecast is even more protean for the customers with owned raw water sources. EASTW manages this risk by engaging in the Minimum Guarantee Agreement with its customers to set a floor on the minimum purchase volume of raw water. Additionally, it closely reconnects with the clients through continual site visits to solidify their relationship and to explore the clients’ production plans or future investment projects.

2. Risk of Raw Water Cost

EASTW’s raw water cost is determined by three (3) main factors:

2.1 Water Diversion in Dry Period In the driest period of the year from February to May, the company must diverse additional raw water from more distant sources to balance out the demand for raw water and avoid the damage of water scarcity. This directly increases the amount of electricity used in the diversion process and inflates the total cost of production. The company effectively mitigates the risk by generating Drought Simulation, in which various drought scenarios are scrutinized, and preparing Drought Plan accordingly.

2.2 The Increase of Variable Tariff Charge (Ft) The PEA’s Variable Tariff Charge (Ft) is the main component of the company’s cost of production. EASTW has implemented various measures to manage the risk of the increase of Ft. For example, it tries to operate some of the procedures, such as water pumping, in the Off-Peak period, using advanced and more energy-saving technologies. It also established the Energy Sustainability Project to decrease the use of electricity in the organization.

2.3 Raw Water Quality in Rainy Season and Pollution in Raw Water Sources

In the rainy seasons, raw water is usually contaminated with pollution and sediment that is discharged during the runoffs, and so becoming more turbid. The deteriorating quality of raw water affects the company by 1) increasing the cost of water treatment for the customers and 2) increase the production cost of the company as it needs to diverse clearer raw water from further sources. To alleviate the problem, the company has constructed its raw water reservoirs, which, when completed in 2015, will significantly improve the quality of the reserved raw water. Realizing that the population expansion is also the key factor to the quality of water, the company closely collaborates with the communities and localities to protect the environment of the surrounding areas of the sources through many mutual initiatives.

3. Operational Risk

There are two key operational risks in EASTW's production line.

3.1 Risk of power outage EASTW distributes its product to clients 24 hours a day. Unexpected shutdown due to power failure or pipeline maintenance can cause a lot of damages to the business. As such, the company needs to reserve some level of raw water to be distributed during the emergency period. At present, the company has a reservoir system with the capacity of 116,300 m³, equivalent to 6.3-hour distribution. Furthermore, the company is building another reservoir in the Marb-Kha area to support another 220,000 m³ of raw water. This new reservoir, expected to be completed in 2013, will immensely increase the capacity of the reserve system to be equivalent to 17-hour distribution.

3.2 Risk of Pipeline Damages Time-induced corrosion and/or damages from construction in nearby sites may lead to severed pipelines. The company prevents this incidence by implementing continual preventive maintenance and scheduled maintenance plans. It also mollifies the financial effect by transferring the risk through various types of insurances that cover extensive causes of distribution interruption. Such insurances are pipelines insurance, asset insurance, third-party insurance, and business-interruption insurance.

4. Risk of Community Conflict

The company's use of water resource may pose significant impact on the surrounding communities and, inevitably, the company's image. Nevertheless, it meaningfully devotes its budget to improve the quality of life for people and maintain the health of the environment in the relevant areas. Essentially, it has been supporting many local initiatives, such as waterway excavation and maintenance, mobile drinking-water station, scholarship for young leaders in environment and water sustainability project, inter-tidal forest preservation project, and other philanthropic activities to community schools, monasteries, and local government agencies. This genuine compassion helps strengthen the bond with the community and prevents conflicts that arise from the community's



misperception of the company's competitive use of water resource with local people.

5. Regulatory risk

Many regulatory uncertainties may pose a threat to the performance of the company. Such uncertainties are, for example, the delayed issuance of relevant government certificates, and the indeterminate rental rate of the Non-Pla-Lai/Nong-Koh Water Pipeline. Nevertheless, the company has been able to maintain its good relationship with the government bodies. Actually, its business is supported by the policy of the Thai Government to promote the industrial investment in Thailand and the tourism activities in the Eastern Sea Board area.

Beside corporate risks, which are supervised by the Risk Management Committee, EASTW has also developed the Risk Management Manual and The Risk Management Action Plan as guidance and tool used by all of its departments to control and mitigate risks to an acceptable level. Risk factors, their impacts, and their frequencies are reviewed on a quarterly basis. Risk factors are identified as not only the realized adverse events or damages, but also possible negative incidents that may be triggered by uncontrollable uncertainties.

Management Discussion and Analysis of the consolidated financial statement for the year 2012

1. Overall operating result and analysis on consolidated financial statement

For the consolidated EASTW's performance in the year 2012, the company and its subsidiaries had total revenue of 3,725.95 million

baht, up 415.91 million baht or up 12.57% YoY. Net profit was reported 1,240.17 million baht, up 232.15 million baht or up 23.03% YoY. The details of the performance are as follow:

1. Financial Highlights

Comparative table of the Company and its subsidiaries' operating results for the year 2012 and 2011

	Sales Volume	2012	2011	Increase/(Decrease)	
				MCM.	%
1	Raw Water Sales Volume (Million Cubic Meters-MCM)	278.69	261.55	17.14	6.55
2	Tap Water Sales Volume (Million Cubic Meters-MCM)	66.82	62.67	4.15	6.62
	Financial Performance	2012	2011	Increase/(Decrease)	
				MB.	%
1	Revenue from Raw Water	2,612.22	2,261.02	351.20	15.53
2	Revenue from Tap Water	841.60	765.85	75.75	9.89
3	Revenue from Rental & Services and Other	272.13	283.17	(11.04)	(3.90)
4	Total Revenue	3,725.95	3,310.04	415.91	12.57
5	Total COGS and Expenses	2,031.23	1,798.84	232.39	12.92
6	Profit (Loss) before Interest and Tax	1,694.72	1,511.20	183.52	12.14
7	Net Profit (Loss)	1,240.17	1,008.02	232.15	23.03

1.1 Analysis Report

1.1.1 Analysis of Revenue: In 2012, raw water sales volume increased 15.53% YoY from 2 main factors:

1) Raw water sales volume was 278.69 MCM., up 17.14 MCM. or 6.55% YoY from : (i) higher growth of

tourism consumption in Chonburi, which affected sales volume in the area to increase by 13.57% (ii) higher demand from Petrochemical industrial sector in Rayong which affected sales volume in the area to increase by 3.48%. Tap water sales volume up 4.15 MCM or 6.62% YoY with an increasing sale proportion in Bangpakong, Chacoengsao, and Sattahip area.

2) Raw water tariff has been increased by 8.32% in accordance with Board's approval.

1.1.2 Analysis of costs and expenses (consolidation)

Unit: Million Baht	2012	%	2011	%
Total Revenue	3,725.95	100%	3,310.04	100%
Cost of Goods Sold	1,539.17	41%	1,397.22	42%
Gross Profit	2,186.78	59%	1,912.82	58%
Selling and Administrative Expense	492.05	13%	401.63	12%
EBIT	1,694.73	45%	1,511.19	46%
Finance Cost	89.99	2%	78.48	2%
EBT	1,604.73	43%	1,432.71	43%
Income Tax	364.56	10%	424.69	13%
Net Profit	1,240.17	33%	1,008.02	30%

For common size analysis table above, in 2012, the EASTW's gross profit has improved from 58% to 59%. The company has invested more to improve efficiency of Dokai pumping station from company's cost control program. As a result, gross profit margin increased to 62% in the first half of the year. For the second half, eastern part of Thailand faced with slightly decline of rainfall. The company decided to reserve more water for demand in 2013. As a result, cost of electricity (representing 41.14% of the total cost) increased by 32.36% according to the increase of sales volume. Moreover, sourcing water from Bangpakong River affected cost of electricity to rise by 15.70%. Sourcing from Prasae Reservoir and rising FT were also important factors. Therefore, cost of electricity per unit increased by 25.45%.

1.1.3 Analysis of SG&A Expenses: In 2012, SG&A to total revenue was 13.21%, increased by 1.08% compared to the previous year. Mostly from the occasion of 20th Anniversary, so that the company did CRM, news publish, and public relation of company's activities as well as CSR projects. In 2012, the important CSR project was RK Park, a huge living library and media technology at Taksin High School in Rayong area which we invested 13.14 million baht for the project.

1.1.4 Analysis of finance costs: In 2012, interest expense increased by 11.51 million baht, or 14.67% YoY to 89.99 million baht. Mainly from interest expenses from the projects completed in 2012. For the capitalized interest, it was recorded in the WIP in an amount of 60.20 million baht. During the year, the company drawdown 2,339.97 million baht loan for support Tapma and Bangpra projects. As of December 31, 2012, the average rate for interest expense was 4.21%.

1.1.5 Analysis of Tax: Tax rate has been adjusted from 30% to 23% in accordance with government policy. As a result, income taxes reduced in amount of 60.13 million baht from 2011.

In 2013, EASTW's net profit increased 232.15 million baht or up 23.03% from above details. EBT (Earning before tax) was 1,604.73 million baht or up 12.01%

1.2 Statements of Financial Positions

		2012 (MB)	2011 (MB)	Increase (Decrease)	
				MB	%
1	Total Asset	12,440.09	10,774.24	1,665.85	15.46
2	Total Liabilities	5,119.63	3,838.04	1,281.59	33.39
3	Total Equity	7,320.46	6,936.20	384.26	5.54

1.2.1 Analysis of Assets: As of December 31, 2012, total assets were 12,440.09 million baht, an increase of 1,665.85 million baht or up 15.46 % YoY. Total assets increased mainly from construction of Tapma reservoir and Bangpra pumping station projects. Both projects incurred WIP in amount of 522.80 million baht and 475.19 million baht respectively. As for Nongplalai-Mapthaphut, the third pipeline, it was recorded as assets in part of pipeline and head tank which affected depreciation for the year in an amount of 13.27 million baht.

1.2.2 Analysis of Liabilities: Overall, the company has better used long term loan to finance the construction of Tupma reservoir and Bangpra pumping station projects. Outstanding loan from financial institution was recorded at 4,193.97 million baht up 1247.95 million baht or 42.36%. The total capital expenditures (CAPEX) for both projects are 2,728 million baht and 849 million baht respectively.

This is to increase sources of raw water to serve future higher demand.

1.2.3 Analysis of Equity: As of December 31, 2012, the Company and its subsidiaries reported total equity 7,320.46 million baht, resulted from net off between net profit for the year 2012 amount 1,240.17 million baht and dividend payment total 831.86 million baht. In 2012, the company paid the dividend as following: 1) For the year 2011, 0.30 bath per share on April 24, 2012 2) Interim dividend for 6-month performance of ending June 30, 2012, amount 0.20 baht per share on September 20, 2012.

2. Analysis of Cash flow

For the year 2011, the company and its subsidiaries had cash and cash equivalents of beginning balance of 128.69 million baht. During the period, net cash increased by 109.78 million baht consisting of the following:

- Net cash inflow from operating activities of 1,635.82 million baht, mainly from :
 - Improvement in performance of the company's earnings before tax amounted to 1,604.73 million baht, with non-cash items including depreciation expense amounted 313.56 million baht
- Net cash used in investing activities were 1,957.63 million. The main reasons are as follows:
 - The CAPEX in fixed assets valued 1,562.23 million baht which was mainly invested in the construction of Tapma reservoir and Bangpra pumping station projects.
 - Advanced payment amounted 366.53 million baht from such projects.
 - Cash outflow investing in short-term investment amounted 51.31 million baht was to manage cash on hand with interest rate from 2.27%-2.55%.

- Net cash from financing activities of 431.59 million baht from the two main items,
 - Net cash inflow of 2,727.97 million baht from both short and long-term loans from financial institutions, net off with loans repayment of 1,402.02 million baht.
 - Dividend payment of 831.86 million baht as details in 1.2.3

3. Key Financial Ratios

	2012	2011	Increase (decrease)
Raw water - gross profit margin (%)	66.27%	65.91%	0.36%
Tap water - gross profit margin (%)	45.74%	43.39%	2.35%
Total gross profit margin to total revenue (%)	58.69%	57.79%	0.90%
Net profit margin to total revenue (%)	33.28%	30.46%	2.82%
Return on equity (ROE) (%)	17.40%	14.91%	2.49%
Return on assets (ROA) (%)	10.68%	9.75%	0.93%
Debt to equity ratio (X)	0.70	0.55	0.15
DSCR (X)	2.51	2.67	(0.16)

Profitability Ratio of Group of Company

Gross profit margin of Raw Water - Gross profit margin was at 66.27%, increased by 0.36% YoY due to higher tariff and volume with growth of 6.55% and 8.32% respectively.

Gross profit margin of Tap Water - Gross profit margin was at 45.74%, up by 2.35% YoY. The main reason was that depreciation expense from some plants were expired.

Return on equity (ROE) and Return on Assets (ROA) were at 17.40% and 14.91%, respectively, due to higher growth in revenue and lower income taxes rate.

Debt-to-equity ratio (D/E Ratio) and Debt Service Coverage Ratio (DSCR). D/E ratio and DSCR was at 0.70x and 2.51x respectively, slightly up from the previous year, as the company's long term loan

and non-current liabilities increased. The company's D/E ratio and DSCR are maintained in line with those of the loan covenants, 2.0xD/E ratio and 1.1x DSCR



“

In the past year, the company has been focusing on its implementation of the Principle of Good Corporate Governance for Listed Companies 2006, a guideline set forth by the Stock Exchange of Thailand (SET), and has also periodically reviewed its framework in an attempt to converge to the OECD's Principle of Corporate Governance.

”



Good Corporate Governance



The Board of Director places great emphasis on conducting the business in accordance with good governance standards to maximize its return to shareholders, taking into account the benefits of all stakeholders, including communities, society, and environment. In the past year, the company has been focusing on its implementation of the Principle of Good Corporate Governance for Listed Companies 2006, a guideline set forth by the Stock Exchange of Thailand (SET), and has also periodically reviewed its framework in an attempt to converge to the OECD's Principle of Corporate Governance. Additionally, it organized many activities that promote good governance practices in the business group in a hope to instill the company's core value of "Transparency, Honesty, Responsibility and Competitiveness" into the mindset of all of its workers.

12.1 Management Policy

The Board of Directors endorsed the company's Vision, Mission and Policy for corporate governance on August 1st, 2003. The Corporate Governance Board is assigned to periodically revise the governance policy and present to the Board of Directors any amendments to the said policy in order to appropriately respond to the dynamic of the current situations.

To promote the awareness of business ethics, one of the main topics in the principle of good governance, the company has its new employees pledged themselves by signing on the Business Ethics Acknowledgement Form on the orientation day. Members of the Board of Directors are also required to sign on the Board of Directors' Handbook. This reflects the company's strong determination to adopt good governance in all of its levels of operation.

12.2 Shareholders' Rights

EASTW recognizes its fiduciary duty to shareholders and so places great importance on promoting shareholders' rights, such as the right to jointly determine the company's policies and guidelines, and the right to receive the company's information in an accurate, transparent and timely manner.

12.3 Fair Treatment of Shareholders

EASTW scrupulously ensures its equitable treatment to all of its shareholders. For example, it encourages shareholders to attend and vote in the shareholder's meetings and grants the minority shareholders the right to nominate the board member and the right to propose the meeting agenda in advance. It also prepares the translated version of meeting document to facilitate its foreign shareholders.

12.4 Responsibilities to Stakeholders

EASTW incorporates its business philosophies in every operation to ensure responsible and equitable treatment to all relevant stakeholders. Such philosophies are as follows:

(1) Fiduciary duties to shareholders: The Company delivers appropriate returns to its majority shareholders, minority shareholders, and investors,



and maintains its financial stability to support sustainable business growth.

(2) Responsibilities to customers: The Company continually develops and delivers good quality products and services to maximize customer satisfaction.

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

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

(5) Responsibilities to business partners: The Company ensures that its relationships with its contractors,

suppliers and investors are based upon mutual agreements that will optimize the benefits of all parties involved.

(6) Responsibilities to society, communities, and environment: The Company conducts its business with full awareness of its potential externalities. It adheres to laws, regulations and relevant standards regarding hygiene, safety and welfare of the communities to avoid any harm on the lives and the properties of people and to avoid any damages on the environment.

Filing Complaints

EASTW set up a specific channel to handle complaints regarding illegal or unethical practices, inaccurate accounting entries, and inadequate internal control. It also put in place a Whistleblower Protection Plan to promote effectiveness of the detection and the resolution of misconducts and errors. The policy for complaints is disclosed in the annual report (56-2). Complaints can be filed to the Audit Committee via:

E-mail:	Audit committee: AC_EW@eastwater.com
Mail:	Audit committee Eastern Water Resources Development and Management Public Company Limited 1 Soi Vibhavadi Rangsit 25, Vibhavadi Rangsit Road Chompol, Chatuchak, Bangkok 10900

12.5 Information Disclosure and Transparency

The Board of Director of EASTW and its subsidiaries ensures that an appropriate system is provided to encourage timely, accurate and effective information dissemination to its relevant stakeholders in compliance with the rules of the Stock Exchange of Thailand (SET). They also encourage disclosure of additional useful data, with an exception made for Material Non-public Information, which must not be disclosed at any time.

12.6 Board of Director's Responsibilities

Believing that good governance is the key to increasing shareholder value, the Board of Directors wholeheartedly exercises its supervision role guided by the principle. Essentially, the board closely monitors the company's management to ensure that it conducts the business in an effective and efficient fashion and, most importantly, acts in good faith on behalf of the stakeholders in its daily maneuvers.

12.7 Shareholders' Meeting

Before the meeting date

- The company disseminated the information of the date and agenda for the 2011 Annual General Meeting of Shareholders through the SET's Information System and EASTW's website 30 days prior to the meeting date
- The company distributed the invitation letters, the details of agenda (the objectives of the meeting, the reasons for the meeting, and the board's opinion), and the proxy form (in Thai and English) to all shareholders.

The company announced the distribution of the meeting document at least 14 days prior to the meeting date and published its annual meeting date and agenda in the newspaper for 3 consecutive days prior to the meeting date. The company also posted its invitation letters and meeting document on its website 14 days before the meeting took place.

- In the case that any shareholder could not attend the meeting, he could proxy vote using the proxy form issued by the Department of Business Development (Form A, B and C). The shareholder could identify his proxy or appoint one of the two independent directors to attend the meeting and vote on behalf of him.
- The company granted the minority shareholders the right to nominate the company's directors and propose the meeting agenda through the company's website prior to the meeting date. In 2011, the minority shareholders could nominate directors starting from January 16, 2012 to February 17, 2012 through EASTW's website and SET Information System.

On the meeting date

- The 2011 Annual General Meeting of Shareholders was held on March 29, 2012 at 1.30 p.m. at Jupiter Room, 3rd floor, Miracle Grand Convention Hotel, Vibhavadi Rangsit Road, Don Muang, Bangkok. The voting procedure was facilitated with the use of a special electronic voting system developed by the Thai Security Depository Co., Ltd. (E-Voting).
- There were 10 directors present in the meeting (100% of the directors), including Chairman of the Board of Directors, Chairman of Executive and Investment Committee, Chairman of Audit Committee, Chairman of Corporate Governance Committee and Nominating Committee, Chairman of Evaluation Committee and Remuneration Committee
- Top executives, auditors, and legal advisers also attended the meeting to acknowledge the shareholders' opinion and give explanation to any questions that might be raised
- Prior to the commencement of the meeting, the Chairman advised the Meeting the governing rules, including the voting process for the business agenda. Before each voting, the Chairman encouraged the Meeting to raise queries and discussed on issues in an appropriate timeframe. The Chairman then allowed the relevant directors and/or executives to clarify the points to the Meeting's thorough satisfaction. Then the Chairman commenced the voting. For the election of the directors, the Chairman informed the Meeting to discretely vote in the ballot papers.
- Before the Chairman declared the meeting adjourned, the Chairman announced the results of the voting for each agenda. The Chairman adhered to the rules of the company to conduct the meeting in the order of the declared agenda, unless more than two-thirds (2/3) of the shareholders present in the meeting voted for a change of

the order of the agenda, but no one proposed. After the declared agenda were scrutinized, the Chairman informed the Meeting that the shareholders with the total of one-thirds (1/3) of the shares subscribed could request additional agenda, but no one proposed. The Chairman then declared the meeting adjourned.

After the meeting date

- The company prepared the minutes of the 2011 Annual General Meeting of Shareholders and delivered to the Securities and Exchange Commission (SEC) within 14 days from the date of the meeting. The discussion and the meeting resolution were recorded clearly. The voting results were recorded as "Approve, Disapprove, and Abstain"
- The company posted the minutes of the 2011 Annual General Meeting of Shareholders on the company's website and SET's Information System within 14 days from the date of the meeting
- Thai Investors Associations AGM Assessment Project rated EASTW's administration of its 2011 Annual General Meeting of Shareholders at "Excellence" level



12.8 Leadership and Vision

The Board of Director determines the company's vision, policy and strategic plans through its annual revision of a 5-year corporate plan that is jointly formed with the executives. The corporate plan for the year 2013-2017 will emphasize on the reinforcement of the business mission and the realignment of the policy with the dynamic of the surrounding situations to support EASTW's ultimate goal to be "the Leader in Water Distribution Service Provider with Operation and Service Excellence". The plan will cover the strategy to ensure raw water adequacy, the strategy to expand the water supply business, the strategy to improve stakeholder relationship and service level excellence, and the strategy to improve operational efficiency through effective and continual performance measurement. In the formation phase, the Executive and Investment Committee is responsible for the revision of the company's annual action plan and budgeting plan, and present to the Board of Directors for approval. In the implementation phase, the company's management is required to report quarterly progress of the action plans and budget usage to the Audit Committee in order to identify any obstacles or issues arising in the implementation of the plan.

The Board of Directors evaluating management's performance by comparing its performance with key business objectives and by evaluating the company's overall business performance. Quarterly management performance is reported in the

meeting of the Board of Director under the agenda "Quarterly Financial Status Report". In addition, the board also requires the management to report any changes in rules and regulations set by SET and SEC on a timely basis.

12.9 Conflicts of Interest

The Board of Directors embodied policies on conflict of interest in the Corporate Governance Framework and the Board of Directors' Handbook. Such policies are:

- Directors who wish to give the power of attorney to other person(s) to execute any legal transaction must do so in writing or have the authorization recorded in the minutes of the meeting of the Board of Directors. The authorization must be specific, and must not be given to the persons with possible conflict of interest in the authorized transaction.
- Every personnel must put his/her best effort to avoid any action that will create conflicts of interest, which will destroy the group's overall interest and derail working relationship.
- Every personnel must disclose the transactions that may create conflicts of interest to the knowledge of his/her supervisor, attaching any document depicting details of the said transactions. The document is to be reported to the Chief Executive Officer.
- Directors of the company or its subsidiaries must refrain from seeking personal benefits for themselves, families, or friends ,directly and indirectly, by using power, privileges, and information provided by their position in the company

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

- Transactions on which the directors, executives, or their related parties may have interests. The company's secretary shall gather the information



on those transactions and report to Chairman of the Board of Directors and Chairman of Audit Committee

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

In the case of connected transactions, the company will adhere to the regulations set forth by SET and SEC. The company management will inform the Board of Directors of the said transactions and the directors related to the said transactions will be requested to leave the meeting during that agenda. The company also provides the connected transaction report to the executives to avoid procuring from suppliers or contracting contractors that may have conflicts of interest. Connected transactions are carefully scrutinized before approval, with the price and conditions that are the same as would be applied to a normal third-party “arm’s length” transaction. Connected transactions are disclosed in the annual report and Form 56-1.

12.10 Business Ethics

To manifest its devotion to the principle of good corporate governance, the Board of Directors endorsed the Group’s Corporate Governance Framework, the Board of Directors’ Handbook, and the Handbook of Business Ethics on August 17, 2006. These guidelines, which are constantly reviewed to reflect the changing condition of the regulatory landscape, provide standards for good governance practices for the company’s personnel of every level. Essentially, members of the Board of Directors are required to sign on the Board of Directors’ Handbook. Employees are also educated about good governance practices through regular training programs.

The Company’s Summary Information as of the fiscal year 2012

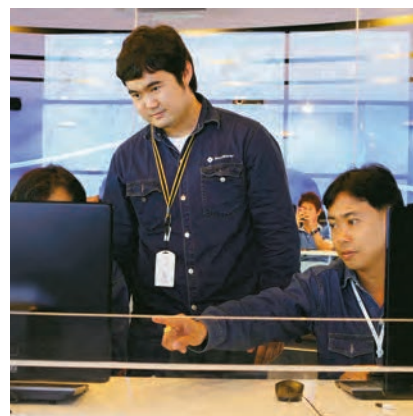
12.11 Power check and balance of Non-Executive Directors

As of December 31, 2012, the Board of Directors is composed of eleven (11) members consisting of the following:

- One (1) of its members to be Executive Director
- Five (5) of its members to be Non-Executive Directors, and
- Five (5) of its members to be Independent Directors

12.12 Centralization and Decentralization of Power

The Board of Directors places an importance upon transparency of business operation, decentralization of decision making, clear separation of power of screening and consideration of approval. Chairman of



the Board shall not be the same person as President & CEO. The members of the Audit Committee shall be Independent Directors with no authority to sign approval legal binding to the Company, no financial and management conflicts of interest with the Company and its affiliated companies.

12.13 Remunerations of Directors and Executives

Remunerations of the Board of Directors and Executives are in accordance with the principles and policies which were stipulated by the Board of Directors. The Remuneration Committee shall consider the remunerations following the period in the position based on the net profit, dividend payment, and operating results of the Company’s Directors which are considered under the annual basis. The appropriate remuneration shall be proposed to the Board of Directors and the shareholders (in the part of the Board of Directors). In the fiscal year 2012, the Company’s remunerations paid to the Board of Directors and Executives are as follows:

Report of the Remunerations of the Directors and Executives for the fiscal year 2012

The remunerations of the Directors from January 1, 2012 - December 31, 2012

Unit : Baht

Names of Directors			Period in the position in 2012	Meeting Allowance of the Company's Board of Directors ⁵	Meeting Allowance of the Sub-Committee	Directors' Remuneration depending on the months in the position	Month (s) in the position in 2012 (Jan.- Dec. 12) (For Bonus Consideration)	Bonus in 2011 after the tax holding
1	Mr. Chanin Yensudchai	Chairman	1	12,500	-	37,500	1	121,516.50
2	Mr. Charnchai Soontharamut	Former Chairman ¹	11	137,500	-	412,500	11	109,364.85
3	Mr. Somchai Choomrat	Former Chairman ¹	12	120,000	180,000	360,000	12	109,364.85
4	Mr. Poonsak Pranootnaraparn	Former Chairman ¹	12	120,000	260,000	360,000	12	109,364.85
5	Mr. Rungson Sriworasat	Former Chairman ¹	11	110,000	130,000	330,000	11	401,004.45
6	Mr. Vichian Udamratanasil	Former Chairman ¹	3	30,000	20,000	90,000	3	-
7	Mr. Permsak Rattana-ubon	Former Chairman ⁴	4	30,000	20,000	120,000	4	364,549.50
8	Mrs. Arunee Arkaraprasertkul	Former Chairman ¹	12	120,000	240,000	360,000	12	109,364.85
9	Pol.Gen. Wutthi Phuawade	Former Chairman ¹	11	110,000	40,000	330,000	11	109,364.85
10	Miss Narinee Talomsin	Former Chairman ¹	11	110,000	120,000	330,000	11	109,364.85
11	Mrs. Numphon Rassadanukul	Former Chairman ³	1	-	-	-	1	-
12	Mr. Jiratt Nithianantporn	Director	1	10,000	-	30,000	1	-
13	Mr. Kallayana Vipattipumiprates	Director	1	-	-	30,000	1	-
14	General Chuchai Boonyoi	Director	1	10,000	-	30,000	1	-
15	Mr. Prinya Nakchudtree	Director ²	-	-	-	-	-	-
16	Mr. Chinawat Assavapokee	Director	-	-	-	-	-	-
17	Mr. Thairatana Jotikabhukkana	Director ²	-	-	-	-	-	-
18	Mrs. Rattana Kitehawan	Director	8	80,000	10,000	240,000	8	-
19	Mr. Verapong Chaiperm	Director	7	70,000	70,000	210,000	7	-
20	Mr. Sahust Pratuknukul	Director ⁴	8	80,000	40,000	240,000	8	-
21	Mr. Praphant Asava-Aree	Director	12	120,000	180,000	360,000	12	486,066.00 ⁶

- Remark:**
1. Former Chairman and former Directors mean the Company's Director, whose post was annulled before December 31, 2012.
 2. The approval from the Board of Directors to appoint as the Company's Directors on December 20, 2011, hence, they had not joined the Board of Directors' meeting in 2012
 3. Mr. Chinnawat Assavapokee and Mrs. Numfon Ratsadanukul informed not to receive the remuneration of the Directors from the Company
 4. The remuneration of Mr. Permsak Ratanaubon of Baht 534,549.50 and the remuneration of Mr. Sahas Pratakukul of Baht 360,000 followed the regulations of Electricity Generating Public Company Limited (EGCO) which were directly transferred as director's remuneration of directorship in other companies to the account of the Thai Rakpa Foundation
 5. The numbers of the meeting attendances are summarized in paragraph.....
 6. The deduction of the withholding tax is calculated in the Directors' remunerations.

12.13.1 Executive Remuneration

The eleven (11) members of the Executives Directors and Executives of the Company received benefits for the 2012 operating results in the form of salaries and remunerations at the total amount of Baht 34,314,408.85.

12.13.2 Securities Holding

The eleven (11) members of the Board of Directors being appointed as of December 31, 2012, there were no member holding securities of the company which the details are appeared on page...

Therefore, there were eight (8) members of the Executives Directors and Executives of the Company held 1,423,100 common shares (As of December 31, 2012).

12.14 The Board of Directors' Meeting

The Board of Directors' monthly meetings are normally scheduled on the fourth week of the month. The meetings are planned in advance for the whole year to facilitate the Directors' time to attend for every meeting. The President & CEO, serving as the Secretary to the Board of Directors, shall coordinately include the scopes, importance orders, and subjects into meeting agendas. The important matters will be included in meeting agendas for consideration and other subjects will be ordered in certain agendas by their importance and urgency. The letter of meeting invitation with meeting agendas and relevant documents will be sent in advance to the Board of Directors to review the information before attending every meeting. During the meeting, after the completion of the management's presentation, Chairman shall ask the Directors to raise questions or express their opinion and mutually discuss problems. Hence, the conclusion is received, Chairman shall provide conclusion as the meeting's resolution for clarification and accuracy and mutual acknowledgement, leading to careful consideration as well as providing sufficient time for the Directors to mutually discuss the problems. If there is no objection to the meeting's resolution, Chairman shall lead to the consideration of the following agenda.

For the fiscal year 2012, the Board held 14 meetings there were 14 meetings. The details and the individual director's attendance can be summarized as follows:

Name of Directors			Meeting attended/ No. of Meetings	Effective Period
1	Mr. Chanin Yensudchai	Chairman	1/1	Effective on Dec. 13, 2012
2	Mr. Charnchai Soontharamut*	Former Chairman	12/12	Sept 22, 2011 - Dec 3, 2012
3	Mr. Somchai Choomrat	Former Director	13/13	Sept 22, 2011 - Dec 17, 2012
4	Mr. Poonsak Pranootnaraparn	Former Director	13/13	Sept 22, 2011 - Dec 17, 2012
5	Mr. Rungson Sriworasat	Former Director	12/12	Jan 31, 2011 - Dec 4, 2012
6	Mr. Vichian Udamratanasil	Former Director	3/3	Dec 19, 2011 - Apr 1, 2012
7	Mr. Permsak Rattana ubon	Former Director	3/3	Mar 24, 2011 - Apr 17, 2012
8	Mrs. Arunee Arkaraprasertkul	Former Director	13/13	Oct 11, 2011 - Dec 17, 2012
9	Pol. Gen.Wutthi Phuawade	Former Director	12/12	Oct 11, 2011 - Dec 6, 2012
10	Miss Narinee Talomsin	Former Director	12/12	Oct 11, 2011 - Dec 6, 2012
11	Mrs. Numphon Rassadanukul	Former Director	-	Mar 29, 2012 - Apr 17, 2012
12	Mr. Jiratt Nithianantporn	Director	1/1	Effective on Dec. 13, 2012
13	Mr. Kallayana Vipattipumiprates	Director	0/1	Effective on Dec. 13, 2012
14	General Chuchai Boonyoi	Director	1/1	Effective on Dec. 13, 2012
15	Mr. Prinya Nakchudtree	Director	-	Effective on Dec. 20, 2012
16	Mr. Chinawat Assavapokee	Director	-	Effective on Dec. 20, 2012
17	Mr. Thairatana Jotikabhukkana	Director	-	Effective on Dec. 20, 2012
18	Mrs. Rattana Kitehawan	Director	8/10	Effective on Apr 25, 2012
19	Mr. Verapong Chaiperm	Director	7/9	Effective on Apr 25, 2012
20	Mr. Sahust Pratuknukul	Director	9/10	Effective on Apr 25, 2012
21	Mr. Praphant Asava-Aree	Director	14/14	Jan 26, 2007 ñ Jan 24, 2008 May12, 2008 ñ Present

Remark : *Mr. Charnchai Soontharamut passed away on December 3, 2012

The Board of Directors has a policy to set up meetings with Independent Directors and Directors meeting which excluded Executive Directors in January 2012.

12.15 The Sub-Committees

The Board of Directors has appointed the Sub-Committees which consist of members with appropriate expertise to study and screen the works assigned to them to initially ensure their accuracy and clarity following

the Company's missions and policy prior to proposing them to the Board of Directors for approval, or ratification, or further providing additional recommendations, depending upon the case. Details on the committees appointed by the Board of Directors and their meeting attendance during the fiscal year 2012 are as follows:

12.15.1 The Audit Committee as of December 16, 2012 comprised three (3) independent directors, and one (1) advisor, namely

No.	Name-Surname	Position	Meeting attended/ No. of Meetings (times)
1.	Mrs. Arunee Arkaraprasertkul	Former Chairman of the Committee	9/9 (Resigned on Dec 17, 2012)
2.	Mr. Poonsak Pranootnaraparn	Former Director	9/9 (Resigned on Dec 17, 2012)
3.	Mr. Rungson Sriworasat	Former Director	7/9 (Resigned on Dec 4, 2012)
4.	Mr. Chakkrit Parapuntakul	Advisor of the Audit Committee	5/9

Remark : As of December 31, 2012, there were no the appointment of Directors in place of the resigned Directors.

The Audit Committee is responsible for ensuring the accuracy and credibility of the Company's financial statement following the generally accepted international standard prior to proposing it to the Board of Directors. The Committee's management procedures shall perform with effectiveness, independency, and focus on transparent and clear guidelines between the Board, the Internal Audit Department, the Management, and the External Auditor in order to revise and provide recommendation in terms of efficiency and effectiveness assessment of the Company's internal control system in order to comply with the law and regulations. Also, the consideration of connected transaction or conflict of interest transaction shall be performed with lawful and reasonable implementation and

shall maintain the utmost benefit of the Company. The disclosure of information shall be included into the Auditing Report in the Company's annual report. In addition, the Committee is responsible for providing the initial approval of the appointment and remuneration of the external auditors in order to further proposing to the Board of Directors and the shareholders.

12.15.2 As of December 31, 2012, the Management and Investment Committee comprised 3 members, namely

No.	Name-Surname	Position	Meeting attended/ No. of Meetings (times)
1.	Mr. Jiratt Nithianantporn*	Chairman of the Committee	-
	Mr. Somchai Choomrat	Former Chairman of the Committee	14/14 (Resigned on Dec. 17, 2012)
	Miss Narinee Talomsin	Former Director	12/14 (Resigned on Dec. 6, 2012)
2.	Mr. Chinawat Assavapokee*	Director	-
3.	Mr. Praphant Asava-Aree	Director	14/14

Remark : *Has been appointed to replace the resigned Directors on December 20, 2012, hence, he had not attended the meeting of the Management and Investment Committee in 2012.

The Management and Investment Committee have been assigned by the Board of Directors to be responsible for ensuring the efficiency and strength of the Company's business operation following the policy of the Board. The Committee is to screen

and consider revision of business plans, operating plans and annual budgets, and other matters, particularly, concerning procurement of investment project which is over the assigned authorization before proposing to the Board. In addition, the Management and Investment Committee is responsible for determination of procedures and principles for investment of projects, financial investment, and supporting management of the management in order to achieve the Company's goals and objectives.

12.15.3 As of December 16, 2012, the Corporate Governance and Nominating Committee comprised 3 members, namely

No.	Name-Surname	Position	Meeting attended/ No. of Meetings (times)
1.	Mr. Rungson Sriworasat	Former Chairman of the Committee	6/6 (Resigned on Dec. 4, 2012)
2.	Mrs. Arunee Arkaraprasertkul	Former Director	6/6 (Resigned on Dec. 17, 2012)
3.	Mr. Verapong ¹ Chaiperm	Director	3/3

Remark : 1. Mr. Weerapong Chaiperm was appointed as the member of the Corporate Governance and Nominating Committee in April 2012.

2. As of December 31, 2012, there were no Directors appointed in place of the resigned Directors

Corporate Governance

Corporate Governance is responsible for supporting the operation of the Board of Directors with accuracy, transparency, and benefit maintaining of the Company's shareholders and stakeholders by screening the manual of the Board of Directors, Business Ethics, Staff Ethics, and ensuring the practical result of the development and the best practices

of the Good Corporate Governance principles. Moreover, the Committee is to ensure that the Company follows important practice guidelines of the effective corporate governance procedures which are suitable and in accordance with notifications of the Stock Exchange of Thailand. The assessment shall be performed periodically in accordance with the policy.

Nomination

The Nominating Committee is appointed by the Board of Directors to select and nominate suitable persons to be members of the Board of Directors of the Company and its affiliated companies, the Sub-Committees of the Company, and President & CEO, including express an opinion to the management structure of the Board of Directors and the Sub-Committees.

12.15.4 As of December 31, 2012, the Risk Management Committee comprised

No.	Name-Surname	Position	Meeting attended/ No. of Meetings (times)
1.	Mr. Somchai Choomrat	Former Chairman of the Committee	4/4 (Resigned on Dec. 17, 2012)
2.	Pol.Gen. Wutthi Phuawade	Former Director	4/4 (Resigned on Dec. 6, 2012)
3.	Mrs. Rattana ¹ Kitchawan	Director	1/3
4.	Mr. Praphant Asava-Aree	Director	4/4

Remark : 1. Mrs. Rattana Kitwan was appointed as the member of the Risk Management Committee in April 2012.

2. As of December 31, 2012, there were no Directors appointed in place of the resigned Directors

The Risk Management Committee's major role is to oversee and review the risk management policy and plan, standard practices, and strategies and risk assessment, including providing recommendation to the management to ensure the appropriate implementation of the risk management policy

and the following of the objectives by proposing to the Board of Directors in every 6 months.

12.15.5 As of December 31, 2012, the Regulation Enforcement and Operating Results Assessment Committee and the Remuneration Committee consisted of 3 members, namely

No.	Name-Surname	Position	Meeting attended/ No. of Meetings (times)
1.	Mr. Poonsak Pranootnaraparn	Former Chairman of the Committee	8/8 (Resigned on Dec 17, 2012)
2.	Mr. Sahust Pratuknukul	Director	6/6
3.	Mr. Verapong Chaiperm	Director	4/5

Remark : As of December 31, 2012, there were no Directors appointed in place of the resigned Directors

Regulation Enforcement and Operating Results Assessment

The Board of Directors appoints the Regulation Enforcement and Operating Results Assessment Committee to be responsible for annual regulations enforcement and Corporate KPIs revision in order to be in accordance with the Company's business operation policy, including quarterly assessment of the Company's performance and providing recommendation to the management in terms of operation and report the results to the Board of Directors.

Remuneration

The Committee's main responsibility provides recommendation on the remuneration policy and all of other benefits in any forms of all level of personnel to the Board of Directors. In addition, the Committee also provides recommendation to the Board of Directors in respect of the annual remuneration of the Board of Directors of the Company and its affiliated companies, and President & CEO based on their roles, responsibility, assignments, and the shareholders' equity.

12.16. Director Orientation

In 2012, the Company has a policy to provide the first orientation for the new directors to inform business policy and other related internal information such as the shareholder structure, the Company structure, operating results, related law and regulations, including the past Board of Directors' resolutions, problems and obstacles, and future plans, etc. President & CEO, the Corporate Secretary, and the Executives will present the aforementioned information and submit the Board of Directors Manual and information for the directors to the new Directors which consist of:

- The Company's Profile
- The Operating results and the Company's activities



- The Annual report (Thai Version)
- The Board of Directors' Manual
- The Good Corporate Governance Principles
- The Board of Directors' Meeting reports
- The Risk Managements' Manual
- The Company's Article of Association, certificates, rules and regulations

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

12.17 Training of Directors

Name of directors	IOD Training											
	DCP	DAP	ACP	RCC	RCP	SFE	MFM	MIR	MIA	MFR	RNG	FSD
Mr. Chanin Yensudchai	57/2005	32/2005	28/2009	2/2007	11/2005	5/2009	-	-	-	-	-	-
Mr. Jiratt Nithiantaporn	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Kallayana Vipattipumiprates	-	-	-	-	-	-	-	-	-	-	-	-
Gen. Chuchai Boonyoi	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Prinya Nakchudtree	111/2008	-	-	12/2011	24/2010	13/2011	-	-	-	-	-	-
Mr. Chinawat Assavapokee	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Thairatana Jotikabhukkana	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Rattana Kitchawan	162/2012	-	-	-	-	-	-	-	-	-	-	-
Mr. Verapong Chaiperm	161/2012	-	-	-	-	-	-	-	-	-	-	-
Mr. Sahust Pratuknukul	73/2006	-	-	-	-	-	-	-	-	-	-	-
Mr. Praphant Asava-Aree	101/2008	-	21/2007	-	-	-	-	-	-	-	-	-
Name of former director												
Mr. Charnchai Soontharamut	155/2012	-	-	-	28/2012	-	-	-	-	-	-	-
Mr. Somchai Choomrat	97/2008	-	-	-	15/2008	-	-	-	-	-	-	-
Mr. Poonsak Pranootnaraparn	155/2012	-	38/2012	-	28/2012	-	-	12/2012	-	-	-	-
Mrs. Arunee Arkaraprasertkul	155/2012	-	38/2012	-	28/2012	-	7/2012	12/2012	13/2012	16/2012	-	-
Miss Narinee Talomsin	155/2012	94/2012	-	-	-	-	-	-	-	-	2/2012	15/2012
Mr. Vichian Udomratanasilpa	94/2007	-	-	-	-	-	-	-	-	-	-	-
Mr. Permsak Rattana-ubon	124/2009	-	-	-	-	-	-	-	-	-	-	-
Mr. Rungson Sriworasat	81/2006	-	26/2009	-	28/2012	2/2008	-	-	-	-	-	-

DCP : Director Certification Program

ACP : Audit Committee Program

RCP : Role of the Chairman Program

DAP : Director Accreditation Program

RCC : Role of the Compensation Committee

SFE : Successful Formulation & Execution
the Strategy

MIR : Monitoring the System of Internal
Control & Risk Management

RNG : Role of the Nomination and
Governance Committee

MFM : Monitoring Fraud Risk Management

MIA : Monitoring the Internal Audit Function

MFR : Monitoring the Quality of Financial
Reporting

FSD : Financial Statement for Directors

12.18 Nomination of directors and managements

The Company drawn up a Board of Directors' manual which stated the requirement to follow the Company's Article of Association and Stock Exchange of Thailand's regulations regarding the nomination and appointment of suitable candidate for position in the Board of Directors. The main principles for consideration are as follows;

- Must be reasonably qualified, does not have forbidden characteristics as prescribed under the Stock Exchange of Thailand's regulations and if hold an independent director's status one must have all the qualifications as specified.
- The Chairman of the Board should be an independent director and should not be chairman or member of other committees.
- The Company has specified the policy to appoint its Board of Directors to be the Board of Directors of its subsidiary in the event when the Company holds more than 50 percent or above share in its subsidiary. The Company should receive the rights to appoint the Company's directors or qualified person to be a member of Board of Directors in its subsidiary, of which the rights to appoint the executive director no less than half of the total or future number of the executive directors in its subsidiary. In addition, if the Company holds more than 50 percent of shares, the company should have the rights to appoint the Board of Directors in accordance to the percentage of its holdings.



- The number of listed companies that directors can take position is limited to executive director position of no exceeding four (4) listed companies and non-executive director position of no exceeding five (5) listed companies.
- The appropriate age limit for a person to be a director shall not over the age of seventy-five (75) years and not limiting the consecutive terms in order not lose the opportunity for the appointment of directors with knowledge, ability and experience.
- Independent Director not holding shares of the company, parent company, its subsidiary, affiliated company or conflict of interest party (including related persons under Section 258 of the Securities and Exchange Act B.E. 2551).

Furthermore, the company realized the importance of managing cooperation efficiently so a policy was drawn up to pass on the management positions for the purpose of setting examples and frameworks for preparing employees for the management positions under transparency, fairness and can be monitored.

- (1) The Nomination Committee has the responsibilities to set up criteria in nominating and approval of management position succession plan. This includes filtering management or outsider for the Chief Executive Officer position and report to the Board of Directors for further approval.
- (2) Chief Executive Officer and related parties have the responsibilities to set up criteria in nominating and developing skilled employees, including nominating executive vice president and others.

12.19 Internal Information Access Control

The company stipulates the Internal Information Access Control guidelines for directors, managements and employees of the company covering under good corporate governance principles as follows;

(1) The policy regarding trading of the company's securities

Managements and employees of the company including spouse and minority of the stated persons must held buy sell or transfer of the company's share (1) month before releasing financial statements to the Stock Exchange of Thailand and three (3) days after the release of financial statements to the Stock Exchange of Thailand for the purpose of letting shareholders and investors have sufficient time to access and understand the company's important messages or financial statements that has been released to the Stock Exchange of Thailand.

(2) The policy regarding business information of the company

1. Director, managements, employees, outsourcers and freelancers of the company sometime has to work with information and documents that cannot be disclosed to the public and/or confidential trading information such as content in contracts, blue prints, maps, formulas and innovations etc. which the rights belongs to the company. The protection of those information is highly important for the success of the company's future as well as stability of everybody's job.

Those who held position as a director, management, employee, outsourcer or freelancer has the obligations to enter into an agreement following the laws and code of conducts not to disclose any confidential information, documentation or trading information.



2. Level of information confidentiality
Confidential trading information is a company internal information which must be protected to prevent leakage to the outside. Level of information confidentiality can be classified from the importance such as classification information to public information, classified information, and secret information etc. The use of internal information must be done under assigned responsibility framework.

3. The disclosure of information to the public must be approved under the consent of Chief Executive Officer or designated person. If the information is related to other joint-investors, the consent of must also be received from the relevant joint-investor. The center of the public information disclosure consists of Public Relation Department, Corporate Communications Department, and Investor Relations Department. The Corporate Communications staff is also responsible for providing information to the company's staff.

The party which owns the information (Activity Owner) has to responsibility to provide details and coordinate with manager in charge and must be approved under the consent of Chief Executive Officer before the releases.



Definition of Independent Directors



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

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

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

(4) Not having a business relationship with the Company, its parent company, subsidiary company, affiliate company or juristic person who may have conflict of interest person, in the manner which may interfere with his independent judgement,

(a) Relationship characteristics

Relationship in characteristics of professional services

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

2) Significant level of not independent

- Auditor: Prohibited-Other

- Other Professional services: the transaction value of exceeding Baht 2 million per year. Trading/ Business Relationship (which is in line with the SET's connected transaction guideline)

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

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

(b) In case the relationship characteristics under (a) with the juristic person, person of dependency such as major shareholders, directors (unless Independent Directors/ Audit Committee)

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

(5) Not being a director appointed as representative of directors of the company, major shareholder or shareholder who is related to the company's major shareholder

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

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

(Notification of the Capital Market Supervisory Board No. Tor Chor 14/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares.)

Assessment of the Sufficiency of Internal Control System for 2012



The company places an importance to internal control systems whereby focusing on appropriate internal control systems which support the efficiency of the business on financial, operational and risk management sides. The principles which are used to assess the sufficiency of internal control systems can be divided into five (5) areas as follows;

Control Environmental

The Board of Directors plays an important role to stipulate visions, policies and strategies by specifying long term business plan, providing opinions and approving annual business plan including action plans set in line with the long term plans that leads to activities to set goals, objectives, budgets, risk factors, activities plan for each period and measurable returns to meet the overall objective. In addition, the Key Performance Indicators (KPIs) are applied all across corporation in order to track, fairly and effectively assess the performance in line with the company's goal and objective.

The company has organization structure which separates the responsibilities to main operating functions and supporting functions. Furthermore, the internal management policy focuses on the check and balance of the Board of Directors, managements and shareholders as well as providing a communication channel for the investors to consistently provide company's information to the public and set up committees to help providing opinion

with regards shareholders' important matters to protect shareholders' interest.

Furthermore, the company has announced the compliance to the good corporate governance; the code of conducts for the Board of Directors and code of conducts for the employees so all levels of the company's employee follow the standards. Those employees violate the code of conduct will be investigated and penalized in accordance to the policy.

In addition, keeping in mind of the fairness to suppliers, the company stipulate the policy in dealing with suppliers in code of conduct for purchasing and create channels for complaint though company's website at AC_EW@eastwater.com





Risk Management

The company adopted the Enterprise Risk Management by assessing risks in each process and analyzing risk factors current control measures as well as setting up more control measures by encouraging employees to be involved in the process. The company have a risk management function to prepare risk management plan, follow up how to mitigate risk to the acceptable level and reassess risk factors and report to Risk Management Committee before presenting to the Board of Directors every quarter for considerations and provide decision which will lead to continuous risk management process. During 2012, the company has draw up business continuity plans.

Control Activities

The company stipulated the scope of power and authorization of financial approvals in accordance to good corporate governance regarding the separation of duty and work segregation by separating the duty of approvals, account recordings, information and duty of asset keeping

and supervision. Furthermore, the company has received the quality certification under ISO 9001:2008 and ISO 14001:2004 standards, which specifies that the company must prepare manuals and work procedures as the operating standard reference as well as provides trainings for employees to gain understandings and ability to operate correctly in accordance to the company stipulated operational process.

In case there is a related party transaction between the company and its affiliated companies including other joint interest parties, the transaction shall accurately go through the consideration of approval. When there is a significant related party transaction, internal audit department, audit committees, management and certified auditor will carefully consider and follow the requirements of the Stock Exchange of Thailand (SET) and disclose in the financial reports and report to the Securities and Exchange Commission (SEC). Additionally, during voting for related party transaction, directors that have joint benefits may not vote in the agenda.

The company has continuously followed the operation of the affiliated companies. The operating results of each affiliated company will be reported to the Board of Directors for acknowledgement and a delegated special unit will monitor the operations following the Board of Directors' resolution and coordinate all companies to follow the same direction in compliance with the Board of Directors' policy. Moreover, the company delegated the corporate secretary to supervise the company's legal issues as well as compliance issue to ensure the company's operation is in accordance to related laws, rules and regulations.





Information and Communication

The Company provides sufficient significance information through many communication channels to the Board of Directors for consideration. All agendas of the Board of Directors' Meeting and the sub-committee will have the details of background summary, supporting reasons, previous meeting resolutions, law indication related to the meeting agenda (if any), action progress of the managements following Boards' comments and proposal of the suggestions consisting of options for considerations.

The Board of Directors appointed the audit committees to review the Company's financial statements to ensure it is prepared in accordance with the accounting principles and disclosed financial information correctly and transparently.

Furthermore, the company has continuously adopted and developed information systems and internal database system to accommodate all levels of the company's employees to access the data and information that is related to their operations sufficiently by clearly determine the rights to access information.

Monitoring Activities

The company developed ongoing monitoring targeted operation as stipulated in the long term business plan and annual operation plan. The result of the progress in the operations and KPIs will be quarterly presented to the Board of Directors for consideration of fixing the process to prevent future errors.

The company pays importance to internal auditing to increase corporate values with risk base audit and appointing audit department work together with internal audit consultants to evaluate the efficiency and the effectiveness

of internal control systems for all business process and reporting to management and the Board of Directors every quarter to ensure the efficiency and effectiveness of the company's internal control system as well as the accuracy of information including financial information and operational information.

The audit department monitors the corrective action upon the findings and suggestions of audit committees and reported to audit committee on continuous basis. Additionally, there is ongoing monitoring process through the international standards of ISO 9001:2008 and ISO 14001:2004.

According to the consideration of important information derived from assessment of the aforementioned internal control systems, the Board of Directors is confident that the Company's internal control system is sufficient and appropriate with the business operations, transparency and support effectiveness of sustainable business operations.



Report of Corporate Governance of the Audit Committee for 2012

The Board of Directors of Eastern Water Resources Development and Management Public Company Limited appointed the Audit Committee which consists of three (3) independent directors whose qualifications are appropriated as stipulated by the Stock Exchange of Thailand (SET). Moreover, the Board of Directors has specified the qualification, position period, and duties and responsibilities of the Audit Committee of the company written in the Charter of the Audit Committee. The Audit Committee was changed in late 2012. At present, the Audit Committee is comprised of: Mr. Thairatana Jotikabhukkana, Chairman of the Audit Committee, Gen. Chuchai Boonyoi and Mr. Kallayana Vipattipumiprates, Member of the Audit Committee.

In 2012, the Audit Committee held the meeting nine (9) times which included the meetings with internal auditor, executives and external auditor. The Audit Committee reports the meeting resolution and operation of the Audit Committee to the Board of Directors' Meeting in every quarter. However, the Audit Committee performed its duties as stipulated in the Charter which can be summarized as follows:

1. Review of Financial Reporting

The Audit Committee has reviewed the quarterly and annual financial statements 2012, including the consolidated financial statements of the



Company with the auditors and the internal auditors, as well as received the explanation from the management to ensure that the financial statements are prepared accuracy, reliability, and the adequacy of accounting records, the adequacy and timely disclosures of information, including providing the important comments that benefits the company, and the Audit Committee held one (1) meeting in private with the Auditors without the presence of the management to acknowledge the independence and scope of work of the auditors

2. Review of the Effectiveness of the Internal Control Systems.

The Audit Committee had considered the internal audit plans of 2012 which was based on the risk all operating procedures for the Group of Companies, the information from the corporate risks assessment,



executives interview, financial statement analysis, and the comments received from the auditors.

The Audit Committee had considered reviewing the results of the efficiency and effectiveness assessment of the internal control system which were quarterly done by the Internal Audit Department and the consultant company in accordance with the international standards. The Audit Committee had provided additional suggestion which was beneficial to more effectiveness and efficiency of operations. The management shall continuously report management's corrective actions to the meeting of the Audit Committee.

The result of the assessment of the internal control system reported that the Company's internal control system was effective and adequate which was in accordance with the opinion of the auditor.



3. Compliance with applicable laws and regulations

The Audit Committee's supervision is to ensure the transparent information disclosure and compliance with applicable laws related to the business operation and the laws of the securities and exchange, including the management's summary report to comply with related laws, rules, and regulations of the Company at least twice a year.

4. Supervision of the Internal Audit

The Audit Committee has considered and approved of the action plans, annual budget, and manpower of the Internal Audit Department, as well as supports and encourages the independency of the operation of the Audit Department. In addition, to increase the efficiency of the operation, the Internal Audit Department directly reports to the Audit Committee.



In 2012, the Audit Committee had considered hiring a consultant company, KPMG Phoomchai Business Advisory Ltd. to join the internal auditing operation as advisor of with the Audit Department's staffs in order to provide and exchange experience for better efficiency of the group of companies' internal auditing. The findings from the auditing would continuously increase the value to the Company.

The Audit Committee had considered approval of the revision of the manual and the Charter of the Internal Audit Department which aligned with the changing situation.

5. Review of the Auditors' operation and appointment of the Auditors for the year 2013

The Audit Committee held a private meeting with the external auditors in order to ensure that the external auditors are independent and neutral in performance of duties and understand the internal audit plans and scope of work of the auditor.

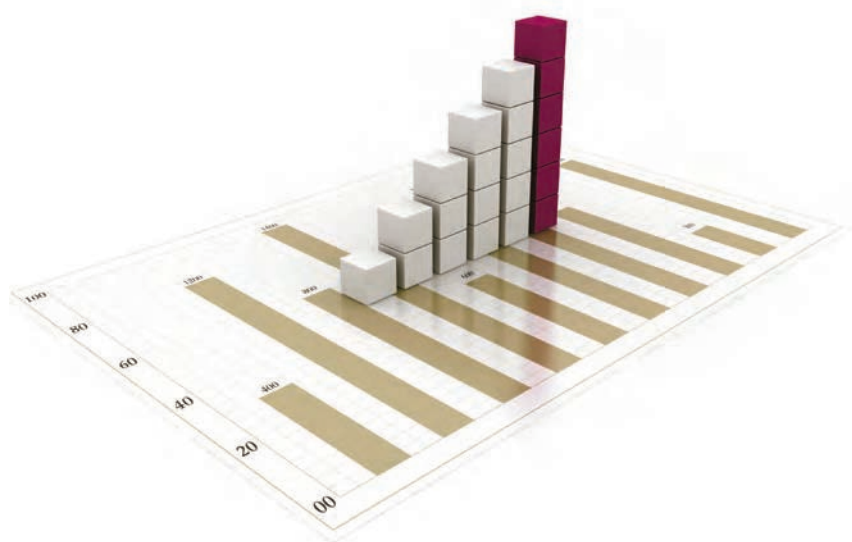
With regard to the appointment of auditors for the year 2013, the Audit Committee has acknowledged the assessment results of the auditors' performance of the present, namely

Pricewaterhouse Coopers ABAS Ltd. ("PwC"). After receiving the assessment result and consideration of experience, qualification, and fee, the Audit Committee had presented the result to the 2012 Annual General Shareholders' Meeting for approval of the appointment auditors from Pricewaterhouse Coopers ABAS Ltd. ("PwC") as the Company's auditor for the year 2013.

6. Self-assessment of the Audit Committee and Review of the charter and manual of Audit Committee

The Audit Committee had performed self-assessment of the whole committee and performed cross individual assessment which followed the Good Corporate Governance and of which the results were reported to the Board of Directors for consideration. However, the self-assessment result was deemed to be very excellent. Moreover, the Audit Committee reviewed the Charter and the Audit Committee Manual to comply with changing circumstances to ensure that the operation in the past year completely performed as assigned and compliance with the Best Practice guidelines of the Stock Exchange of Thailand (SET). This will be proposed to the Board of Directors' Meeting for approval.

In summary, the Audit Committee had completely performed its duty as stipulated in the Audit Committee Charter, which have been approved by the Board of Directors and comply with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) which this was consistent with the opinion of the auditor of the company reported that financial statements of the Company presented accuracy, in all material respects, in accordance with the general accepted accounting standards of Thailand. Moreover, the company has set up a system of internal controls and internal auditing were appropriate and effective. The operation throughout the year 2012 showed no significant findings of the non-compliance to the regulations, obligations, and related laws. There were operational improvements to be consistent and appropriate to the current business environment.



Mr. Thairatana Jotikabhukkana,
Chairman of the Audit Committee

Report of the Corporate Governance & Nominating Committee

Eastern Water Resources Development and Management Public Company Limited placed high emphasizes on the importance of good corporate governance. EASTW followed the “Principles of Good Corporate Governance for Listed Companies 2006” specified by the Stock Exchange of Thailand (SET) as the guideline for EASTW corporate governance standard. The criteria for examining on the Corporate Governance of Thai listed companies by Thai Institute of Director and Regulations of the Securities and Exchange Commission, is used as the main factor in promoting the efficient management system of the company; resulting in transparency, honesty, responsibility and competitiveness for the best interest of the company’s shareholders.

In 2012, the Corporate Governance and Nominating Committee and Board of Directors have revised the corporate governance rules of the East Water group. The result of the revised discussion on corporate governance is to include:

- Human Rights,
- Policy and practice against violating the intellectual property’s rights and copyrights,
- Policy and practice against corruption and business fraud,
- CEO is not allowed to be a board of director of other company,
- Improving and promoting social responsibilities,
- Approve the amendment of the Independent Directors’ manual in accordance with Securities and Exchange Commission announcement,
- Approve the amendment of the corporate governance’s manual according with the international standard of the OECD member countries (Organization for Economic Co-operation and Development) and in preparation for ASEAN community. The amendment of the former principles has been categorized into 5 categories:

1. The rights of shareholders,
2. The equitable treatment of the shareholders,
3. The role of stakeholders in corporate governance,

4. Disclosure and transparency,
5. The responsibilities of the board.

The Corporate Governance and Nominating Committee and Board of Directors have always been aware that the good corporate governance, is the source of the long term sustainable growth of the company, and also it increase stakeholders’ confident. The company tries to adapt the governance with the present economy and situation for the best interest of shareholders. The Boards of Directors, executives, and employees have strictly followed the corporate governance as defined in the board of director’s manual and employee’s business ethic manual.



Mr. Verapong Chaiperm
Member of the Corporate
Governance and
Nominating Committee

Report of the Board of Directors' Responsibility toward Financial Statement Report

The Board of Directors of the Company had initiated financial statement preparation to present the Company's financial positions and operating results for the year ended December 31, 2012 under the Public Company Act B.E. 2535. The Company's Board of Directors has realized its duties and responsibility as Directors of listed company in the Stock Exchange of Thailand to be responsible for financial statements and consolidated financial statements of the Company, including financial information appeared in the annual report for the year ended December 31, 2012.

Thus, the Company's Board of Director appointed the Audit Committee which consists of independent Directors and Non-Executive Directors of the Company who are responsible for the quality of financial statements and reviewing the adequacy and effectiveness of the internal control system of the Company and its affiliated companies to reasonably ensure that the records of accounting information are accurate, complete, and adequate to protect the Company's assets, including being guidelines for the Company and its affiliated companies to significantly prevent corruption or irregular activity. The opinion of the Audit Committee shall appear in the Corporate Governance Report of the Audit Committee of the fiscal year 2012 as shown in this Annual Report.

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



Mr.Jiratt Nithianantporn
Director



Mr.Chinawat Assavapokee
Director

Auditor's Report

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

I have audited the accompanying consolidated and company statements of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries and of Eastern Water Resources Development and Management Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries and of Eastern Water Resources Development and Management Public Company Limited as at 31 December 2012, and its consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards

Emphasis of Matter

I draw attention to Note 38 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
27 February 2013

Statements of Financial Position

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2012 and 2011

		Consolidated		Company	
	Notes	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Assets					
Current assets					
Cash and cash equivalents	6	238,473,244	128,689,638	199,660,046	73,442,207
Temporary investments	7	96,307,798	95,000,000	-	50,000,000
Trade and other receivables	8	473,962,507	417,582,586	340,767,324	297,473,794
Water loss treatment service income receivable - related party	35.2	7,678,851	10,133,259	-	-
Inventories	9	7,745,450	7,878,538	-	-
Other current assets		23,864,564	39,834,265	12,616,953	34,390,428
Non-current assets classified as held-for-sale, net	10	-	34,657,502	-	-
Total current assets		848,032,414	733,775,788	553,044,323	455,306,429
Non-current assets					
Investments in subsidiaries	11	-	-	510,887,500	510,000,000
Other long-term investments	12	91,470,300	91,470,300	91,470,300	91,470,300
Investment property - net	13	208,381,751	217,160,139	221,461,717	230,846,400
Property, plant and equipment - net	14	9,542,766,521	8,372,710,879	9,149,633,324	8,188,715,686
Assets under concession contracts - net	15	491,762,394	456,005,518	-	-
Deferred concession rights acquisition costs - net	16	531,792,478	541,773,752	-	-
Intangible assets - net	17	160,762,148	169,572,866	33,560,520	34,022,500
Deferred tax assets	18	9,676,475	12,830,607	-	2,650,080
Other non-current assets	19	555,440,550	178,940,192	520,021,697	155,688,272
Total non-current assets		11,592,052,617	10,040,464,253	10,527,035,058	9,213,393,238
Total assets		12,440,085,031	10,774,240,041	11,080,079,381	9,668,699,667

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

Statements of Financial Position (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2012 and 2011

		Consolidated		Company	
	Notes	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	111,000,000	33,000,000	-	-
Trade accounts payable	21	157,560,565	105,664,313	147,543,436	127,100,896
Payable for purchase of fixed assets		38,465,477	183,599,091	16,341,354	177,333,443
Current portion of long-term liabilities					
under finance lease agreements	22	2,023,942	2,382,185	2,023,942	2,382,185
Current portion of long-term loans					
from financial institutions	23	737,690,000	620,995,616	690,250,000	522,750,000
Corporate income tax payable		135,652,998	192,791,963	123,233,324	173,976,876
Accrued expenses	24	119,999,719	82,739,277	92,441,651	61,425,714
Other current liabilities		55,852,366	45,436,168	44,952,043	31,026,297
Total current liabilities		1,358,245,067	1,266,608,613	1,116,785,750	1,095,995,411
Non-current liabilities					
Long-term liabilities under finance lease					
agreements	22	300,864	2,324,805	300,864	2,324,805
Long-term loans from financial institutions	23	3,456,280,694	2,325,024,850	2,943,750,000	1,899,750,000
Deferred tax liabilities	18	32,530,438	27,682,770	5,990,441	-
Employee benefit obligations	25	89,385,385	64,958,355	58,605,991	37,672,554
Other non-current liabilities	26	182,882,384	151,439,708	157,828,907	129,864,673
Total non-current liabilities		3,761,379,765	2,571,430,488	3,166,476,203	2,069,612,032
Total liabilities		5,119,624,832	3,838,039,101	4,283,261,953	3,165,607,443

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

Statements of Financial Position (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	27				
Registered share capital					
Ordinary shares, 1,663,725,149 shares of par Baht 1 each		1,663,725,149	1,663,725,149	1,663,725,149	1,663,725,149
Issued and paid-up share capital					
Ordinary shares, 1,663,725,149 shares of par Baht 1 each		1,663,725,149	1,663,725,149	1,663,725,149	1,663,725,149
Share premium	27	2,138,522,279	2,138,522,279	2,138,522,279	2,138,522,279
Retained earnings					
Appropriated - legal reserve	28	166,500,000	166,500,000	166,500,000	166,500,000
Unappropriated		3,316,436,717	2,929,182,087	2,796,315,376	2,499,192,649
Other components of equity	29	31,754,624	35,152,147	31,754,624	35,152,147
Equity attributable to owners					
of the parent		7,316,938,769	6,933,081,662	6,796,817,428	6,503,092,224
Non-controlling interests		3,521,430	3,119,278	-	-
Total shareholders' equity		7,320,460,199	6,936,200,940	6,796,817,428	6,503,092,224
Total liabilities and shareholders' equity		12,440,085,031	10,774,240,041	11,080,079,381	9,668,699,667

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

Statements of Comprehensive Income

Eastern Water Resources Development and Management Public Company Limited

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Revenues	35				
Sales - raw water		2,612,221,083	2,261,015,945	2,761,605,128	2,381,767,736
Sales - tap water		841,601,777	765,848,850	285,894,423	245,187,905
Total sales		3,453,822,860	3,026,864,795	3,047,499,551	2,626,955,641
Rental and service income		223,588,164	223,518,568	73,247,613	66,594,519
Other income	31	48,538,082	59,652,205	90,037,950	81,526,518
Total revenues		3,725,949,106	3,310,035,568	3,210,785,114	2,775,076,678
Expenses	35				
Costs of sales - raw water		881,188,378	770,788,806	931,580,547	811,953,544
Costs of sales - tap water		456,685,807	433,504,674	283,397,482	243,070,169
Total costs of sales		1,337,874,185	1,204,293,480	1,214,978,029	1,055,023,713
Costs of rental and services		201,303,332	192,931,533	66,278,677	59,488,988
Selling expenses		53,018,153	31,785,197	50,690,973	29,440,739
Administrative expenses		376,813,672	336,276,685	289,659,350	254,168,798
Expenses for development of life quality and environment		62,217,726	33,555,350	60,631,965	32,230,547
Finance costs		89,990,782	78,476,072	63,474,844	52,417,171
Total expenses	32	2,121,217,850	1,877,318,317	1,745,713,838	1,482,769,956
Profit before income tax		1,604,731,256	1,432,717,251	1,465,071,276	1,292,306,722
Income tax	33	(364,559,726)	(424,694,289)	(318,224,098)	(383,602,385)
Net profit for the year		1,240,171,530	1,008,022,962	1,146,847,178	908,704,337

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

Statements of Comprehensive Income (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2012 and 2011

		Consolidated		Company	
	Notes	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Other comprehensive income (expense):					
Write off asset transferred from customer		(3,397,523)	(3,397,523)	(3,397,523)	(3,397,523)
Actuarial losses on defined employee benefit plans	25.1	(25,812,692)	-	(22,359,221)	-
Income tax relating to components of other comprehensive income for the year		5,162,538	-	4,471,844	-
Other comprehensive expense for the year, net of tax		(24,047,677)	(3,397,523)	(21,284,900)	(3,397,523)
Total comprehensive income for the year		1,216,123,853	1,004,625,439	1,125,562,278	905,306,814
Profit attributable to:					
Owners of the parent		1,239,741,859	1,007,548,762	1,146,847,178	908,704,337
Non-controlling interests		429,671	474,200	-	-
		1,240,171,530	1,008,022,962	1,146,847,178	908,704,337
Total comprehensive income attributable to:					
Owners of the parent		1,215,694,182	1,004,151,239	1,125,562,278	905,306,814
Non-controlling interests		429,671	474,200	-	-
		1,216,123,853	1,004,625,439	1,125,562,278	905,306,814
Earnings per share for profit attributable to owners of the parent (Baht)		34			
Basic earnings per share		0.75	0.61	0.69	0.55

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

For the years ended 31 December 2012 and 2011

Consolidated										
	Notes	Owners of the paren							Non-controlling interests (Baht)	Total Shareholders' equity (Baht)
		Issued and paid-up share capital (Baht)	Premium on share capital (Baht)	Retained earnings		Other components of shareholders' equity				
						Other comprehensive income	Total component of equity (Baht)	Total owners of the parent (Baht)		
				Appropriated – legal reserve (Baht)	Unappropriated (Baht)					
Opening balance as at 1 January 2011		1,663,725,149	2,138,522,279	166,500,000	2,537,192,760	38,549,670	38,549,670	6,544,489,858	2,785,097	6,547,274,955
Comprehensive income for the year		-	-	-	1,007,548,762	(3,397,523)	(3,397,523)	1,004,151,239	474,200	1,004,625,439
Dividend paid	30	-	-	-	(615,559,435)	-	-	(615,559,435)	(140,019)	(615,699,454)
Closing balance as at 31 December 2011		1,663,725,149	2,138,522,279	166,500,000	2,929,182,087	35,152,147	35,152,147	6,933,081,662	3,119,278	6,936,200,940
Opening balance as at 1 January 2012		1,663,725,149	2,138,522,279	166,500,000	2,929,182,087	35,152,147	35,152,147	6,933,081,662	3,119,278	6,936,200,940
Investment in subsidiary		-	-	-	-	-	-	-	112,500	112,500
Comprehensive income for the year		-	-	-	1,239,741,859	-	-	1,239,741,859	429,671	1,240,171,530
- Net profit for the year		-	-	-	(20,650,154)	(3,397,523)	(3,397,523)	(24,047,677)	-	(24,047,677)
- Other comprehensive expense		-	-	-	1,219,091,705	(3,397,523)	(3,397,523)	1,215,694,182	429,671	1,216,123,855
Comprehensive income for the year		-	-	-	(831,837,075)	-	-	(831,837,075)	(140,019)	(831,977,094)
Dividend paid	30	-	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2012		1,663,725,149	2,138,522,279	166,500,000	3,316,436,717	31,754,624	31,754,624	7,316,938,769	3,521,430	7,320,460,199

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

Statements of Changes in Shareholders' Equity (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

For the years ended 31 December 2012 and 2011

	Note	Company					
		Other components of shareholders' equity					
		Issued and paid-up share capital (Baht)	Premium on share capital (Baht)	Retained earnings		Other comprehensive income	Total other component of equity (Baht)
				Appropriated - legal reserve (Baht)	Unappropriated (Baht)	Assets transferred from customers-net (Baht)	Total Shareholders' equity (Baht)
Opening balance as at 1 January 2011		1,663,725,149	2,138,522,279	166,500,000	2,206,047,747	38,549,670	6,213,344,845
Comprehensive income for the year		-	-	-	908,704,337	(3,397,523)	905,306,814
Dividend paid	30	-	-	-	(615,559,435)	-	(615,559,435)
Closing balance as at 31 December 2011		1,663,725,149	2,138,522,279	166,500,000	2,499,192,649	35,152,147	6,503,092,224
Opening balance as at 1 January 2012		1,663,725,149	2,138,522,279	166,500,000	2,499,192,649	35,152,147	6,503,092,224
Comprehensive income for the year		-	-	-	1,146,847,178	-	1,146,847,178
- Net profit for the year		-	-	-	(17,887,377)	(3,397,523)	(21,284,900)
- Other comprehensive expense		-	-	-	1,128,959,801	(3,397,523)	1,125,562,278
Comprehensive income for the year		-	-	-	(831,837,074)	-	(831,837,074)
Dividend paid	30	-	-	-	-	-	-
Closing balance as at 31 December 2012		1,663,725,149	2,138,522,279	166,500,000	2,796,315,376	31,754,624	6,796,817,428

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

Statements of Cash Flows

Eastern Water Resources Development and Management Public Company Limited

For the years ended 31 December 2012 and 2011

		Consolidated		Company	
	Notes	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Cash flows from operating activities					
Profit before income tax		1,604,731,256	1,432,717,251	1,465,071,276	1,292,306,722
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities					
Losses on impairment of investment		4,110,000	552,154	-	272,154
Reversal of allowance for diminution in value of inventories		-	(2,198,695)	-	(2,198,695)
Allowance for doubtful accounts (reversal)		(300,000)	915,153	(300,000)	915,153
Depreciation	13, 14, 15	312,952,468	320,645,485	263,782,243	269,049,223
Amortisation of deferred concession rights acquisition costs	16	28,595,709	27,017,004	-	-
Amortisation of rights	17	11,886,226	8,348,738	3,537,488	-
Income from amortisation of assets transferred from customers		(3,397,523)	(3,397,523)	(3,397,523)	(3,397,523)
Losses on disposals/written off of fixed assets		34,278,347	4,619,303	34,386,390	4,547,338
Losses on written off of assets under concession contracts		-	143,994	-	-
Employee benefit obligations		(1,385,662)	7,983,486	(1,425,784)	3,733,763
Dividend income	31	(25,094,458)	(18,245,535)	(72,269,458)	(43,388,533)
Interest income	31	(8,292,470)	(12,352,781)	(3,056,401)	(8,733,888)
Interest expenses and amortisation of deferred interest under finance lease agreements		88,195,250	76,951,308	61,804,746	51,036,155
Income from operating activities before changes in operating assets and liabilities					
		2,046,279,143	1,843,699,342	1,748,132,977	1,564,141,869
(Increase) decrease in operating assets					
Trade and other receivables		(56,079,921)	(43,442,196)	(42,993,529)	(57,806,192)
Water loss treatment service income receivable - related party		2,454,408	6,479,385	-	-
Inventories		133,088	1,680,416	-	-
Other current assets		15,969,701	(17,205,807)	21,836,380	(22,890,595)
Other non-current		(7,270,257)	(1,865,753)	-	3,443,423
Increase (decrease) in operating liabilities					
Trade accounts payable		51,896,252	(31,891,544)	20,442,540	32,884,838
Accrued expenses		26,420,634	(36,500,563)	20,417,842	(16,093,937)
Other current liabilities		10,028,767	3,325,074	13,815,779	2,614,079
Other non-current liabilities		31,442,676	44,635,429	27,964,234	43,801,663
Cash provided by operating activities		2,121,274,491	1,768,913,783	1,809,616,223	1,550,095,148
Interest paid		(77,529,370)	(76,809,071)	(51,177,369)	(50,938,920)
Income tax paid		(408,534,351)	(363,508,201)	(355,855,284)	(312,850,139)
Net cash provided by operating activities		1,635,210,770	1,328,596,511	1,402,583,570	1,186,306,089

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

Statements of Cash Flows (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

For the years ended 31 December 2012 and 2011

		Consolidated		Company	
	Notes	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Cash flows from investing activities					
Purchase of short-term investments	7	(51,307,798)	(95,000,000)	-	(50,000,000)
Proceeds from redeem short-term investments	7	50,000,000	-	50,000,000	-
Purchase of non-current assets held for sale		-	(122,090)	-	-
Restricted bank deposits		-	2,076,000	-	2,076,000
Dividend received from a subsidiary and a related party		25,094,458	18,245,535	72,269,455	43,388,533
Interest received		8,067,234	11,899,533	2,960,283	8,832,502
Advance construction payment		(366,527,959)	(152,636,136)	(361,631,284)	(152,636,136)
Purchases of investment property		(3,750)	(317,849)	(4,291)	(346,110)
Proceeds from disposals of property, plant and equipment		651,870	215,221	-	161,100
Purchases of property, plant and equipment		(1,561,622,832)	(1,058,003,556)	(1,354,164,883)	(1,036,628,687)
Purchase of assets under concession contracts		(39,919,108)	(86,816,904)	-	-
Purchase of deferred concession rights acquisition costs		(18,374,477)	(30,817,754)	-	-
Purchase of intangible assets		(3,075,508)	(19,229,750)	(3,075,508)	(19,229,750)
Net cash used in investing activities		(1,957,017,870)	(1,410,507,750)	(1,593,646,228)	(1,204,382,548)
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		388,000,000	33,000,000	200,000,000	-
Payment on short-term loans from financial institutions		(310,000,000)	(552,587,913)	(200,000,000)	(552,587,913)
Proceeds from long-term loans from financial institutions	23	2,339,970,694	1,488,000,000	1,780,000,000	1,235,000,000
Payment on long-term loans from financial institutions	23	(1,092,020,466)	(547,792,060)	(568,500,000)	(266,500,000)
Payment on liabilities under finance lease agreements		(2,234,915)	(2,418,545)	(2,234,915)	(2,418,545)
Interest paid for fund borrowed specifically to acquire qualifying assets		(60,261,410)	(35,058,957)	(60,261,410)	(35,058,957)
Dividends paid to Group’s shareholders	30	(831,863,197)	(615,425,972)	(831,723,178)	(615,285,953)
Net cash provided by (used in) financing activities		431,590,706	(232,283,447)	317,280,497	(236,851,368)
Net increase (decrease) in cash and cash equivalents		109,783,606	(314,194,686)	126,217,839	(254,927,827)
Cash and cash equivalents at beginning of the year		128,689,638	442,884,324	73,442,207	328,370,034
Cash and cash equivalents at ending of the year		6	238,473,244	128,689,638	199,660,046
Supplemental cash flow information					
Non-cash related transactions:					
Net increase in acquisition assets on credit		(145,133,614)	32,808,214	(160,992,089)	47,538,024
Reclassification property, plant and equipment to assets held for sale (reversal)		(1,390,028)	1,267,938	(1,390,028)	-
Reclassification assets under concession contracts to assets held for sale (reversal)		(33,267,474)	33,547,474	(33,267,474)	-

The accompanying notes on pages 60 to 122 are an integral part of the financial statements.

Notes to consolidated and company financial statements

Eastern Water Resources Development and Management Public Company Limited

For the years ended 31 December 2012 and 2011

1 General information

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

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

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

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

These consolidated and company financial statements were authorised by the Board of Directors on 27 February 2013.

2 Accounting policies

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

2.1 Basis of preparation of financial statements

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

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

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

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

2 Accounting policies (Cont'd)

The consolidated financial statements include the financial statements for the years ended 31 December 2012 and 2011 of the Company and the following subsidiaries:

Company's name	Nature of business	Country of incorporation	Percentage of Shareholding		
			2012 (%)	2011 (%)	
<u>Subsidiaries held directly by the Company</u>					
Universal Utilities Company Limited	Production and supply of tap water, water loss treatment and investment in three tap water supply companies	Thailand	100	100	
EW Utilities Company Limited	Water transportation by pipeline	Thailand	100	-	
EW Water Balance (Chonburi) Company Limited	Water transportation by pipeline	Thailand	100	-	
EW Smart Water (Rayong) Company Limited	Produce and supply of industrial	Thailand	100	-	
Samet Utilities Company Limited	Produce tap water from sea water	Thailand	55	-	
<u>Subsidiaries held by Universal Utilities Company Limited</u>					
Chachoengsao Water Supply Company Limited	Production and supply of tap water	Thailand	99	99	
Bangpakong Water Supply Company Limited	Production and supply of tap water	Thailand	99	99	
Nakornsawan Water Supply Company Limited	Production and supply of tap water	Thailand	100	100	

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

- a) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards that are not yet effective but have been early adopted by the Group

Effective for the periods beginning on or after 1 January 2013

TAS 12 Income taxes

TAS 12 deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements. The Group has early adopted TAS 12 since 1 January 2011.

- b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards that are not yet effective and have not been early adopted by the Group

Effective for the periods beginning on or after 1 January 2013

TAS 20 Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (Revised 2009) The Effects of Changes in Foreign Exchange Rates

TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The accounting standards that are impacted to the Group:

TFRS 8 requires a management approach under which segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision makers. The new standard will have an impact on disclosure.

The accounting standards that are not impacted to the Group:

TAS 20 applies in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance. Government grants are recognised when there is reasonable assurance that the entity will comply with conditions related to them and that the grants will be received. Grants related to income are recognised in profit or loss over periods necessary to match them with the related costs that they are intended to compensate. Grants related to assets are either offset against the carrying amount of the relevant asset or presented as deferred income in the statement of financial position.

TAS 21 (revised 2009) requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Currency other than functional currency of an entity is foreign currency. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The standard permits the presentation currency of a reporting entity to be any currencies. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income.

TSIC 10 clarifies on TAS 20 that government assistance to entities meets the definition of government grants in TAS 20, even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Such grants shall therefore not be credited directly to shareholders' interests.

TSIC 21 clarifies that deferred tax liability or asset that arises from the revaluation of a non-depreciable asset in accordance with TAS 16 shall be measured on the basis of the tax consequences that would follow from recovery of the carry amount of that asset through sale, regardless of the basis of measuring the carrying amount of that asset.

TSIC 25 clarifies that a change in the tax status of an entity or its shareholders does not give rise to increases or decreases in amounts recognised outside profit or loss. The current and deferred tax consequences of a change in tax status shall be included in profit or loss for the period unless those consequences related to transactions and events that result, in the same or different period, in a direct credit or charge to the recognised amount of equity or in amounts recognised in other comprehensive income. Those tax consequences shall be charged directly to equity or other comprehensive income, respectively.

2 Accounting policies (Cont'd)

Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The accounting standards that are impacted to the Group:

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of applying this interpretation.

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

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

The accounting standards that are not impacted to the Group:

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values.

2.3 Group Accounting - Investment in subsidiaries

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

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

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

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

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

A list of the Group's principal subsidiaries is set out in Note 11.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss.

2.5 Cash and cash equivalents

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

2.6 Trade accounts receivable/water loss treatment service income receivable

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

2.7 Inventories

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

2 Accounting policies (Cont'd)

2.8 Investments

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

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (4) Investments in non-marketable equity securities are classified as general investments.

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

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

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

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

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

2.9 Non-current assets held-for-sale

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

2.10 Investment property

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

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction

is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

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

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

Building	20 and 35 years
Building improvement	10 years

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

2.11 Property, plant and equipment

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

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

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

Since 1 January 2011, the Group has depreciated the significant component of each item separately and changed accounting estimate by reviewing useful lives of property, plant and equipment as the following:

	Before 2011	Since 1 January 2011
Pumping plants	33 years	20, 35 years
Building	10, 20, 25 years	10, 20, 35 years
Leasehold and building improvements	5, 10 years	5, 10 years but not more than leased term
Machinery and equipment		
- Water pool, Pipeline and related equipment	10, 20, 40 years	40 years
- Water pump	10 years	30 years
- SCADA, Fiber Optic	5, 10 years	5, 15 years
- Other machineries and equipment	5, 10 years	5, 10 years
Office equipment	3, 5 years	3, 5 years
Vehicles	5 years	5 years

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

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

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

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

2.12 Assets under concession contracts

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

2.13 Deferred concession rights acquisition costs

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

2.14 Intangible assets

2.14.1 Rights to operate the businesses under concession

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

2.14.2 Computer software

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

2.15 Impairment of assets

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

2.16 Current and deferred income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

2.17 Borrowings

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

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

2.18 Leases

Where a Group company is the lessee

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

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

Where a Group company is the lessor

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

2.19 Employee Benefits

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

2.19.1 Post-employment benefits

- **Defined contribution plan**

Provident fund

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

- **Defined benefit plan**

Retirement benefit

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

In 2012, the Group change recognition method of gain and loss from actuarial estimation for employee benefit from recognition in profit and loss by using straight line method over average of remaining service years of employees in the plan to recognise immediately in other comprehensive income. This made financial statement better reflect the Group's total obligation. The changing has no impact to previously presented financial statements because it is the first time in 2012 to recognise this transaction.

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

2.19.2 Other long-term benefits

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

2.20 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

2.21 Revenue recognition

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

(a) Sales

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

(b) Rental and service income

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

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

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

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

(d) Interest and dividend income

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

(e) Other income

Other income is recognised on an accrual basis.

2 Accounting policies (Cont'd)

2.22 Dividends distribution

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

2.23 Segment reporting

Segment information is presented by business segment of the Group's operations.

3 Critical accounting estimates, judgments and assumptions

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

3.1 Value in use

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

3.2 Leases

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

3.3 Allowance for doubtful accounts

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

3.4 Property plant and equipment/Depreciation

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

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

3.5 Employee Benefits

The present value of defined benefit obligations and other long-term benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in

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

The key assumptions for defined benefit obligations and other long-term benefits are based in part on current market conditions is disclosed in Note 25.

3.6 Provision and contingent liabilities

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

3.7 Significant uncertainty

In addition, the Group has an uncertainty regarding to a deal for the Company to rent/manage the 2 pipeline connecting projects which disclosed the information in Note 38. Based on the Group's management judgement, the projected compensation was recorded in financial statements using the best estimation of compensation rate computing from the current information.

3.8 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments. The critical fair value estimation of financial instruments is long-term loans from financial institutions. The Group estimates the fair value by calculating the present value of future principal and interest payment using the market interest rate for discounting

4 Capital risk management

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

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

5 Segment information

The principal business operations of the Group are 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 business segment information for the years ended 31 December 2012 and 2011 are summarised as follows:

5 Segment information (Cont'd)

5.1 Operating results by business segment

	Consolidated						
	2012						
	Sales		Service income			Elimination (Baht'000)	Total (Baht'000)
	Supply of raw water business (Baht'000)	Supply of tap water business (Baht'000)	Waterworks management business (Baht'000)	Engineering services (Baht'000)	Others (Baht'000)		
Revenue							
Revenue from third parties	2,612,221	841,602	60,193	94,890	68,505	-	3,677,411
Revenue from inter-segment	149,384	-	285,824	-	4,743	(439,951)	-
Total revenue	2,761,605	841,602	346,017	94,890	73,248	(439,951)	3,677,411
Cost of sales and services	(931,581)	(569,378)	(319,209)	(92,170)	(66,277)	439,437	(1,539,178)
Operating profit							
Segment operating profit	1,830,024	272,224	26,808	2,720	6,971	(514)	2,138,233
Unallocated revenue and Expenses							
Other income							48,538
Selling expenses							(53,018)
Administrative expenses and other expenses							(439,031)
Finance costs							(89,991)
Income tax							(364,560)
Net profit							1,240,171

	Consolidated						
	2011						
	Sales		Service income			Elimination (Baht'000)	Total (Baht'000)
	Supply of raw water business (Baht'000)	Supply of tap water business (Baht'000)	Waterworks management business (Baht'000)	Engineering services (Baht'000)	Others (Baht'000)		
Revenue							
Revenue from third parties	2,261,016	765,849	58,834	102,180	62,504	-	3,250,383
Revenue from inter-segment	120,752	-	245,482	-	4,090	(370,324)	-
Total revenue	2,381,768	765,849	304,316	102,180	66,594	(370,324)	3,250,383
Cost of sales and services	(811,953)	(521,256)	(282,691)	(91,673)	(59,488)	369,836	(1,397,225)
Operating profit							
Segment operating profit	1,569,815	244,593	21,625	10,507	7,106	(488)	1,853,158
Unallocated revenue and expenses							
Other income							59,652
Selling expenses							(31,785)
Administrative expenses and other expenses							(369,832)
Finance costs							(78,476)
Income tax							(424,694)
Net profit							1,008,023

5 Segment information (Cont'd)

5.2 Asset information by business segment

	Consolidated						
	2012						
	Raw water distribution business (Baht'000)	Tap water distribution business (Baht'000)	Waterworks management business (Baht'000)	Engineering services (Baht'000)	Unallocated assets and others (Baht'000)	Elimination (Baht'000)	Total (Baht'000)
Trade and other receivables	285,291	170,398	49,490	7,438	28,932	(67,587)	473,962
Water loss treatment service income receivable	-	-	-	7,679	-	-	7,679
Inventories	-	2,907	2,706	2,132	-	-	7,745
Investment property - net	-	-	-	-	208,382	-	208,382
Property, plant and equipment - net	8,745,545	220,609	158,263	218	418,131	-	9,542,766
Assets under concession contracts - net	-	243,318	248,444	-	-	-	491,762
Deferred concession rights acquisition costs - net	-	422,702	109,090	-	-	-	531,792
Intangible asset - net	-	127,202	-	-	33,561	-	160,763
Other non-current assets	514,348	6,445	-	-	34,710	(62)	555,441
Unallocated assets and others	-	-	-	-	969,746	(509,953)	459,793
Total assets	9,545,184	1,193,581	567,993	17,467	1,693,462	(577,602)	12,440,085

	Consolidated						
	2011						
	Raw water distribution business (Baht'000)	Tap water distribution business (Baht'000)	Waterworks management business (Baht'000)	Engineering services (Baht'000)	Unallocated assets and others (Baht'000)	Elimination (Baht'000)	Total (Baht'000)
Trade and other receivables	216,849	187,465	63,227	6,147	20,129	(76,234)	417,583
Water loss treatment service income receivable	-	-	-	10,133	-	-	10,133
Inventories	-	3,212	2,454	2,212	-	-	7,878
Non-current assets classified as held-for-sale, net	-	-	34,658	-	-	-	34,658
Investment property - net	-	-	-	-	217,160	-	217,160
Property, plant and equipment - net	7,872,135	6,861	161,215	298	332,202	-	8,372,711
Assets under concession contracts - net	-	241,859	214,146	-	-	-	456,005
Deferred concession rights acquisition costs - net	-	426,681	115,093	-	-	-	541,774
Intangible asset - net	-	135,550	-	-	34,023	-	169,573
Other non-current assets	152,636	-	-	-	26,304	-	178,940
Unallocated assets and others	-	-	-	-	878,635	(510,810)	367,825
Total assets	8,241,620	1,001,628	590,793	18,790	1,508,453	(587,044)	10,774,240

5 Segment information (Cont'd)

5.3 Sales of raw water by distribution networks

5.3.1 Sales volume of raw water classified by distribution networks

	Company			
	2012		2011	
	Sales Volume (Cubic Meters'000)	Sales (Baht'000)	Sales Volume (Cubic Meters'000)	Sales (Baht'000)
Nong Pla Lai - Map Ta Pud Network	81,916	812,134	86,171	791,915
Dok Krai - Map Ta Pud Network	95,266	942,670	85,058	782,024
Chachoengsao - Chonburi Network	78,979	783,514	69,742	620,812
Nong Pla Lai - Nong Khor Network	22,526	223,287	20,583	187,017
Total	278,687	2,761,605	261,554	2,381,768

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

	Company	
	2012 (Baht'000)	2011 (Baht'000)
Nong Khor - Laem Chabang Network 1	603,263	461,752
Nong Khor - Laem Chabang Network 2	155,816	138,234
Chachoengsao Network	24,435	20,826
Total	783,514	620,812

5.3.2 Proportion of raw water sold to end users

	Company	
	2012 (%)	2011 (%)
Industrial Estates	53	52
Waterworks Authority	32	31
Factories	15	17
Total	100	100

6 Cash and cash equivalents

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Cash on hand	510,849	625,000	55,849	180,000
Deposits with banks - current accounts	37,000	64,154	34,000	34,000
- saving accounts	107,923,665	72,998,798	69,568,467	18,226,521
- fixed accounts	1,730	1,686	1,730	1,686
Securities under repurchase agreement	130,000,000	55,000,000	130,000,000	55,000,000
	<u>238,473,244</u>	<u>128,689,638</u>	<u>199,660,046</u>	<u>73,442,207</u>

As at 31 December 2012, the interest rate on saving deposits with banks was 0.125% - 2.25% per annum (2011: 0.50% - 0.875% per annum). The fixed deposits with banks have maturity date within 3 months and interest rate at 1.75% per annum (2011: 1.75% per annum). The securities under repurchase agreement have maturity date within 1 month and interest rate at 2.70% per annum (2011: 3.20% - 3.21% per annum).

7 Temporary investments

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Opening net book amount	95,000,000	-	50,000,000	-
Additions during the year	51,307,798	95,000,000	-	50,000,000
Redeem during the year	(50,000,000)	-	(50,000,000)	-
Closing net book amount	<u>96,307,798</u>	<u>95,000,000</u>	<u>-</u>	<u>50,000,000</u>

As at 31 December 2012, the Company and subsidiary have temporary investments from fixed deposits with financial institutions that have maturity date more than 3 months but within 1 year and interest rate of 2.27% - 2.60% per annum.

8 Trade and other receivables

The detail of trade and other receivables as at 31 December 2012 and 2011 is as follows:

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Trade receivables	387,867,056	363,707,415	316,222,504	279,939,061
Receivables from others	65,242,868	35,922,071	7,558,962	2,326,093
Prepayments	18,815,040	13,685,237	15,629,292	10,941,223
Others	2,037,542	4,267,863	1,356,566	4,267,417
	<u>473,962,507</u>	<u>417,582,586</u>	<u>340,767,324</u>	<u>297,473,794</u>

8 Trade and other receivables (Cont'd)

As at 31 December 2012, receivable from other in the consolidated financial statements included accounts receivable between a subsidiary and a private company totaling Baht 50.8 million (2011: Baht 35.3 million), which related to the compensation and fine for the delayed construction of a tap water production system and the supply of water to the Provincial Waterworks Authority below the minimum requirement in accordance with sale and purchase agreement for tap water for Chonburi Province with the Provincial Waterworks Authority. This balance also included any support of the subsidiary to help the private company to produce tap water to meet the minimum requirement for Provincial Waterworks Authority. In the past, the subsidiary could off-set this accounts receivable balance with tap water cost that the subsidiary purchased on a monthly basis from the private company. However, the subsidiary terminated tap water purchase and sales agreement on 28 December 2012. The subsidiary has plan to enter into a raw water purchase and sales agreement with the private company, therefore, the subsidiary could off-set this remaining accounts receivable balance with the raw water purchasing from the private company.

The detail of trade account receivables as at 31 December 2012 and 2011 is as follows:

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Trade accounts receivable - billed				
- Third parties	105,937,462	95,793,479	105,576,325	95,338,834
- Related parties (Note 35.2)	196,534,906	192,027,058	205,859,695	180,444,876
Total trade account receivable - billed	302,472,368	287,820,537	311,436,020	275,783,710
Unbilled receivables				
- Third parties	298,214	257,227	-	-
- Related parties (Note 35.2)	85,096,474	75,629,651	4,786,484	4,155,351
Total unbilled receivables	85,394,688	75,886,878	4,786,484	4,155,351
	387,867,056	363,707,415	316,222,504	279,939,061

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Within credit term	257,648,508	268,141,915	266,634,347	246,688,068
Overdue below 3 months	15,827,122	19,583,669	15,827,510	29,008,784
Overdue 3 - 6 months	15,054,596	523,634	15,032,021	515,539
Overdue 6 - 12 months	14,557,295	486,472	14,557,295	486,472
	303,387,521	288,735,690	312,051,173	276,698,863
Less Allowance for doubtful accounts	(615,153)	(915,153)	(615,153)	(915,153)
	302,472,368	287,820,537	311,436,020	275,783,710

9 Inventories

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Raw materials and supplies	7,745,450	7,878,538	-	-
	<u>7,745,450</u>	<u>7,878,538</u>	<u>-</u>	<u>-</u>

10 Non-current assets held for sale

On 23 June 2011, the Group's management approved the sale of property, plant and equipment and assets under concession contracts for Kho Lan and Kho Srichang tap water projects of the subsidiary to two private companies for Baht 30.0 million and Baht 5.0 million, respectively, total amount of Baht 35.0 million. As a result, the subsidiary presented those assets which had a net book value of Baht 34.7 million as non-current assets held for sale. The sale required the approval of Local Administration and Department of Water Resources, the Ministry of Natural Resources and Environment. While waiting for approval, the subsidiary was informed in writing on 29 May 2012 that the prospective buyer was cancelling the purchase of the assets. The Company then notified the Department of Water Resources to cancel the transfer of assets under concession contracts. On 28 June 2012, the Department of Water Resources returned the document related to the transfer of assets under concession contracts to the Company. For the assets at Koh Lan; the Subsidiary was also informed that the buyer changed business plan and was no longer interested in purchasing the assets. Since second quarter of 2012, the subsidiary has reclassified such assets from assets held for sale to property, plant and equipment or assets under concession contracts.

Details of non-current assets held for sale are as follows:

	Consolidated (Baht)
As at 1 January 2012	
Cost	79,716,435
Less Accumulate depreciation	(26,588,933)
Less Allowance for impairment	(18,470,000)
Net book value	<u>34,657,502</u>
For the year ended 31 December 2012	
Opening net book amount	34,657,502
Reclassify to property, plant and equipment and assets under concession contracts	(34,657,502)
Closing net book amount	<u>-</u>
As at 31 December 2012	
Cost	-
Less Accumulate depreciation	-
Less Allowance for impairment	-
Net book value	<u>-</u>

11 Investments in subsidiaries

As at 31 December 2012 and 2011, investments in subsidiaries which present in the separate financial statements are as follows:

Company's name	Nature of business	Country of incorporation	Company							
			Paid-up share capital		Ownership interest		Investment value		Dividends income	
			2012 (Million Baht)	2011 (Million Baht)	2012 (%)	2011 (%)	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Universal Utilities Company Limited	Produce and Supply of tap water	Thailand	510	510	100	100	510,000,000	510,000,000	47,174,994	25,142,998
EW Utilities Company Limited	Water transportation by pipeline	Thailand	0.25	-	100	-	250,000	-	-	-
EW Water Balance (Chonburi) Company Limited	Water transportation by pipeline	Thailand	0.25	-	100	-	250,000	-	-	-
EW Smart Water (Rayong) Company Limited	Produce and supply of industrial water	Thailand	0.25	-	100	-	250,000	-	-	-
Samet Utilities Company Limited	Produce tap water from sea water	Thailand	0.25	-	55	-	137,500	-	-	-
Total investment in subsidiaries							510,887,500	510,000,000	47,174,994	25,142,998

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

On 2 October 2012, the Company had cooperated with a Provincial Administrative Organisation to established Samet Utilities Company Limited to produce tap water from sea water by Reverse Osmosis (RO) system. The Company invested in 110,000 registered ordinary shares with par value of Baht 5 per share, or 55% of investment. The shares were called for paid up at 25% totalling to Baht 137,500. Currently, this company have not operated yet.

Universal Utilities Company Limited have approved dividend payments as follows:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
2012				
Dividend for the year 2011	Annual General meeting of the shareholders on 30 March 2012	25.14	0.493	2 July 2012
Interim dividend on operating results for six-month period ended 30 June 2012	Board of Director's meeting on 21 September 2012	22.03	0.432	28 December 2012
		<u>47.17</u>		

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
2011				
Dividend for the year 2010	Annual General meeting of the shareholders on 30 March 2011	12.90	0.253	30 September 2011
Interim dividend on operating results for six-month period ended 30 June 2011	Board of Director's meeting on 27 September 2011	12.24	0.24	31 December 2011
		<u>25.14</u>		

12 Other long-term investments

	Consolidated and Company					
	Number of shares		Ownership interest		Investment value	
	2012 (Shares)	2011 (Shares)	2012 (%)	2011 (%)	2012 (Baht)	2011 (Baht)
Opening net book amount	5,479,140	5,479,140	15.88	15.88	91,470,300	91,470,300
Additions	-	-	-	-	-	-
Closing net book amount	<u>5,479,140</u>	<u>5,479,140</u>	<u>15.88</u>	<u>15.88</u>	<u>91,470,300</u>	<u>91,470,300</u>

As at 31 December 2012 and 2011, the Company has long-term general investments which are investments in non-marketable equity security as follows:

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Long-term investments				
General investments				
- Egcom Tara Company Limited	91,470,300	91,470,300	91,470,300	91,470,300
Total long-term investments	<u>91,470,300</u>	<u>91,470,300</u>	<u>91,470,300</u>	<u>91,470,300</u>

Egcom Tara Company Limited

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

In 2012, Egcom Tara Company Limited paid dividend to the Company amount of Baht 25.1 million (2011: Baht 18.2 million).

13 Investment property – net

	Consolidated		
	Land (Baht)	Building and building improvement (Baht)	Total (Baht)
At 1 January 2011			
Cost	23,840,000	234,723,055	258,563,055
<u>Less</u> Accumulated depreciation	-	(28,097,256)	(28,097,256)
Net book amount	<u>23,840,000</u>	<u>206,625,799</u>	<u>230,465,799</u>
For the year ended 31 December 2011			
Opening net book amount	23,840,000	206,625,799	230,465,799
Additions	-	379,688	379,688
Reclassification	(4,840,000)	-	(4,840,000)
Write-off, net	-	(61,839)	(61,839)
Depreciation charge	-	(8,783,509)	(8,783,509)
Closing net book amount	<u>19,000,000</u>	<u>198,160,139</u>	<u>217,160,139</u>
At 31 December 2011			
Cost	19,000,000	235,040,904	254,040,904
<u>Less</u> Accumulated depreciation	-	(36,880,765)	(36,880,765)
Net book amount	<u>19,000,000</u>	<u>198,160,139</u>	<u>217,160,139</u>
For the year ended 31 December 2012			
Opening net book amount	19,000,000	198,160,139	217,160,139
Additions	-	3,750	3,750
Reclassification	-	37,680	37,680
Depreciation charge	-	(8,819,818)	(8,819,818)
Closing net book amount	<u>19,000,000</u>	<u>189,381,751</u>	<u>208,381,751</u>
At 31 December 2012			
Cost	19,000,000	235,075,742	254,075,742
<u>Less</u> Accumulated depreciation	-	(45,693,991)	(45,693,991)
Net book amount	<u>19,000,000</u>	<u>189,381,751</u>	<u>208,381,751</u>
Fair value	<u>15,200,000</u>	<u>207,180,000</u>	<u>222,380,000</u>

Depreciation expense of Baht 8.8 million (2011: Baht 8.8 million) was included in cost of rental and service.

	Company		
	Land (Baht)	Building and building improvement (Baht)	Total (Baht)
At 1 January 2011			
Cost	23,840,000	250,934,594	274,774,594
<u>Less</u> Accumulated depreciation	-	(30,037,841)	(30,037,841)
Net book amount	<u>23,840,000</u>	<u>220,896,753</u>	<u>244,736,753</u>

13 Investment property - net (Cont'd)

	Company		
	Land (Baht)	Building and building improvement (Baht)	Total (Baht)
For the year ended 31 December 2011			
Opening net book amount	23,840,000	220,896,753	244,736,753
Additions	-	405,911	405,911
Reclassification	(4,840,000)	-	(4,840,000)
Write-off, net	-	(66,108)	(66,108)
Depreciation charge	-	(9,390,156)	(9,390,156)
Closing net book amount	19,000,000	211,846,400	230,846,400
At 31 December 2011			
Cost	19,000,000	251,274,397	270,274,397
Less Accumulated depreciation	-	(39,427,997)	(39,427,997)
Net book amount	19,000,000	211,846,400	230,846,400
For the year ended 31 December 2012			
Opening net book amount	19,000,000	211,846,400	230,846,400
Additions	-	4,009	4,009
Reclassification	-	40,282	40,282
Depreciation charge	-	(9,428,974)	(9,428,974)
Closing net book amount	19,000,000	202,461,717	221,461,717
At 31 December 2012			
Cost	19,000,000	251,311,640	270,311,640
Less Accumulated depreciation	-	(48,849,923)	(48,849,923)
Net book amount	19,000,000	202,461,717	221,461,717
Fair value	15,200,000	221,489,232	236,689,232

Depreciation expense of Baht 9.4 million (2011: Baht 9.4 million) was included in costs of rental and services.

The fair value of investment property was determined by independent appraiser at 22 August 2012.

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Rental and service income of building	58,012,961	57,221,146	62,745,418	62,030,710
Direct operating expense arise from investment property that generated rental income (Building and building improvement)	(55,794,546)	(50,346,959)	(55,794,546)	(50,346,959)
Direct operating expense arise from investment property that did not generate rental income (Land)	(267,772)	(112,595)	(267,772)	(112,595)
	1,950,643	6,761,592	6,683,100	11,571,156

14 Property, plant and equipment – net

	Consolidated								
	Land (Baht)	Pumping plants (Baht)	Buildings (Baht)	Leasehold and building improvement (Baht)	Machinery and equipment (Baht)	Office equipment (Baht)	Vehicles (Baht)	Construction in progress (Baht)	Total (Baht)
At 1 January 2011									
Cost	349,375,152	547,964,882	514,143,927	212,035,552	6,236,803,845	316,200,208	5,494,263	1,276,383,454	9,458,401,283
Less Accumulated depreciation	-	(131,104,175)	(106,354,301)	(70,000,831)	(1,374,596,639)	(234,745,684)	(3,775,409)	-	(1,920,577,039)
Net book amount	349,375,152	416,860,707	407,789,626	142,034,721	4,862,207,206	81,454,524	1,718,854	1,276,383,454	7,537,824,244
For the year ended 31 December 2011									
Opening net book amount	349,375,152	416,860,707	407,789,626	142,034,721	4,862,207,206	81,454,524	1,718,854	1,276,383,454	7,537,824,244
Additions	53,998,810	632,000	49,000	2,017,233	14,348,147	6,442,633	-	1,043,951,652	1,121,439,475
Transfer	191,312	10,774,749	145,649	15,530,970	102,935,336	570,187	-	(130,148,203)	-
Reclassification	4,840,000	-	-	-	(1,083,149)	(16,376)	-	-	3,740,475
Disposal/write-off, net	-	-	(82,684)	(9,471)	(3,416,951)	(70,820)	-	(874,053)	(4,453,979)
Reclassify to non-current assets held for sale	-	-	-	(200,712)	(965,259)	(101,965)	(2)	-	(1,267,938)
Depreciation charge	-	(15,968,822)	(19,787,827)	(18,992,031)	(182,984,159)	(45,231,297)	(1,607,262)	-	(284,571,398)
Closing net book amount	408,405,274	412,298,634	388,113,764	140,380,710	4,791,041,171	43,046,886	111,590	2,189,312,850	8,372,710,879
At 31 December 2011									
Cost	408,405,274	559,371,631	514,255,892	230,123,308	6,340,820,669	318,538,088	5,426,213	2,189,312,850	10,566,253,925
Less Accumulated depreciation	-	(147,072,997)	(126,142,128)	(89,742,598)	(1,549,779,498)	(275,491,202)	(5,314,623)	-	(2,193,543,046)
Net book amount	408,405,274	412,298,634	388,113,764	140,380,710	4,791,041,171	43,046,886	111,590	2,189,312,850	8,372,710,879
For the year ended 31 December 2012									
Opening net book amount	408,405,274	412,298,634	388,113,764	140,380,710	4,791,041,171	43,046,886	111,590	2,189,312,850	8,372,710,879
Additions	-	-	-	1,373,647	30,989,957	5,503,629	-	1,438,494,121	1,476,361,354
Transfer	47,032,527	130,827,794	2,871,250	22,088,870	1,710,997,065	22,585,411	-	(1,936,402,917)	-
Reclassification	-	-	(48,550)	108,061	682,759	(97,190)	-	-	645,080
Disposal/write-off, net	-	(525,831)	(1,160,197)	(455,699)	(35,320,251)	(112,243)	(4)	-	(37,574,225)
Reclassify to non-current assets held for sale	-	-	-	200,712	1,087,349	101,965	2	-	1,390,028
Depreciation charge	-	(18,555,010)	(19,897,984)	(19,615,611)	(187,774,092)	(24,846,515)	(77,383)	-	(270,766,595)
Closing net book amount	455,437,801	524,045,587	369,878,283	144,080,690	6,311,703,958	46,181,943	34,205	1,691,404,054	9,542,766,521
At 31 December 2012									
Cost	455,437,801	689,462,786	513,139,413	250,301,610	8,041,634,036	341,990,860	867,048	1,691,404,054	11,984,237,609
Less Accumulated depreciation	-	(165,417,199)	(143,261,130)	(106,220,920)	(1,729,930,078)	(295,808,917)	(832,843)	-	(2,441,471,088)
Net book amount	455,437,801	524,045,587	369,878,283	144,080,690	6,311,703,958	46,181,943	34,205	1,691,354,054	9,542,766,521

Depreciation expense total of Baht 270.8 million (2011: Baht 284.6 million) has been charged in cost of goods sold, Baht 240.7 million (2011: Baht 254.2 million) and in administrative expense, Baht 30.1 million (2011: Baht 30.4 million).

14 Property, plant and equipment – net (Cont'd)

	Company								
	Land (Baht)	Pumping plants (Baht)	Buildings (Baht)	Building improvement (Baht)	Machinery and equipment (Baht)	Office equipment (Baht)	Vehicles (Baht)	Construction in progress (Baht)	Total (Baht)
At 1 January 2011									
Cost	298,916,311	537,126,428	498,751,154	204,248,530	6,040,559,728	291,976,788	3,882,009	1,275,956,552	9,151,417,500
Less Accumulated depreciation	-	(127,026,678)	(104,603,925)	(66,256,442)	(1,296,633,155)	(217,115,720)	(2,410,085)	-	(1,814,046,005)
Net book amount	298,916,311	410,099,750	394,147,229	137,992,088	4,743,926,573	74,861,068	1,471,924	1,275,956,552	7,337,371,495
For the year ended 31 December 2011									
Opening net book amount	298,916,311	410,099,750	394,147,229	137,992,088	4,743,926,573	74,861,068	1,471,924	1,275,956,552	7,337,371,495
Additions	53,998,810	632,000	49,000	1,400,739	8,793,872	5,740,495	-	1,039,954,652	1,110,569,568
Transfer	-	10,774,749	145,649	12,923,933	101,865,570	14,400	-	(125,724,301)	-
Reclassification	4,840,000	-	-	-	-	-	-	-	4,840,000
Disposal/write-off, net	-	-	(78,414)	(9,471)	(3,412,079)	(32,293)	-	(874,053)	(4,406,310)
Depreciation charge	-	(15,739,034)	(19,263,869)	(17,988,416)	(163,195,019)	(42,112,391)	(1,360,338)	-	(259,659,067)
Closing net book amount	357,755,121	405,767,465	374,999,595	134,318,873	4,687,978,917	38,471,279	111,586	2,189,312,850	8,188,715,686
At 31 December 2011									
Cost	357,755,121	548,533,177	498,855,181	218,523,702	6,146,017,756	294,115,051	3,882,009	2,189,312,850	10,256,994,847
Less Accumulated depreciation	-	(142,765,712)	(123,855,586)	(84,204,829)	(1,458,038,839)	(255,643,772)	(3,770,423)	-	(2,068,279,161)
Net book amount	357,755,121	405,767,465	374,999,595	134,318,873	4,687,978,917	38,471,279	111,586	2,189,312,850	8,188,715,686
For the year ended 31 December 2012									
Opening net book amount	357,755,121	405,767,465	374,999,595	134,318,873	4,687,978,917	38,471,279	111,586	2,189,312,850	8,188,715,686
Additions	-	-	-	1,258,618	24,522,283	3,566,804	-	1,223,046,721	1,252,394,426
Transfer	47,032,527	130,678,394	2,871,250	21,863,870	1,709,372,065	22,585,411	-	(1,934,403,517)	-
Reclassification	-	-	(48,550)	105,458	-	(97,190)	-	-	(40,282)
Disposal/write-off, net	-	(525,831)	(1,160,197)	(414,251)	(34,911,201)	(71,755)	(2)	-	(37,083,237)
Depreciation charge	-	(18,322,924)	(19,374,023)	(18,697,593)	(175,390,962)	(22,490,384)	(77,383)	-	(254,353,269)
Closing net book amount	404,787,648	517,597,104	357,288,075	138,434,975	6,211,571,102	41,964,165	34,201	1,477,956,054	9,149,633,324
At 31 December 2012									
Cost	404,787,648	678,474,933	497,750,912	238,192,308	7,835,029,618	317,282,927	572,894	1,477,956,054	11,450,047,294
Less Accumulated depreciation	-	(160,877,829)	(140,462,837)	(99,757,333)	(1,623,458,516)	(275,318,762)	(538,693)	-	(2,300,413,970)
Net book amount	404,787,648	517,597,104	357,288,075	138,434,975	6,211,571,102	41,964,165	34,201	1,477,956,054	9,149,633,324

Depreciation expense total of Baht 254.3 million (2011: Baht 259.7 million) has been charged in cost of goods sold, Baht 226.0 million (2011: Baht 231.2 million) and in administrative expense, Baht 28.3 million (2011: Baht 28.5 million).

14 Property, plant and equipment – net (Cont'd)

As at 31 December 2012, the Group and the Company had motor vehicles and computer under financial lease agreements with net book value amounting to Baht 2.3 million and Baht 2.3 million, respectively (2011: Baht 4.7 million and Baht 4.7 million, respectively).

Borrowing costs of Baht 60.2 million (2011: Baht 35.1 million) arresting from financing specifically entered into a pipeline constructing project were capitalised during the year and are included in “Additions”.

15 Assets under concession contracts – net

	Consolidated		
	Assets under concession contracts (Baht)	Construction in progress (Baht)	Total (Baht)
At 1 January 2011			
Cost	547,240,021	41,676,161	588,916,182
<u>Less</u> Accumulated depreciation	(141,646,885)	-	(141,646,885)
<u>Less</u> Accumulated impairment	(18,190,000)	-	(18,190,000)
Net book amount	387,403,136	41,676,161	429,079,297
For the year ended 31 December 2011			
Opening net book amount	387,403,136	41,676,161	429,079,297
Additions	11,560,330	75,248,412	86,808,742
Transfer	76,562,000	(76,562,000)	-
Reclassification	1,099,525	-	1,099,525
Write-off, net	(143,994)	-	(143,994)
Reclassify to non-current assets held for sale	(33,547,474)	-	(33,547,474)
Depreciation charge	(27,290,578)	-	(27,290,578)
Closing net book amount	415,642,945	40,362,573	456,005,518
At 31 December 2011			
Cost	562,783,636	40,362,573	603,146,209
<u>Less</u> Accumulated depreciation	(147,140,691)	-	(147,140,691)
Net book amount	415,642,945	40,362,573	456,005,518
For the year ended 31 December 2012			
Opening net book amount	415,642,945	40,362,573	456,005,518
Additions	18,908,143	21,869,865	40,778,008
Transfer	53,127,219	(53,809,978)	(682,759)
Reclassify to non-current assets held for sale	33,267,474	-	33,267,474
Write-off, net	(129,792)	-	(129,792)
Impairment charge	(4,110,000)	-	(4,110,000)
Depreciation charge	(33,366,055)	-	(33,366,055)
Closing net book amount	483,339,934	8,422,460	491,762,394
At 31 December 2012			
Cost	707,734,599	8,422,460	716,157,059
<u>Less</u> Accumulated depreciation	(201,814,665)	-	(201,814,665)
<u>Less</u> Allowance impairment	(22,580,000)	-	(22,580,000)
Net book amount	483,339,934	8,422,460	491,762,394

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

Depreciation of Baht 33.4 million (2011: Baht 27.3 million) was included in the cost of sales-tap water and cost of services.

On 16 July 2012, Koh Srichang Municipality informed the Company in writing of the termination of its concession contract and requested the Company to transfer its tap water business to Koh Srichang Municipality because the quality of tap water did not meet standard of the Provincial Waterworks Authority as specified in the contract. On 27 July 2012, the Company sent a letter to Koh Srichang Municipality to defend the quality of its tap water as meeting the standard attached with the result of LAB quality testing. This matter is currently subject of dispute and has not yet been finalised. Net book value of assets under concession contracts used for conducting business related to tap water business in Koh Srichang on 31 December 2012 is Baht 2.4 million (cost is Baht 38.4 million) in consolidated financial statement.

16 Deferred concession rights acquisition costs – net

	Consolidated		
	Deferred concession rights acquisition costs (Baht)	Construction in progress (Baht)	Total (Baht)
At 1 January 2011			
Cost	635,594,276	10,857,344	646,451,620
Less Accumulated amortisation	(104,133,810)	-	(104,133,810)
Net book amount	531,460,466	10,857,344	542,317,810
For the year ended 31 December 2011			
Opening net book amount	531,460,466	10,857,344	542,317,810
Additions	-	26,472,946	26,472,946
Amortisation charge	(27,017,004)	-	(27,017,004)
Closing net book amount	504,443,462	37,330,290	541,773,752
At 31 December 2011			
Cost	635,594,276	37,330,290	672,924,566
Less Accumulated amortisation	(131,150,814)	-	(131,150,814)
Net book amount	504,443,462	37,330,290	541,773,752
For the year ended 31 December 2012			
Opening net book amount	504,443,462	37,330,290	541,773,752
Additions	-	18,614,435	18,614,435
Amortisation charge	(28,595,709)	-	(28,595,709)
Closing net book amount	475,847,753	55,944,725	531,792,478
At 31 December 2012			
Cost	635,594,276	55,944,725	691,539,001
Less Accumulated amortisation	(159,746,523)	-	(159,746,523)
Net book amount	475,847,753	55,944,725	531,792,478

Amortisation of Baht 28.6 million (2011: Baht 27.0 million) was included in the cost of sales-tap water and cost of services.

17 Intangible assets – net

	Consolidated		
	Rights to operate the business under concession (Baht)	Computer software (Baht)	Total (Baht)
At 1 January 2011			
Cost	201,205,413	-	201,205,413
Less Accumulated amortisation	(57,306,309)	-	(57,306,309)
Net book amount	143,899,104	-	143,899,104
For the year ended 31 December 2011			
Opening net book amount	143,899,104	-	143,899,104
Additions	-	34,022,500	34,022,500
Amortisation charge	(8,348,738)	-	(8,348,738)
Closing net book amount	135,550,366	34,022,500	169,572,866
At 31 December 2011			
Cost	201,205,413	34,022,500	235,227,913
Less Accumulated amortisation	(65,655,047)	-	(65,655,047)
Net book amount	135,550,366	34,022,500	169,572,866
For the year ended 31 December 2012			
Opening net book amount	135,550,366	34,022,500	169,572,866
Additions	-	3,075,508	3,075,508
Amortisation charge	(8,348,738)	(3,537,488)	(11,886,226)
Closing net book amount	127,201,628	33,560,520	160,762,148
At 31 December 2012			
Cost	201,205,413	37,098,008	238,303,421
Less Accumulated amortisation	(74,003,785)	(3,537,488)	(77,541,273)
Net book amount	127,201,628	33,560,520	160,762,148
Remaining amortisation periods			
31 December 2011	16 years 3 months	-	
31 December 2012	15 years 3 months	9 years 1 month	

Amortisation of Baht 11.9 million (2011: Baht 8.3 million) was included in the cost of goods sold Baht 8.3 million (2011: Baht 8.3 million) and administrative expenses Baht 3.6 million (2011: nil)

17 Intangible assets - net (Cont'd)

	Company
	Computer software (Baht)
At 1 January 2011	
Cost	-
Less Accumulated amortisation	-
Net book amount	-
For the year ended 31 December 2011	
Opening net book amount	-
Additions	34,022,500
Amortisation charge	-
Closing net book amount	34,022,500
At 31 December 2011	
Cost	34,022,500
Less Accumulated amortisation	-
Net book amount	34,022,500
For the year ended 31 December 2012	
Opening net book amount	34,022,500
Additions	3,075,508
Amortisation charge	(3,537,488)
Closing net book amount	33,560,520
At 31 December 2012	
Cost	37,098,008
Less Accumulated amortisation	(3,537,488)
Net book amount	33,560,520
Remaining amortisation periods	
31 December 2011	-
31 December 2012	9 years 1 month

Amortisation of Baht 3.5 million was included in the administrative expenses.

18 Deferred income tax

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	1,219,586	3,996,503	658,186	327,950
Deferred tax asset to be recovered after more than 12 months	20,585,434	19,066,100	11,470,359	12,554,127
	<u>21,805,020</u>	<u>23,062,603</u>	<u>12,128,545</u>	<u>12,882,077</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	1,669,669	1,381	-	-
Deferred tax liability to be recovered after more than 12 months	42,989,314	37,913,385	18,118,986	10,231,997
	<u>44,658,983</u>	<u>37,914,766</u>	<u>18,118,986</u>	<u>10,231,997</u>
Present in statement of financial position as following;				
Deferred tax assets	9,676,475	12,830,607	-	2,650,080
Deferred tax liabilities	<u>32,530,438</u>	<u>27,682,770</u>	<u>5,990,441</u>	<u>-</u>

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

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

	Consolidated					
	Allowance for doubtful accounts (Baht)	Depreciation- plant and equipment (Baht)	Impairment - assets (Baht)	Employee benefit (Baht)	Others (Baht)	Total (Baht)
Deferred tax assets						
As at 1 January 2011	7,017,785	625,984	5,457,000	16,641,074	872,135	30,613,978
Transaction recorded in profit or loss	(1,712,995)	(157,013)	(1,208,900)	(3,600,332)	(872,135)	(7,551,375)
As at 31 December 2011	5,304,790	468,971	4,248,100	13,040,742	-	23,062,603
Transaction recorded in profit or loss	(4,940,219)	(766,079)	(430,395)	(283,428)	-	(6,420,121)
Transaction recorded in other comprehensive income	-	-	-	5,162,538	-	5,162,538
As at 31 December 2012	<u>364,571</u>	<u>(297,108)</u>	<u>3,817,705</u>	<u>17,919,852</u>	<u>-</u>	<u>21,805,020</u>

18 Deferred income tax (Cont'd)

	Consolidated			
	Amortisation – intangible asset (Baht)	Liabilities under finance lease agreements (Baht)	Depreciation- plant and equipment (Baht)	Total (Baht)
Deferred tax liabilities				
As at 1 January 2011	43,169,731	115,196	-	43,284,927
Transaction recorded in profit or loss	(16,059,658)	(9,563)	10,699,060	(5,370,161)
As at 31 December 2011	27,110,073	105,633	10,699,060	37,914,766
Transaction recorded in profit or loss	(1,669,748)	(138,221)	8,552,186	6,744,217
As at 31 December 2012	25,440,325	(32,588)	19,251,246	44,658,983

	Company			
	Allowance for doubtful accounts (Baht)	Employee benefit (Baht)	Others (Baht)	Total (Baht)
Deferred tax asset				
As at 1 January 2011	7,017,785	9,730,251	858,160	17,606,196
Transaction recorded in profit or loss	(1,712,995)	(2,152,964)	(858,160)	(4,724,119)
As at 31 December 2011	5,304,790	7,577,287	-	12,882,077
Transaction recorded in profit or loss	(4,940,219)	(285,157)	-	(5,225,376)
Transaction recorded in other comprehensive income	-	4,471,844	-	4,471,844
As at 31 December 2012	364,571	11,763,974	-	12,128,545

	Company		
	Liabilities under finance lease agreements (Baht)	Depreciation-plant and equipment (Baht)	Total (Baht)
Deferred tax liabilities			
As at 1 January 2011	115,196	-	115,196
Transaction recorded in profit or loss	(9,563)	10,126,364	10,116,801
As at 31 December 2011	105,633	10,126,364	10,231,997
Transaction recorded in profit or loss	(138,221)	8,025,210	7,886,989
As at 31 December 2012	(32,588)	18,151,574	18,118,986

19 Other non-current assets

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Advance construction payment	522,636,954	154,730,550	516,191,454	154,730,550
Prepaid expenses	26,861,892	21,049,630	250,380	80,000
Deposit and Retention	1,950,033	1,947,433	-	-
Other	3,991,671	1,212,579	3,579,863	877,722
	<u>555,440,550</u>	<u>178,940,192</u>	<u>520,021,697</u>	<u>155,688,272</u>

20 Short-term loans from financial institutions

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Promissory note	111,000,000	33,000,000	-	-
	<u>111,000,000</u>	<u>33,000,000</u>	<u>-</u>	<u>-</u>

As at 31 December 2012, a subsidiary has a short-term loan from unsecured promissory note with a financial institution which is due of call with an interest rate of 3.40% - 3.53% per annum.

21 Trade accounts payable

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Third parties	142,552,463	98,750,997	100,652,855	68,118,175
Related parties (Note 35.2)	15,008,102	6,913,316	46,890,581	58,982,721
	<u>157,560,565</u>	<u>105,664,313</u>	<u>147,543,436</u>	<u>127,100,896</u>

22 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Not later than 1 year	2,050,845	2,415,395	2,050,845	2,415,395
Later than 1 year but not later than 5 years	313,459	2,337,400	313,459	2,337,400
	<u>2,364,304</u>	<u>4,752,795</u>	<u>2,364,304</u>	<u>4,752,795</u>
Less: Future finance charges on finance leases	(39,498)	(45,805)	(39,498)	(45,805)
Present value of finance lease liabilities	<u>2,324,806</u>	<u>4,706,990</u>	<u>2,324,806</u>	<u>4,706,990</u>

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Not later than 1 year (short-term portion)	2,023,942	2,382,185	2,023,942	2,382,185
Later than 1 year but not later than 5 years (long-term portion)	300,864	2,324,805	300,864	2,324,805
	2,324,806	4,706,990	2,324,806	4,706,990

23 Long-term loans from financial institutions

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Balances as at 1 January	2,946,020,466	2,005,812,526	2,422,500,000	1,454,000,000
Add Additional borrowings	2,339,970,694	1,488,000,000	1,780,000,000	1,235,000,000
Less Repayments	(1,092,020,466)	(547,792,060)	(568,500,000)	(266,500,000)
Balances as at 31 December	4,193,970,694	2,946,020,466	3,634,000,000	2,422,500,000

	Outstanding credit facilities			Consolidated		Company	
	Credit limit (Million Baht)	2012 (Million Baht)	2011 (Million Baht)	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
The Company							
a	1,500.0	-	-	600,000,000	1,000,000,000	600,000,000	1,000,000,000
b)	1,000.0	-	967.0	320,250,000	16,500,000	320,250,000	16,500,000
c)	1,700.0	-	294.0	1,593,750,000	1,406,000,000	1,593,750,000	1,406,000,000
d)	1,520.0	1,064.0	-	456,000,000	-	456,000,000	-
e)	975.0	496.0	-	479,000,000	-	479,000,000	-
f)	1,215.0	1,030.0	-	185,000,000	-	185,000,000	-
The subsidiary							
a	300.0	-	-	-	252,631,578	-	-
b)	200.0	-	118.0	-	70,888,888	-	-
c)	270.0	-	70.0	-	200,000,000	-	-
d)	474.4	15.8	-	458,610,406	-	-	-
e)	525.6	424.2	-	101,360,288	-	-	-
Total	9,680.0	3,030.0	1,449.0	4,193,970,694	2,946,020,466	3,634,000,000	2,422,500,000
Less Current portion				(737,690,000)	(620,995,616)	(690,250,000)	(522,750,000)
Long-term loans from financial institutions							
- net of current portion				3,456,280,694	2,325,024,850	2,943,750,000	1,899,750,000

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

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

Long-term loans of the Company

Credit facility (Million Baht)	Date of agreement	Objective	Type of loan	Period	Interest rate	Repayment schedule	Debt covenant
a) 1,500.0	6 December 2007	To repay a bridging loan	Unsecured, with status equivalent to unsecured and unsubordinated debts	7 years	- The 1st - 36th months Fixed rate at 4.80 per annum - The 37th - 60th months Minimum Loan Rate (MLR-1.75%) minus 1.75 percent per annum - The 61st month onwards Minimum Loan Rate (MLR-1.50%) minus 1.50 percent per annum On 1 February 2011, the interest rate has been changed to be THBFIX (3 months) + 1.50 per annum for the 37th month onwards.	Principal is repayable in semi-annual installments, beginning after a grace period of 12 months from the agreement date as scheduled below. - The 1st - 6th installments Baht 50 million each - The 7th - 11th installments Baht 200 million each - The 12th - 13th installments Baht 100 million each	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
b) 1,000.0	22 May 2009	To invest in pipeline maintenance project	Unsecured, with status equivalent to unsecured and unsubordinated debts	7 years	- The 1st - 12th months Money Market Rate (MMR) for loans with maturities of no more than 1 year from drawdown date - The 13th - 48th months Minimum Loan Rate (MLR-1.75%) minus 1.75 percent per annum - The 49th month onwards Minimum Loan Rate (MLR-1.50%) minus 1.50 percent per annum On 13 September 2010, the interest rate has been changed to be fixed at 3.45% per annum for the first year; THBFIX+1.75% per annum for the second to the third years; and THBFIX+2% per annum for the fourth to the sixth years.	Principal with accrued interest (if any) is to be fully paid within 12 months from the agreement date. On 3 September 2010, the condition for the repayment of the principal has been changed to semi-annual installments, total 10 installments at Baht 100 million each start from the end of November 2011. On 29 November 2011, the condition for the repayment of principle has been changed by installment payment for amount Baht 33 million which total 2 installments at Baht 16.5 million each start from the end of November 2011 and the end of May 2012. The remaining balance will be repaid by semi-annual installments, total 8 installments each start from the end of November 2012.	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.

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

Long-term loans of the Company

Credit facility (Million Baht)	Date of agreement	Objective	Type of loan	Period	Interest rate	Repayment schedule	Debt covenant
c) 1,700.0	25 August 2009	Use in the Company's pipeline construction	Unsecured	10 years	- The 1st - 4th years Fixed rate at 3.50 percent per annum - The 5th - 7th years Minimum Loan Rate (MLR-2.25%) minus 2.25 percent per annum - The 8th - 10th years Minimum Loan Rate (MLR-2.00%) minus 2.00 percent per annum	Principal is repayable in 16 semi-annual installments, beginning after a grace period of 30 months from the first draw down date.	None
d) 1,520.0	23 May 2012	To invest in Tubma project	Unsecured	10 years	- The 1st - 3rd years Fixed rate at 4.75 percent per annum - The 4th - 10th years 6 months Fixed deposit interest rate plus 1.875 percent per annum. (Currently, 6 months Fixed deposit interest rate is 2.60 percent per annum)	Principal is repayable in 14 semi-annual installments, beginning after a grace period of 42 months from the agreement date as scheduled below. - The 1st - 4th installments Baht 100 million each - The 5th - 14th installments Baht 112 million each	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
e) 975.0	16 July 2012	To invest in Bangphra project	Unsecured	10 years	- The 1st - 3rd years Fixed rate at 4.75 percent per annum - The 4th year onwards Minimum Loan Rate (MLR-2.65%) minus 2.65 percent per annum	Principal is repayable in 14 semi-annual installments, beginning after a grace period of June 2015. - The 1st - 8th installments Baht 50 million each - The 9th - 14th installments Baht 95.83 million each	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
f) 1,215.0	21 September 2012	To invest in Tubma project	Unsecured	10 years	- The 1st - 3rd years Fixed rate at 4.65 percent per annum - The 4th - 10th years 6 months Fixed deposit interest rate plus 1.875 percent per annum. (Currently, 6 months Fixed deposit interest rate is 2.60 percent per annum)	Principal is repayable in 11 semi-annual installments, beginning after a grace period of 60 months from the agreement date as scheduled below. - The 1st - 4th installments Baht 100 million each - The 5th - 10th installments Baht 116 million each - The 11th year installment Baht 119 million	The Company is required to comply with certain conditions including the maintenance of a debt to equity ratio of not exceeding 2 times and a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.

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

Long-term loans of subsidiary – Universal Utilities Company Limited

Credit facility (Million Baht)	Date of agreement	Objective	Type of loan	Period	Interest rate	Repayment schedule	Debt covenant
a) 300.0	16 September 2009	To settle an existing loan from the Company	Unsecured	10 years	- The 1 st - 5 th years Minimum Loan Rate (MLR-2.25%) minus 2.25 percent per annum - The 6 th year onwards Minimum Loan Rate (MLR-2.00%) minus 2.00 percent per annum	Principal is repayable in 19 semi- annual installments, beginning after a grace period of 12 months from the first draw down date and to be completed within 10 years from the first draw down date.	The subsidiary is required to comply with certain conditions including the mainte- nance of a debt service coverage ratio (DSCR) of not lower than 1.25 times, etc.
b) 200.0	11 December 2009	To use in the subsidiary's water tap project	Unsecured	10 years	- The 1 st - 5 th years Minimum Loan Rate (MLR-2.25%) minus 2.25 percent per annum - The 6 th year onwards Minimum Loan Rate (MLR-2.00%) minus 2.00 percent per annum	Principal is repayable in 18 semi- annual installments, beginning after a grace period of 18 months from the first draw down date and to be completed within 10 years from the first draw down date.	The subsidiary is required to comply with certain conditions including the mainte- nance of a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
c) 270.0	28 July 2010	To settle an existing loan from the Company	Unsecured	5 years	- The 1 st - 18 th months Minimum Loan Rate (MLR-2.35%) minus 2.35 percent per annum - The 19 th month onwards Minimum Loan Rate (MLR-2.25%) minus 2.25 percent per annum	Principal is repayable in 9 semi-annual installments, beginning after a grace period of a fully withdraw or 31 May 2012 which depend on earlier date.	The subsidiary is required to comply with certain conditions including the mainte- nance of a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
d) 474.4	21 September 2012	To settle an existing loan from the Company	Unsecured	10 years	- The 1 st - 3 rd years Fixed rate at 4.625 percent per annum - The 4 th year onwards Minimum Loan Rate (MLR-2.65%) minus 2.65 percent per annum	Principal is repayable in 20 semi- annual installments, beginning after a grace period of 6 months from the first draw down date and to be completed within 10 years from the first draw down date.	The subsidiary is required to comply with certain conditions including the mainte- nance of a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.
e) 525.6	21 September 2012	To invest	Unsecured	10 years	- The 1 st - 3 rd years Fixed rate at 4.625 percent per annum - The 4 th year onwards Minimum Loan Rate (MLR-2.25%) minus 2.25 percent per annum	Principal is repayable in 17 semi- annual installments, beginning after a grace period of 24 months from the first draw down date and to be completed within 10 years from the first draw down date.	The subsidiary is required to comply with certain conditions including the mainte- nance of a debt service coverage ratio (DSCR) of not lower than 1.10 times, etc.

24 Accrued expenses

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Accrued bonus	55,435,823	41,050,693	42,329,000	31,385,374
Accrued project compensation	31,902,547	27,736,012	31,902,547	27,736,012
Accrued utilities expenses	4,139,726	3,559,835	-	-
Others	28,521,623	10,392,737	18,210,104	2,304,328
	<u>119,999,719</u>	<u>82,739,277</u>	<u>92,441,651</u>	<u>61,425,714</u>

25 Employee benefit obligations

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Statement of Financial Position				
Post-employment benefits	86,020,874	64,958,355	56,512,335	37,672,554
Other long-term benefits	3,364,511	-	2,093,656	-
	<u>89,385,385</u>	<u>64,958,355</u>	<u>58,605,991</u>	<u>37,672,554</u>
Profit and loss				
Post-employment benefits	1,550,609	16,271,923	1,143,262	9,591,280
Other long-term benefits	4,538,211	-	2,727,656	-
	<u>6,088,820</u>	<u>16,271,923</u>	<u>3,870,918</u>	<u>9,591,280</u>
Other comprehensive income				
Actuarial losses on defined employee benefit plans	25,812,692	-	22,359,221	-

25.1 Defined benefit plan

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Present value of funded obligations	86,020,874	64,958,355	56,512,335	37,672,554
Liability in the statement of financial position	<u>86,020,874</u>	<u>64,958,355</u>	<u>56,512,335</u>	<u>37,672,554</u>

25.1 Defined benefit plan (Cont'd)

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
At 1 January	64,958,355	-	37,672,554	-
Adjustment at beginning balance	-	56,974,869	-	33,938,791
Current service cost	7,562,761	13,637,024	3,768,719	8,029,214
Interest cost	3,008,467	2,634,899	1,737,102	1,562,066
Difference between past projected and actual benefit paid	(9,020,619)	-	(4,362,559)	-
Actuarial losses on defined employee benefit plans	25,812,692	-	22,359,221	-
Benefits paid	(6,300,782)	(8,288,437)	(4,662,702)	(5,857,517)
At 31 December	86,020,874	64,958,355	56,512,335	37,672,554

The amounts recognised in the income statement are as follows:

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Current service cost	7,562,761	13,637,024	3,768,719	8,029,214
Interest cost	3,008,467	2,634,899	1,737,102	1,562,066
Difference between past projected and actual benefit paid	(9,020,619)	-	(4,362,559)	-
Total	1,550,609	16,271,923	1,143,262	9,591,280

Of the total charge in consolidated financial statements, Baht 0.7 million (2011: Baht 4.4 million) and Baht 0.9 million (2011: Baht 11.9 million) were included in 'cost of sales' and 'administrative expenses', respectively.

Of the total charge in company financial statements, Baht 0.5 million (2011: Baht 1.3 million) and Baht 0.6 million (2011: Baht 8.3 million) were included in 'cost of sales' and 'administrative expenses', respectively.

The principal actuarial assumptions used were as follows:

	2012 (Unit : % per annum)	2011 (Unit : % per annum)
Discount rate	4.1	4.7
Inflation rate	3.5	3.5
Salary increment rate	5.0 - 10.0	5.0 - 7.0

25.2 Other long-term benefits

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Present value of funded obligations	3,364,511	-	2,093,656	-
Liability in the statement of financial position	3,364,511	-	2,093,656	-

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
At 1 January	-	-	-	-
Current service cost	4,412,051	970,616	2,650,619	268,616
Interest cost	126,160	-	77,037	-
Benefits paid	(1,173,700)	(970,616)	(634,000)	(268,616)
At 31 December	3,364,511	-	2,093,656	-

The amounts recognised in the income statement are as follows:

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Current service cost	4,412,051	970,616	2,650,619	268,616
Interest cost	126,160	-	77,037	-
Total	4,538,211	970,616	2,727,656	268,616

Of the total charge in consolidated financial statements, Baht 4.5 million (2011: Baht 1.0 million) were included in administrative expenses.

Of the total charge in company financial statements, Baht 2.7 million (2011: Baht 0.3 million) were included in administrative expenses.

The principal actuarial assumptions used were as follows:

	2012 (Unit : % per annum)	2011 (Unit : % per annum)
Discount rate	4.1	-
Gold price inflation rate	6.0	-

26 Other non-current liabilities

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Retentions payable	182,882,384	151,439,708	157,770,797	129,058,798
Rental guarantees received from related party (Note 35.2)	-	-	58,110	805,875
	<u>182,882,384</u>	<u>151,439,708</u>	<u>157,828,907</u>	<u>129,864,673</u>

27 Share capital

	Number of shares (Baht)	Ordinary shares (Baht)	Share premium (Baht)	Total (Baht)
At 1 January 2011	1,663,725,149	1,663,725,149	2,138,522,279	3,802,247,428
Issue of shares	-	-	-	-
At 31 December 2011	1,663,725,149	1,663,725,149	2,138,522,279	3,802,247,428
Issue of shares	-	-	-	-
At 31 December 2012	<u>1,663,725,149</u>	<u>1,663,725,149</u>	<u>2,138,522,279</u>	<u>3,802,247,428</u>

The total registered of ordinary shares has a par value of Baht 1 per share (2011: Baht 1 per share). All issued shares are fully paid.

28 Legal reserve

Pursuant to section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve equal to at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of the Company's registered share capital. The legal reserve is non-distributable. As at 31 December 2012 and 2011, the Company's legal reserve has been fully reached.

29 Other component of equity

	Consolidated and Company	
	2012 (Baht)	2011 (Baht)
At 1 January	35,152,147	38,549,670
Amortisation of assets transferred from customers	(3,397,523)	(3,397,523)
At 31 December	<u>31,754,624</u>	<u>35,152,147</u>

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

30 Dividends

Dividends declared during the year consist of the following.

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

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
Year 2011				
Dividend for the year 2010	Annual General Meeting of the shareholders on 24 March 2011	416.0	0.25	12 April 2011
Interim dividends on operating results for the six-month period ended 30 June 2011	Board of Director's meeting on 22 August 2011	<u>199.6</u>	0.12	20 September 2011
		<u>615.6</u>		

31 Other income

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Interest income	8,292,470	12,352,781	3,056,401	8,733,888
Dividend income (Note 35.1)	25,094,458	18,245,535	72,269,458	43,388,533
Others	15,151,154	29,053,889	14,712,091	29,404,097
	<u>48,538,082</u>	<u>59,652,205</u>	<u>90,037,950</u>	<u>81,526,518</u>

32 Expenses by nature

Significant expenses by nature are as follow:

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Salary and wages and other employee benefits	263,576,540	254,363,565	155,825,213	149,470,630
Depreciation and amortisation expenses	345,085,665	356,011,227	267,319,731	269,049,223
Rental expenses	63,579,436	57,591,466	52,470,606	45,489,477
Raw materials and consumables used	6,807,635	6,924,470	-	-
Electricity expenses	443,750,243	348,380,367	398,975,692	303,094,511
Purchases of raw water	156,374,801	159,418,906	148,663,152	149,256,719
Hiring and service expenses	284,350,564	255,507,206	46,529,164	39,388,962
Repair and maintenance expenses	95,246,374	84,550,228	59,257,443	42,786,379
Losses on impairment and diminution in value of assets and allowance for doubtful accounts	4,110,000	1,195,153	-	915,153
Waterworks management expense	-	-	229,277,990	196,389,513
Expenses for development of life quality and environment	62,217,726	33,555,350	60,631,965	32,230,547
Finance costs	89,990,782	78,476,072	63,474,844	52,417,171
Others	306,128,084	241,364,307	263,288,038	202,281,671
	<u>2,121,217,850</u>	<u>1,877,318,317</u>	<u>1,745,713,838</u>	<u>1,482,769,956</u>

33 Income tax

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Current tax:				
Current tax on profits for the year	360,396,245	422,562,165	314,112,591	368,175,254
Adjustments in respect of prior year	(9,000,858)	(49,088)	(9,000,858)	586,213
Total current tax	<u>351,395,387</u>	<u>422,513,077</u>	<u>305,111,733</u>	<u>368,761,467</u>
Deferred tax:				
Origination and reversal of temporary differences	13,164,339	10,388,948	13,112,365	13,580,042
Impact of change in tax rate	-	(8,207,736)	-	1,260,876
Total deferred tax	<u>13,164,339</u>	<u>2,181,212</u>	<u>13,112,365</u>	<u>14,840,918</u>
Total tax expense	<u>364,559,726</u>	<u>424,694,289</u>	<u>318,224,098</u>	<u>383,602,385</u>

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Profit before tax	1,604,731,256	1,432,717,251	1,465,071,276	1,292,306,722
Tax calculated at a tax rate of 23% (2011: 30%)	369,088,189	429,815,175	336,966,393	387,692,016
Tax effect of:				
Income not subject to tax	(72,269,455)	(17,173,511)	(72,269,455)	(17,173,511)
Expenses not deductible for tax purpose	76,741,850	20,309,449	62,528,018	11,236,791
Adjustment in respect of prior year	(9,000,858)	(49,088)	(9,000,858)	586,213
Re-measurement of deferred tax change in tax rate	-	(8,207,736)	-	1,260,876
Tax charge	364,559,726	424,694,289	318,224,098	383,602,385

The effective tax rate was 21.89% (2011: 28.49%).

There was the announcement of the Royal Decree Regarding the Reduction of Corporate Income Tax Rate in the Government Gazette on 21 December 2011. The Group has, consequently, re-measured the relevant deferred tax balance by using the tax rate of 23% of net profit for the 2012 fiscal year ending on or after 31 December 2012, and to further reduce their corporate income tax to 20% of net profit in the fiscal years beginning on or after 1 January 2013 onwards.

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

	Consolidated					
	2012			2011		
	Before tax (Baht)	Tax (charge) credit (Baht)	After tax (Baht)	Tax (charge) credit (Baht)	Tax (charge) (Baht)	After tax (Baht)
Actuarial loss on retirement benefit obligations	25,812,692	(5,162,538)	20,650,154	-	-	-
Other comprehensive income	25,812,692	(5,162,538)	20,650,154	-	-	-
Current tax		351,395,387			422,513,077	
Deferred tax		13,164,339			2,181,212	
		364,559,726			424,694,289	

33 Income tax (Cont'd)

	Company					
	2012			2011		
	Before tax (Baht)	Tax (charge) credit (Baht)	After tax (Baht)	Tax (charge) credit (Baht)	Tax (charge) (Baht)	After tax (Baht)
Actuarial loss on retirement benefit obligations	22,359,221	(4,471,844)	17,887,377	-	-	-
Other comprehensive income	22,359,221	(4,471,844)	17,887,377	-	-	-
Current tax		305,111,733			368,761,467	
Deferred tax		13,112,365			14,840,918	
		<u>318,224,098</u>			<u>383,602,385</u>	

34 Earnings per share

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Net profit attributable to ordinary shareholders (Baht)	1,239,741,859	1,007,548,762	1,146,847,178	908,704,337
Weighted average number of ordinary shares in issue (Share)	<u>1,663,725,149</u>	<u>1,663,725,149</u>	<u>1,663,725,149</u>	<u>1,663,725,149</u>
Basic earnings per share (Baht)	<u>0.75</u>	<u>0.61</u>	<u>0.69</u>	<u>0.55</u>

There are no potential dilutive ordinary shares in issue for the years ended 2012 and 2011.

35 Related parties transactions

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

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

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

35.1 Transactions incurred during the year

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Sales - raw water				
Major shareholders				
Industrial Estate Authority of Thailand	838,526,052	793,062,227	838,526,052	793,062,227
Provincial Waterworks Authority	717,222,599	589,744,162	717,222,599	589,744,162
Electricity Generating Public Company Limited	52,807,922	26,548,758	52,807,922	26,548,758
Subsidiary				
Universal Utilities Company Limited	-	-	152,811,805	120,751,791
	1,608,556,573	1,409,355,147	1,761,368,378	1,530,106,938
Sales - tap water				
Major shareholders				
Provincial Waterworks Authority	701,421,894	646,357,703	149,314,540	128,996,759
Rental and service income				
Major shareholders				
Provincial Waterworks Authority	77,209,828	79,070,204	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	4,743,198	4,089,917
Other related company				
Egcom Tara Company Limited	59,534,141	56,089,553	-	-
	136,743,969	135,159,757	4,743,198	4,089,917
Dividend income				
Subsidiary				
Universal Utilities Company Limited	-	-	47,175,000	25,142,998
Other related company				
Egcom Tara Company Limited	25,094,458	18,245,535	25,094,458	18,245,535
	25,094,458	18,245,535	72,269,458	43,388,533
Other income				
Subsidiary				
Universal Utilities Company Limited	-	-	5,595,309	5,271,386
Costs of sales and costs of services				
Subsidiary				
Universal Utilities Company Limited	-	-	285,824,275	245,482,066

Sales of raw water are charged similar to market prices.

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

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

35 Related parties transactions (Cont'd)

35.2 Outstanding balances at end of the years

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Trade accounts receivable - billed				
Major shareholders				
Provincial Waterworks Authority	114,576,943	111,553,288	114,576,943	94,093,335
Industrial Estate Authority of Thailand	73,326,372	70,856,311	73,326,372	70,856,311
Electricity Generating Public Company Limited	3,492,009	4,211,149	3,492,009	4,211,149
Subsidiary				
Universal Utilities Company Limited	-	-	14,464,371	11,284,081
Other related company				
Egcom Tara Company Limited	5,139,582	5,406,310	-	-
	196,534,906	192,027,058	205,859,695	180,444,876
Unbilled receivables				
Major shareholders				
Provincial Waterworks Authority	80,097,984	70,742,521	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	4,786,484	4,155,351
Other related company				
Egcom Tara Company Limited	4,998,490	4,887,130	-	-
	85,096,474	75,629,651	4,786,484	4,155,351
Water loss treatment service incomereceivables				
Major shareholders				
Provincial Waterworks Authority				
- billed	153,348	962,415	-	-
- unbilled	7,525,503	9,170,844	-	-
	7,678,851	10,133,259	-	-

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Within credit term	153,348	816,567	-	-
Past due less than 3 months	-	145,848	-	-
Total water loss treatment service income receivable - billed	153,348	962,415	-	-
Other receivable				
Major shareholders				
Provincial Waterworks Authority	15,237	10,172	-	-
Subsidiary				
Universal Utilities Company Limited	-	-	1,362,480	2,104,595
EW Smart Water (Rayong) Company Limited	-	-	400	-
EW Utilities Company Limited	-	-	400	-
EW Water Balance (Chonburi) Company Limited	-	-	400	-
Samet Utilities Company Limited	-	-	384,293	-
	15,237	10,172	1,747,973	2,104,595
Trade accounts payable				
Major shareholders				
Provincial Waterworks Authority	15,008,102	6,895,291	709,950	645,681
Industrial Estate Authority of Thailand	-	1,333	-	1,333
Subsidiary				
Samet Utilities Company Limited	-	-	137,496	-
Universal Utilities Company Limited	-	-	46,043,135	58,335,707
Other related company				
Egcom Tara Company Limited	-	16,692	-	-
	15,008,102	6,913,316	46,890,581	58,982,721
Rental guarantees				
(include in other non-current liabilities)				
Subsidiary				
Universal Utilities Company Limited	-	-	58,110	805,875

35 Related parties transactions (Cont'd)

35.3 Key management compensation

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Short-term employee benefits	81,101,715	75,340,678	58,258,466	53,364,596
Post-employment benefits	2,630,827	2,484,488	1,795,143	1,703,127
Other long-term employee benefits	595,995	260,454	241,211	-
	84,328,537	78,085,620	60,294,820	55,067,723

36 Commitments and contingent liabilities

36.1 Capital commitments

As at 31 December 2012, the Group and the Company had commitments in respect of in-progress construction and installation of the water distribution pipeline in the consolidated and company financial statements totaling Baht 5,538.0 million and Baht 5,495.6 million, respectively (2011: Baht 1,177.0 million and Baht 1,094.5 million, respectively).

36.2 Operating lease commitments

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

	Consolidated		Company	
	2012 (Baht)	2011 (Baht)	2012 (Baht)	2011 (Baht)
Within 1 year	6.8	11.8	4.3	4.8
1 to 5 years	6.2	5.4	4.7	2.7
More than 5 years	4.1	-	-	-
	17.1	17.2	9.0	7.5

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

- 36.3.1 As at 31 December 2012 and 2011, 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.
- 36.3.2 As at 31 December 2012 and 2011, the Company and its subsidiary had commitments in respect of raw water and tap water purchase agreements with private companies at the condition and price as described in Notes 39.6, 39.7 and 39.13 to the financial statements.
- 36.3.3 As at 31 December 2012, the Group and the Company had commitments in respect of service agreements payable in the future of approximately Baht 19.7 million and Baht 13.4 million, respectively (2011: Baht 159.5 million and Baht 7.2 million, respectively).

36.4 Guarantees

- 36.4.1 As at 31 December 2012, 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 202.5 million and Baht 149.4 million, respectively. (2011: Baht 281.1 million and Baht 153.1 million, respectively).
- 36.4.2 As at 31 December 2012 and 2011, the Group had contingent liabilities in respect of being a guarantor to its three subsidiaries for letters of guarantee issued by local commercial banks to those subsidiaries in a credit limit of Baht 200 million for compliance to agreements with respect to their electricity consumption guarantee, tap water production and distribution and water consumers information records.

37 Litigation

As at 31 December 2012 and 2011, the Company and its subsidiary were sued as defendants in litigation cases with significant claim as follows:

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

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

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

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

On 30 July 2010, The Civil Court delivered its judgement of the red case number 3169/2553 and 3170/2553 which can be summarised as follows:

1. The litigant is required to pay a fine of Baht 8.8 million, return the advance payment of Baht 2.1 million and pay for wage supervisors during late work period of Baht 0.2 million, totalling a payment of Baht 11.1 million.
2. The Company is required to pay the 30th and 31st installment of construction cost according to the agreement of Baht 13.0 million together with the additional costs of Baht 7.0 million and the return of retention costs of Baht 3.8 million, totalling Baht 23.8 million. Moreover, the Company is required to return all eight bank guarantees to the litigant.

However, for the benefit of the Company, a lawyer was appointed to lodge an appeal with the court on 29 October 2010 regarding the fine and the additional costs.

The Company has recorded liabilities of the construction costs and the retention costs of Baht 16.8 million; still, not recorded Baht 7.0 million of the additional costs. Nevertheless, this case has not yet been finalised.

- 37.2 On 13 June 2011, the Company was sued as a defendant by a former employee under the labour law under black case No.1887/2554 regarding the termination of their employment. The plaintiff lodged the

37 Litigation (Cont'd)

lawsuit with the Central Labour Court, seeking compensation of Baht 32.5 million. On 1 June 2012, the Court issued a compromise judgement and ordered the defendant to pay Baht 4.4 million to the plaintiff. Both parties accepted this judgement, and this case was finalised.

- 37.3 On 27 June 2011, the Company was sued as a co-defendant together with a private company by the State Railway of Thailand in relation to a claim for damages for soil erosion on its land caused by the excavation of a raw water pit at the water pumping project in Chonburi. The plaintiff lodged the lawsuit, Black Case No.722/2554, with the Chonburi Provincial Court, seeking compensation amounting to Baht 12.9 million. The Company's defence was that it was not a party to the excavation operation but was only a purchaser of raw water from the private company. Later, on 19 July 2012, the Chonburi Provincial Court dismissed the case against the Company and judged that it was the private company that was liable to the State Railway of Thailand.
- 37.4 On 14 March 2006, Universal Utilities Company Limited, a subsidiary, was sued as a co-defendant together with the Provincial Waterworks Authority ("PWA") in a case brought in connection with illegal acts performed by administrative agencies or state officials. The plaintiff petitioned the administrative court to void the selection process by which a private operator was selected to produce tap water for distribution to the PWA in the area belonging to the Rayong Waterworks. On 16 March 2007, the Rayong Administrative Court ordered the selection process voided in accordance with the plaintiff's petition, and also declared void the agreement appointing a private firm to produce water for sale to the Rayong Waterworks, which had resulted from an illegal selection process. However, the PWA and the subsidiary lodged appeals with the Rayong Administrative Court on 12 April 2007 and the Rayong Administrative Court has issued a court receipt for such appeal and then passed it to the Supreme Administrative Court. The owner's arbitrator specified the last day of fact finding to be 22 June 2012 before proposing this case to the judging panel. On 27 November 2012, the owner's arbitrator concluded that plaintiff have no authority to indict because they were not persons those affected from selection process. Therefore, the judging panel recalled a judgement of the Rayong Administrative Court. Although, the agreement was cancelled, the subsidiary management believes that the subsidiary will incur no loss as a result of the termination of the agreement. In case that such termination occurs, the PWA will have to compensate the subsidiary for costs of construction and improvements made to the waterworks, and for other expenses incurred by the subsidiary. Therefore, no provision has yet been made in the accounts.

38 Project compensation

A government agency is considering a deal for the Company to rent/manage the 2 pipeline connecting projects ("projects") and adjust the compensation. A letter issued by this government agency stipulated that the Company was to initially pay compensation for the projects at a percentage of the raw water sales from the projects from the year operation commenced (year 1998). In addition, if it is decided that a fair rate is more than the rate at which the Company already paid, the Company is to make additional payment, in full, as a lump sum; while if the fair rate is lower, the government agency agrees to pay back the surplus paid by offsetting it against the remuneration of the following years.

On 8 January 2010, the government agency issued a letter to the Company notifying it that a deal for the Company to rent/manage the projects and the adjusting of compensation must be processed in accordance with the Act on Private Participation in a State Undertaking B.E. 2535, whereby a committee has, under Section 13, authority to set the compensation rate and negotiate benefits with the Company in order to reach a preliminary conclusion. On 9 May 2011, the Committee under section 13 had a resolution to approve the Company's rental of a pipeline without auction and already submitted this to the Cabinet for approval, before considering the compensation rate in the next process. There was no significant progress during year 2012.

39 Significant agreements

The Company and its subsidiaries have the following significant agreements, besides other agreements as discussed in relevant notes to financial statements.

The Company

- 39.1 On 26 December 1993, the Company entered into an agreement with the Ministry of Finance to manage and operate the major water distribution pipeline systems in the Eastern Seaboard area. The contract term is 30 years, from 1 January 1994 to 30 September 2023 and the Company is required to pay a minimum of Baht 2 million per annum to the Ministry of Finance. In any years when the Company's revenues from the sales of raw water exceed Baht 200 million, it is required to pay the Ministry of Finance with a sharing benefit at a rate of 1 percent of sales of raw water from the Nong Khor and Dok Krai reservoirs. In addition, when the Company's annual rate of return on equity exceeds 20 percent, an additional sharing benefit at the rate of 15 percent of the return in excess of the paid 20 percent is to be paid to the Ministry of Finance. Nevertheless, the total sharing benefit is not to exceed 6 percent of the real value of the assets leased from the Ministry of Finance, as assessed according to the agreed time frame.
- 39.2 On 15 November 2000, the Company entered into an agreement with Universal Utilities Company Limited, a subsidiary, to receive waterworks management services for Sattahip Waterworks of the Provincial Waterworks Authority for the period of 10 years. The Company will pay the management fee from revenue after deducting license fee and related expenses as specified in the agreement. Moreover, the Company will receive the profit sharing from the subsidiary under the conditions specified in the agreement. Subsequently on 18 October 2004, the Company amended the above-mentioned agreement to entitle the subsidiary to the Pattaya Waterworks and extend the manage water system of Sattahip Waterworks period for 30 years from 1 March 2001 but not exceeding the period the Provincial Waterworks Authority has granted the Company the rights to operate and manage the Sattahip Waterworks System.
- 39.3 On 28 November 2000, the Company entered into an agreement with Universal Utilities Company Limited whereby it grants the subsidiary the rights to operate the waterworks of the Municipality of Si Chang Island Sub-district for a period of 15 years commencing from the first tap water selling date. Under the agreement, the subsidiary is required to construct tap water production system and also required to provide maintenance services at least 5 years after termination of agreement. Moreover, the subsidiary is to transfer all the invested assets to the Company and/or the Si Chang Municipality on the earlier expiry date of the waterworks agreement operation or the waterworks management agreement. The subsidiary is to pay in return to both the Municipality of Si Chang Island Sub-district and the Company at the rates as specified in the agreement.
- 39.4 On 11 May 2004, the Company entered into a waterworks management agreement with Universal Utilities Company Limited (the subsidiary) whereby the subsidiary is to provide water works management services in Bo Win Municipal area for a period of 25 years from the date the subsidiary completed the construction works of tap water production system and the Company agreed for commercial distribution of tap water (11 March 2005). Under the agreement, the subsidiary is to procure land and construct tap water production system sufficient to supply tap water throughout the agreement period. The subsidiary is to transfer all the invested assets to the Company and/or the Municipality on the earlier expiry date of the waterworks operation agreement or the waterworks management agreement. The Company is to pay an annual waterworks management fee at the rates specified in the agreement, determined on the monthly tap water sales and service fees, which can be collected from the users.

Since later on 5 August 2005, the Company entered into a waterworks system operation and management agreement with the Bo Win Sub-district Administrative Organisation ("SAO"), the Company, entered into new agreement with the subsidiary dated 14 July 2006, which replaced aforementioned agreement dated 11 May 2004.

39 Significant agreements (Cont'd)

- 39.5 On 7 July 2004, the Company entered into a water supply agreement for the Koh Samui Waterworks with Universal Utilities Company Limited for a 15-year period from the first water distribution date (12 May 2005) whereby the subsidiary agreed to construct the reverse osmosis water production system with the water pipeline connected to both the water distribution pipeline of the purchasers in the specified area and the Provincial Waterworks Authority, and sell the tap water produced under such system.
- 39.6 On 13 December 2007, the Company entered into the raw water procurement agreements with a private company whereby the Company is required to purchase a minimum of 10 million cubic meters per annum over a 10-year period.

The Subsidiaries

- 39.7 Chachoengsao Water Supply Company Limited entered into the concession agreement dated 9 November 2000 with the Provincial Waterworks Authority. The subsidiary is privileged to produce and sell tap water to the Provincial Waterworks Authority at Chachoengsao office, Chachoengsao province. The concession period is 25 years from the date that first income is derived from selling tap water (1 April 2003).
- 39.8 Bangpakong Water Supply Company Limited entered into the concession agreement dated 9 November 2000 with the Provincial Waterworks Authority. The subsidiary is privileged to produce and sell tap water to the Provincial Waterworks Authority at Bangpakong office, Chachoengsao province. The concession period is 25 years from the date that first income is derived from selling tap water (1 April 2003).
- 39.9 Nakornsawan Water Supply Company Limited entered into the concession agreement dated 7 November 2000 with the Provincial Waterworks Authority. The subsidiary is privileged to produce and sell tap water to the Provincial Waterworks Authority at Nakornsawan office, Nakornsawan province. The concession period is 25 years from the date that first income is derived from selling tap water (1 March 2003).
- 39.10 Chachoengsao Water Supply Company Limited (CWS) and Bangpakong Water Supply Company Limited (BWS) entered into a know-how agreement dated 1 December 2000 with Australian Water Technologies PTY Limited of Australia which transferred its entitlements under this agreement to its subsidiary, named AWT International (Thailand) Limited ("AWT") on 15 October 2002. Whereby AWT agreed to permit the use of its name for reference purposes and provide the know-how to enable both subsidiaries to perform their obligations. In consideration thereof, the subsidiaries agreed to pay fees at the rate stipulated in the agreement. Then, Sydney Water Corporation, the parent company of AWT, declared its intention to liquidate AWT and issued comfort letters to both subsidiaries to confirm that it will take on all AWT's duties and obligations under the know-how agreement. The subsidiaries' Board of Directors considered to accept this proposal and negotiated to reduce their service fee. The service fee paid to AWT reduced from the present value of future estimated payment amounting to Baht 52.4 million to a one-time advance payment not exceeding Baht 18.0 million, which is a saving of the said service fee over the remaining contract. Consequently, the subsidiaries' Board of Directors, on 18 January 2011, passed the resolution to terminate this contract. The subsidiaries recorded the advance service fee as a prepaid expense included in other non-current assets in the consolidated financial statements.
- 39.11 On 15 March 2010, Universal Utilities Company Limited entered into an agreement with Egcom Tara Company Limited, a related company, to produce tap water and to provide maintenance services for the tap water production system and tap water distribution pipeline of the production plants situated in Lak Muang, Ratchaburi province and Pangpuoy, Samut Songkram province. The agreement period is 3 years, from 7 April 2010 to 7 April 2013.

- 39.12 On 14 March 2006, Universal Utilities Company Limited and its subsidiaries entered into an agreement to produce tap water for sales to Rayong Waterworks, Rayong province with the Provincial Waterworks Authority for a 25-year period commencing from the first tap water selling date (12 July 2006). Under the agreement, the subsidiaries are required to construct tap water production system, water delivery system and water distribution system, and to expand the production capacity of the existing tap water distribution system of Rayong Waterworks. The subsidiaries are also required to provide maintenance services and to act on behalf of the Provincial Waterworks Authority in any related matters. Ownership of assets, which have been invested by the subsidiaries, is to be transferred to the Provincial Waterworks Authority immediately upon completion of these activities, with the subsidiaries having the rights to occupy the assets in order to produce and supply tap water to the Provincial Waterworks Authority over the agreement period. The subsidiaries will receive income at the rates prescribed in the agreement.
- 39.13 On 25 May 2009, Universal Utilities Company Limited entered into a tap water purchase agreement for the Chonburi Waterworks, Chonburi Province with a private company. The agreement is effective from the date it is signed by both parties and will be terminated upon termination of the tap water purchase and sale agreement for the Chonburi Waterworks, Chonburi Province made with Provincial Waterworks Authority (“PWA”). The agreement requires a private company to construct a tap water production facility, of which ownership is not required to be transferred to the subsidiary. Prices are to be at the rates stipulated in the agreement.
- 39.14 On 3 June 2009, Universal Utilities Company Limited entered into the tap water purchase and sale agreement for the Chonburi Waterworks, Chonburi Province with PWA. The term of the agreement is 20 years from the date of tap water purchases commence. The agreement requires the subsidiary to construct a tap water production facility, of which ownership is not required to be transferred to the PWA. Prices are to be at the rates stipulated in the agreement.
- 39.15 On 29 December 2010, Universal Utilities Company Limited entered into a waterworks system operation and management agreement with the Sub-district Administrative Organisation (“SAO”) Nong Khaem for a 25-year period commencing from the beginning date of producing and selling tap water. The subsidiary has to transfer ownership of all invested and expanded assets in the waterworks system to SAO Nong Khaem free-of- charge at the end of agreement.

40 Financial instruments

40.1 Financial risk factors

The Group’s financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade accounts payable, temporary and long-term loans and some items in other current liabilities. The Group’s activities expose it to a variety of financial risks, including the credit risk and interest rates risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The financial risk management is discussed below.

40.1.1 Credit risk

The Group are exposed to credit risk primarily with respect to, trade accounts receivable, and other receivable. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Although the Group may expose to concentration risk due to their having a few large customers, those

customers are in government sector. The management believes that such risk is therefore low. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables, and other receivable as stated in the statement of financial position.

40.1.2 Interest rate risk

The Group's exposure to interest rate risk relate primarily to their deposits with financial institutions and short-term and long-term loans. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

40.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term. The Group expect that their fair values are not materially different from the amounts presented in the balance sheets except for long-term loans from financial institutions which as at 31 December 2012 having the net book values and fair values of Baht 4,194.0 million and Baht 4,213.8 million, respectively (Company: Baht 1,523.5 million and Baht 1,473.6 million respectively).

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

41 Post balance sheet event

- 41.1 On 9 January 2013, Universal Utilities Company Limited received letter from the Board of Investment under a approval promotional privileges. The approval promotional privileges for the utilities business and service are for production of tap water in Chonburi province starting on 25 December 2012. Under these privileges, the Universal Utilities Company Limited has received exemption from certain taxes and duties, including exemption from corporate income tax for the promoted activities for the period of 8 years commencing the period when revenue is first earned from the promoted business being 28 December 2012. Universal Utilities Company Limited is required to comply with the terms, conditions and restrictions as specified in the promotional certificate.
- 41.2 On 29 January 2013, Samet Utilities Company Limited registered the increased share capital with the Ministry of Commerce from 200,000 ordinary shares with a par value of Baht 5 per share to 12,000,000 ordinary shares with a par value of Baht 5 per share. The Company invested in 6,600,000 registered ordinary shares with par value of Baht 5 per share. Total Company's investment is Baht 33,000,000 or 55% of investment.
- 41.3 On 14 February 2013, Samet Utilities Company Limited received letter from the Board of Investment under a approval promotional privileges. The approval promotional privileges for the utilities business and service are from 5 February 2013. Under these privileges, Samet Utilities Company Limited has received exemption from import duty on imported machines, including exemption from corporate income tax for the promoted activities for the period of 8 years commencing the period when revenue is first earned from the promoted business. Samet Utilities Company Limited is required to comply with the terms, conditions and restrictions as specified in the promotional certificate.

Related Parties Transactions

The Company and its affiliates engaged in the related parties transactions with the major shareholders; comprising the Provincial Waterworks Authority (PWA), the Industrial Estate Authority of Thailand (IEAT), Electricity Generating Public Company Limited (EGCO) and EGCOM Tara Co., Ltd. of which held 74.19% of shares by EGCO Engineering Service Co., Ltd., a subsidiary of EGCO. In this regard, the related parties transactions are presented in the Notes to the financial statements item 35.

Policy and Direction of the Future Related Parties Transactions

The Company shall perform the future related parties transactions with fairness and follow the market situation as in general business characteristic. The Company shall conform with the Securities and Exchange law, regulations, notifications, orders, or the regulations of the Stock Exchange of Thailand, including following Procedures of the Disclosure, Related Parties Transactions, and the Acquisition or Disposal of significant Assets.

Additionally, the related parties transactions shall be disclosed in Notes of the financial statements which are examined by the Company's auditors.

Auditors' Remuneration



At the 2011 Annual General Shareholders' Meeting was held on March 29, 2012 resolved to appoint Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977 or Mr. Sudwin Panyawongkhanti Certified Public Accountant (Thailand) No. 3534 or Mr. Prasit Yuengsrikul, Certified Public Accountant (Thailand) No. 4174 of PricewaterhouseCoopers ABAS Limited as the Company's auditors, any one being authorized to conduct the audit and express an opinion on the financial statements of the company for the fiscal year 2012, which is from January 1, 2012 - December 31, 2012 with the remuneration of the auditors of EASTW at the amount of Baht 890,000 (Eight hundred and ninety thousand Baht only), and the EASTW's group at the amount of Baht 2,185,000 (Two million one hundred and eighty-five thousand Baht only).

General Information

Company Name	Eastern Water Resources Development and Management Public Company Limited (“EASTW”)
Nature of Business	EASTW is engaged in the development and management of the major water distribution pipeline systems to water users. Apart from this, the Company also provides consultancy services for clean water production and water distribution system in the industrial estates, factories, as well as maintenance of water pipelines and related equipment, and able to joint venture with other firms.
Head Office	1 Vipavadeerangsit Soi 5, Vipavadeerangsit Road, Jomphol, Chatuchak, Bangkok 10900
Registered No.	0107539000316 (Former Registered No. was Bor Mor Jor. 632)
Website	www.eastwater.com
Telephone	(662) 272-1600
Facsimile	(662) 272-1601-3
Common Share	As of 31 December 2012, the registered and paid-up capital are as follows: Registered capital of 1,663,725,149 shares with a par value of Baht 1 per share, totaling Baht 1,663,725,149 Paid-up capital of 1,663,725,149 shares with a par value of Baht 1 per share, totaling Baht 1,663,725,149

Lists of companies in which the Company holds more than 10% of shares

Name	Nature of business	Type of share	Paid-up capital (million Baht)	% Shares
Universal Utilities Company Limited (UU) Eastwater Building Fl. 23-25, 1 Vipavadeerangsit Soi 5, Jomphol, Chatuchak, Bangkok 10900 Telephone: (662) 272-1688 Facsimile: (662) 272-1690-2	Manage waterworks business and wastewater treatment system in the form of concession, hiring contract and leasing contract	Common share	510	100
Nakornsawan Water Supply Company Limited (WTS) Eastwater Building Fl. 23-25, 1 Vipavadeerangsit Soi 5, Jomphol, Chatuchak, Bangkok 10900 Telephone: (6656) 256-690 and (662) 272-1688 Facsimile: (6656) 256-526 and (662) 272-1690-2	Manage tap water business, including produce and supply tap water to the Provincial Waterworks Authority at Nakornsawan Office and to service consumers	Common share	40	UU holds 99.9999875

Name	Nature of business	Type of share	Paid-up capital (million Baht)	% Shares
Bangpakong Water Supply Company Limited Eastwater Building Fl.23-25,1 Vipavadeerangsit Soi 5, Jomphol, Chatuchak, Bangkok10900 Telephone: (6638) 539-365-7 and (662) 272-1688 Facsimile: (6638) 539-368 and (662) 272-1690-2	Manage tap water business, including produce and supply tap water to the Provincial Waterworks Authority at Bangpakong Office and to service consumers	Common share	40	UU holds 99.9999875
Chachoengsao Water Supply Company Limited Eastwater Building Fl.23-25,1 Vipavadeerangsit Soi 5, Jomphol, Chatuchak Bangkok10900 Telephone: (6638) 814-427-9 and (662) 272-1688 Facsimile: (6638) 814-427 and (662) 272-1690-2	Manage tap water business, including produce and supply tap water to the Provincial Waterworks Authority at Chachoengsao Office and to service consumers	Common share	100	UU holds 98.99997
Egcom Tara Company Limited EGCO Tower, 222 Moo 5, Vipavadeerangsit Road, Tungsonghong, Laksi, Bangkok 10210 Telephone: (662) 998-5710 Facsimile: (662) 955-0937	Produce and supply tap water	Common share	345	15.88
Samed Utilities Company Limited 52/21 Moo 2, Tambon Nam Kok, Muang, Rayong 21000 Telephone: (662) 272-1688 # 2478	Produce and supply tap water from sea water	Common share	0.25	54.9985
EW Water Balance (Chonburi) Company Limited Eastwater Building Fl. 23-25, 1 Vipavadeerangsit Soi 5, Jomphol, Chatuchak, Bangkok 10900 Telephone: (662) 272-1688 Facsimile: (662) 272-1690-2	Produce and supply tap water from sea water	Common share	0.25	99.9985
EW Smart Water (Rayong) Company Limited Eastwater Building Fl. 23-25, 1 Vipavadeerangsit Soi 5, Jomphol, Chatuchak, Bangkok 10900 Telephone: (662) 272-1688 Facsimile: (662) 272-1690-2	Produce and supply tap water from sea water	Common share	0.25	99.9985

Reference Firm

Securities Registrar

Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building,
Ratchadapisek Road, Klongtoey,
Bangkok 10110

Telephone: (662) 229-2800

Fax: (662) 654-5427

Accouditor

PricewaterhouseCoopers ABAS Limited
179/74-80, 15th Floor, Bangkok City Tower,
South Sathorn Road,
Bangkok 10120

Telephone: (662) 286-9999

Fax: (662) 286-5050

Major Shareholders

As of 31 December 2012

No.	Name	# Shares	% Shares
1	Provincial Waterworks Authority	668,800,000	40.20%
2	Electricity Generating Public Company Limited	311,443,190	18.72%
3	NORBAX INC.,13	159,972,600	9.62%
4	Industrial Estate Authority of Thailand (IEAT)	76,000,000	4.57%
5	BNP PARIBAS (securities services, London branch)	40,447,300	2.43%
6	Thai NVDR Company Limited (Thai NVDR)	37,865,620	2.28%
7	Aberdeen Long Term Equity Fund (ABLTF)	19,684,300	1.18%
8	Aberdeen Growth Fund (ABG)	16,498,700	0.99%
9	HSBC (Singapore) nominees PTE LTD	16,334,300	0.98%
10	American International Assurance company, limited-TIGER	16,002,500	0.96%
11	Others (3,834 shareholders)	300,676,639	18.07%
	Total Shares	1,663,725,149	100.00%

Dividend Policy



The Company's Board of Directors has a policy to propose to the Shareholders' Meeting to consider dividend paying at a rate of no less than 30% of its net profit of the consolidated financial statements after deduction of legal reserves payable to shareholders of the parent company, subject to the justifications and considerations that the Board of Directors deems appropriate.



Eastern Water Resources Development and Management PLC.

Eastwater Building, Floor 23-26, 1 Vipavadeerangsit Soi 5, Vipavadeerangsit Road, Jomphol, Jatujak, Bangkok 10900

Tel : (66) 2272-1600 Fax : (66) 2272-1601

www.eastwater.com