



บริษัท น้ำประปาไทย จำกัด (มหาชน)
Thai Tap Water Supply Public Company Limited

THAI TAP WATER SUPPLY PUBLIC COMPANY LIMITED

UNDER OUR

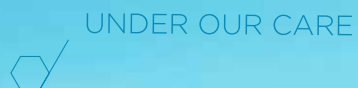


ANNUAL REPORT

2013

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WATER

We provide full service of water management and wastewater treatment which could balance water life cycle and lead to the most benefit and equality to everyone in the society.

Water is the vital natural resource to humanity. To obtain suitable clean water for consumption and Industry's production, Thai Tap Water Supply Plc. has committed on water quality improvement which we complied with International standard by following 3 main principles : Cleanness, Sufficiency and Continuousness. Everyone could trusts in our tap water and use water with maximum benefit.





MANAGEMENT

CONTINUOUSNESS

QUALITY

SUFFICIENCY

CLEANNESS

EQUALITY

BALANCE



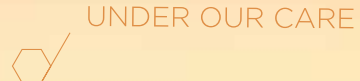
WIND FARM

RENEWABILITY

SUSTAINABILITY

SOLAR ENERGY

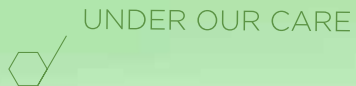
ECO-FRIENDLY



RENEWAL ENERGY

We have studied the alternative energy and solar energy projects in order to expand our business to all alternative energies, such as wind farm energy and renewable energy in various types which could bring balance to the environment.

At present, the air pollution and global warming are mainly caused by exhausted emission from fuel combusted. As a consequence, these problems could be solved by energy sector, have to take considered on future sufficient energy factor in to account. Thai Tap Water Supply Plc. is aware of the problem thus we have studied, invested in innovation and prepared ourselves to use renewal energy properly.



UNDER OUR CARE

ENVIRONMENT

We walk together with environmental consciousness and awareness. Meanwhile we support all environmental problem solving for better living society and for organizational sustainable growth.

Thai Tap Water Supply Plc. is committed to operate business with environmental protection, pollution control and environmental improvement to enhance the well-being of everyone in the society and sustainable growth simultaneously by following these guidelines:



FUTURE

HAPPINESS

SOCIETY

WELL-BEING

RESPONSIBILITY

ECOLOGY

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

Though year

2013

Though year 2013 economic was unstable due to both internal and external factors, Thai Tap Water Supply Plc. (TTW) performance has shown a consistently growth.

With total revenue of 2,572 mil Baht and a profit of 5,790 mil Baht, both are 10 percent increase from last year, TTW has secured its presence in the SET50, has received “Excellence” grade for Corporate Governance Report of Thai Listed Companies. This reflects TTW product quality was at international standard, met most satisfaction for all stake holders, been good in corporate governance and good in social responsibility.

Besides, we have handed over 1st plot of 200,000 trees to the Wildlife and Plant Conservation Department, Ministry of Natural Resources and Environment as part of the five-year-One-Million Trees Project in Thong Pha Phum National Park, Kanchanaburi Province. TTW will continue to plant and hand over 200,000 more trees each year until reaching 1 million trees in 2017.

A number of foundations would be laid in Year 2014 to serve a growing target in water business, to expand to other business and to enter into ASEAN Economic Community. We promise to continue doing business with good corporate governance and in compliance with relevance rules from related governing agencies.

On behalf of the Board of Directors, the management and the staff of Thai Tap Water Supply Plc., I would like to take this opportunity to sincerely thank all of you for your continuing support. We feel confidence and ready for a steady, consistent and sustainable growth during the year to come.



(Dr. Thanong Bidaya)

Chairman of the Board of Directors



ANNUAL REPORT
2013

UNDER OUR CARE

THAI TAP WATER SUPPLY
PUBLIC COMPANY LIMITED



THAI TAP WATER SUPPLY PUBLIC COMPANY LIMITED

VISION

“

To Be Thailand's Leading
Company in **Water**, **Energy**
and **Eco-Friendly** Businesses. ”

MISSION

To grow on a firm, continuous and sustainable basis in order to accomplish our vision through the balance of interests among customers, employees, business partners, shareholders, communities and environments.

CORPORATE VALUES

Running business to fulfill our vision and mission on the basis of sharing highest satisfaction and benefits among stakeholders by means of :

Continuous Improvement

Proactive & Initiative and

Teamwork

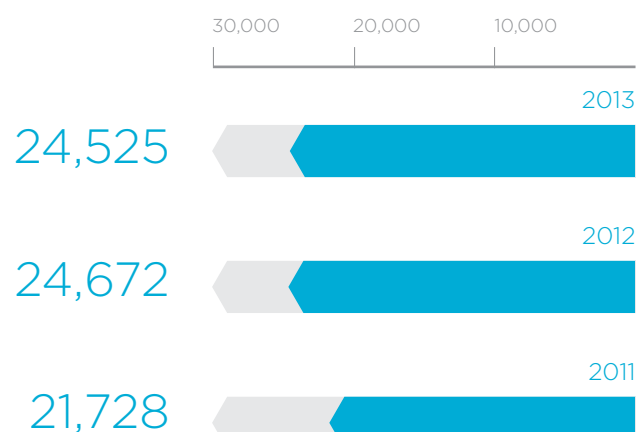
FINANCIAL HIGHLIGHTS

THAI TAP WATER SUPPLY PUBLIC COMPANY LIMITED

Total assets

Consolidated Financial Statements

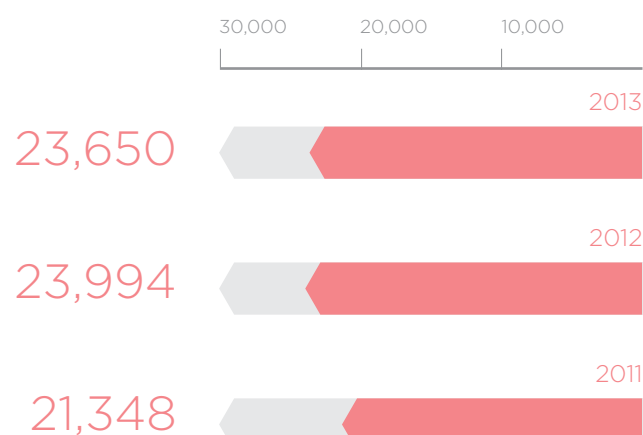
	2013	2012	2011
Total assets	24,525	24,672	21,728
Total liabilities	13,514	14,011	11,537
Shareholders' equity	11,011	10,660	10,192



(Unit : Million Baht)

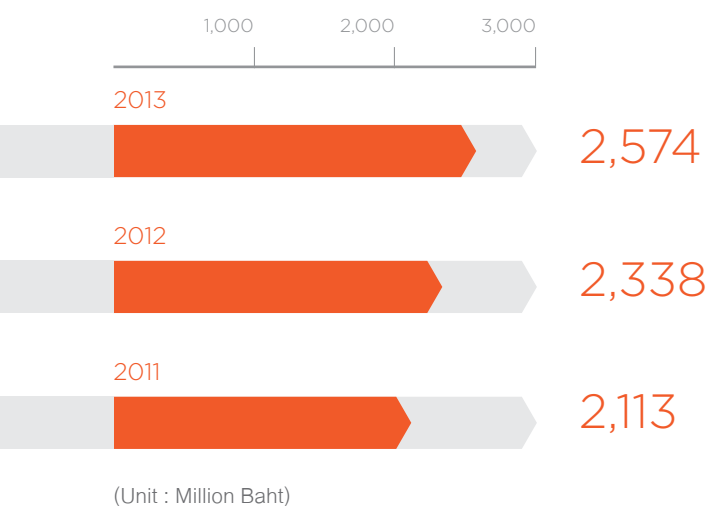
Separate Financial Statements

	2013	2012	2011
Total assets	23,650	23,994	21,348
Total liabilities	13,349	13,858	11,395
Shareholders' equity	10,331	10,136	9,954



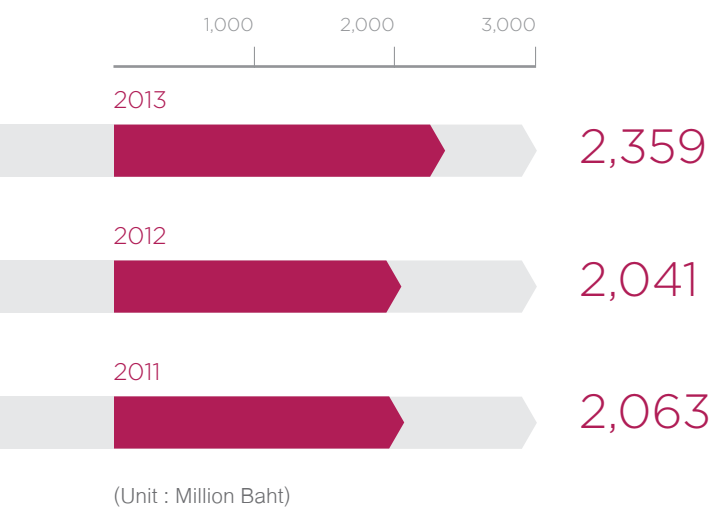
(Unit : Million Baht)

Net income



Consolidated Financial Statements

	2013	2012	2011
Net income	2,574	2,338	2,113
Book value per share (Bt./share)	2.76	2.67	2.55
Basic earnings per share (Bt./share)	0.65	0.59	0.53



Separate Financial Statements

	2013	2012	2011
Net income	2,359	2,041	2,063
Book value per share (Bt./share)	2.59	2.54	2.49
Basic earnings per share (Bt./share)	0.59	0.51	0.52

Significant Financial Information

(Unit : Million Baht)

Description	Consolidated Financial Statements			Separate Financial Statements		
	For the year ended December 31			For the year ended December 31		
	2013	2012	2013	2012	2013	2012
Total assets	24,525	24,672	21,728	23,650	23,994	21,348
Total liabilities	13,514	14,011	11,537	13,349	13,858	11,395
Shareholders' equity	11,011	10,660	10,192	10,331	10,136	9,954
Sales and services	5,182	4,925	4,546	3,442	3,245	3,017
Total revenues	5,790	5,273	4,635	4,777	4,141	3,746
Cost of sales and services	1,550	1,495	1,323	900	870	748
Administrative expenses and management expenses	342	262	222	274	190	167
Gross margin	3,632	3,430	3,223	2,542	2,375	2,269
Net income	2,574	2,338	2,113	2,359	2,041	2,063
Book value per share (Bt./share)	2.76	2.67	2.55	2.59	2.54	2.49
Basic earnings per share (Bt./share)	0.65	0.59	0.53	0.59	0.51	0.52

Financial Ratio

Description	Consolidated Financial Statements			Separate Financial Statements		
	Separate Financial Statements			For the year ended December 31		
	2013	2012	2011	2013	2012	2011
Profitability ratios						
Gross profit margin (%)	70.09	69.64	70.90	73.85	73.19	75.21
Net profit margin (%)	44.46	44.34	45.59	53.21	49.29	55.07
Return on equity (%)	23.38	21.93	20.73	22.83	20.14	20.73
Efficiency Ratios						
Return on assets (%)	10.50	9.48	9.72	9.97	8.51	9.66
Return on fixed assets (%)	22.40	19.55	16.77	27.52	23.19	22.52
Debt service coverage ratio						
Debt / Equity (times)	1.23	1.31	1.13	1.29	1.37	1.14
Dividend Yield (%)	85.24	80.20	66.07	93.01	91.87	67.67

SOCIAL RESPONSIBILITY ACTIVITIES

IN 2013

the company had participated in various social, community and environmental activities as follows;



Social Responsibility Activities

- Thai Tap Junior Water Prize (TTJWP)
- Co-Host an Annual Ted Maha Chad Wessandorn Chadok and Kratin Project
- School Housing Support
- Scholarship for student in 3 southern border provinces
- Thai Tap Water Scholarship
- Scholarships for children of PWA employee



Activity for Community

- National children's day and luncheon for students



Activity for Environment

- 1 million Tree Planting Year 3

Social Responsibility Activities



Thai Tap Junior Water Prize (TTJWP),

A 5 - year project from 2011 to 2015 was found by the company in conjunction with The Institute for the promotion of Teaching Science and Technology to encourage Thai youth to express their talent in water conservation innovation. In 2013 the company has conducted a contest for TTJWP year 3 and drawn participation from 98 schools with 108 projects submitted. There are 22 finalists selected to illustrate their works to the judging panel to find the winner in 20 February 2014.



As The Stockholm International Water Institute authorized TTW to be national organizer to find a representative to participate at the Stockholm Junior Water Prize (SJWP), the company has led Mahidol wittayanusorn school team who was the winner of year 2012 with the project name: A Novel Bio absorption Instrument for Removal Heavy Metals in Wastewater to participate in SJWP 2013 at Stockholm, Sweden. It was the first time a Thai team has participated in such event which reflects not only the company care for water resources but also the capability of Thai youth to create water conservation innovation concept.

The first 3 year has created awareness and attracted more and more schools to this project. The company will make use of all finalist projects for the best interest of the nearby communities. Furthermore, this project deems to be the starter point of a future national scientist or national researcher.

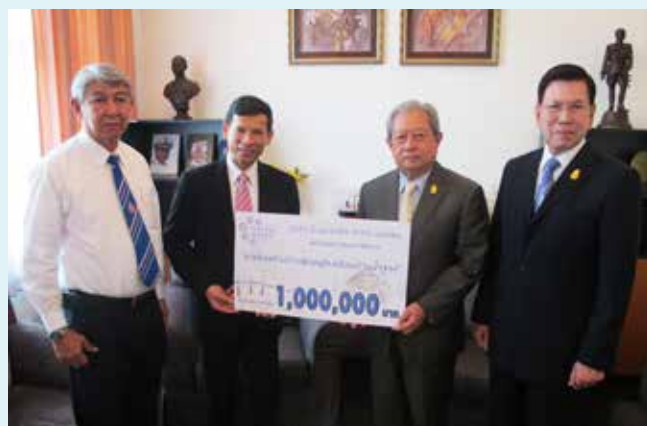
Co-Host an Annual Ted Maha Chad Wessandorn Chadok and Kratin Project

TTW had co-hosted an annual Buddhism Merit Making Ceremony called Ted Maha Chad Wessandorn Chadok - a merit making activity organized on Tuesday August 27, 2013 to celebrate the occasion of 85th Anniversary of His Majesty the King at Buddhamonthon, Nakhon Pathom province. A number of employees from sub diary companies had also participated in this event which showed a continue engagement of the company with local community. In addition to this, the company staff also joined together for Kratin, a Thai traditional / cultural event where group of people go to a designated Buddhism monastery for a charity activity. Year 2013 the company Kratin project went to Wat Kaew Fah, Samut Songkhram. This has also increase awareness of TTW to people near the service area.



School Housing Support

TTW recognizes the importance of teacher who lay fundamental for the nation by teaching children. However, there are a numbers of schools that lack of housing so teachers are living with inconvenience effecting teaching quality so the company decided to support school housing project at Ban Nam Juang, Pitsunulok province. This has been done by donation of 1 mil Baht through the Prem Tinnasulanonda Foundation. Hopefully this support will help teachers at said school to perform their duty more effectively.



Scholarship for student in 3 southern border provinces

The company is aware of the lack of opportunities of the children in the three southern border provinces because it is in an area where there is still a frequently violent. So together with the Prem Tinnasulanonda Foundation, the company contributed 5 mil Baht to support student scholarships in the three southern border provinces. This is to enhance the educational opportunities for children.



Thai Tap Water Scholarship

Realizing that education is the key fundamental behind the development of a nation, the company has continuously awarded scholarships to students in the service area over the past decade. In 2013, students from various schools have received scholarships, including fund for lunch, sports & skill development kit along with a luncheon for teachers and students. The scholarships granted ranging from kindergarten to undergraduate degree.



Scholarships for children of PWA employee

Children of PWA employee, similar to students in the service area also awarded scholarships annually. A total 138 scholarships, ranging from kindergarten to undergraduate were awarded to children of PWA employee from OM Noi, Sampran, and Samut Sakhon branches.



Activity for Community



National children's day and luncheon for students

The company recognizes the importance of children who are the future of the country so it organizes a function on national children's day at Banglane Plant continuously every year. This event became more significant in 2013 as it had drawn support from local community in the service area. Thousands of children who came to this event enjoyed a variety of activities plus receive basic knowledge on the company's business. During the year, the company also provided fund for lunch and lunch fed to school children at 12 schools around the service area. A number of volunteer employees also participated in this event with joyful to see young children smiling faces.



Activity for Environment

1 million Tree Planting Year 3 :

This project has started in 2011 with a plan to plant 200,000 trees or 1,000 rais upstream yearly until achieving one million trees by the year 2015. There are now 600,000 trees planted at Thongphapume District, Kanchanaburi Province. In November 2013, the company organized the official hand-over ceremony to the Department of National Parks Wildlife and Plant Conservation. The ceremony was witnessed by representatives of company's shareholders. This ceremony has successfully increased shareholders' understanding and appreciation on the company CSR activity.







GENERAL INFORMATION OF THE COMPANY

THAI TAP WATER SUPPLY PUBLIC COMPANY LIMITED

INFORMATION

Thai Tap Water Supply Public Company Limited

Ticker	TTW
Registered No.	0107549000114 (The Original No. 1325/2543)
Head Office	30/130 Moo 12 Buddhamonthon 5 Road, Tambol Rai Khing Amphur Sam Phran Nakhon Pathom Province 73210 Produce and distribute tap water for the Provincial Waterworks Authority
Business	
Registered Capital	Baht 3,990,000,000
Ordinary Shares	3,990,000,000 shares
Par Value	Baht 1 per share
Paid-up Capital	Baht 3,990,000,000
First Trade Date	May 22, 2008
Homepage	http://www.thaitap.com
Contact	<p>Head Office</p> <p>Telephone (+662) 811-7526, (+662) 811-7528, (+662) 811-8369, (+662) 811-7685-6, (+662) 811-8100</p> <p>Facsimile (+662) 420-6064, (+662) 811-7687</p> <p>Office of Managing Director</p> <ul style="list-style-type: none"> Corporate Governance and Secretary Telephone (+662) 811-7528 Ext. 1106 e-mail : cg@thaitap.com Investor Relations Telephone (+662) 811-7528 Ext. 1108 e-mail : ir@thaitap.com Internal Audit Telephone (+662) 811-7528 Ext. 1503 e-mail : ia@thaitap.com

Reference

Auditor

Ernst & Young Office Limited
193/136-137, 33rd Floor, Lake Rajada
Office Complex New Rajadapisek Road,
Bangkok 10110
Telephone (+662) 264-0777
(+662) 661 9190
Facsimile (+662) 264-0789-90
(+662) 661-9192

Legal Counsel

The Legists Limited
990 Abdulrahim Place, 9th Floor
Rama IV Road, Silom Subdistrict,
Bangrak District Bangkok 10500
Telephone (+662) 636-1111
Facsimile (+662) 636-0000

NATURE OF BUSINESS CHARACTERISTICS

THAI TAP WATER SUPPLY PUBLIC COMPANY LIMITED

Since 2004, Thai Tap Water Public Company Limited (TTW) has been the tap water producer and distributor to the Provincial Waterworks Authority (PWA) in West Bangkok covering 2 provinces; i.e., Nakhon Pathom Province (Nakhonchaisri District, Sampran District, and Phuttamonthon District) and Samutsakhon Province (Mueang District and Krathumbaen District). The company had the maximum production capacity of 440,000 m³/day and the minimum tap water purchase contract from PWA was at 318,000 m³/day or about 70% of the maximum production capacity.

In 2013, the company sold 136,086,107 million m³ of tap water to PWA and the total accumulated tap water sale volume was at 1,010,043,195 million m³. The company is preparing to expand its production capacity at 100,000 m³/day more in the near future. The company also has subsidiaries and associated companies including the right to supply water at BIE. Business characteristic of each entity as follows :

Pathum Thani Tap Water Company Limited

Pathum Thani Tap Water Company Limited (PTW) is the company's subsidiary. The company's investment was 98% of registered capital or accounting of 1,200 million baht, which engaging in tap water production and distribution to PWA in Pathum Thani-Rangsit areas since 1998. Currently, its maximum production capacity is at 388,000 m³/day and the minimum tap water purchase contract from PWA is at 330,000 m³/day, about 85% of the maximum production capacity. Throughout 2013, PTW sold 137,210,372 million m³ of tap water to PWA and the total accumulated sale volume was at 1,447,435,298 million m³. Anyway, Pathum Thani Water Co.,Ltd. has constructed the new distribution station with capacity of 50,000 m³/day in order to deliver its tap water to Muang Ake, by which, this new distribution station will solve the water scarcity in Muang Ake area.

Thai Water Operations Company Limited

Thai Water Operations Company Limited (TWO) is the company's subsidiary, 68% holding by TTW and 32% holding by PTW, which engaging in administration and management of tap water production and distribution system and waste water treatment system for PTW, Bang Pa-In Industrial Estate, Amata Nakorn Industrial Estate and Amata City Industrial Estate. TWO has culminated in its ISO 9001:2008 accreditation received from SGS Yarsley. This certifies that TWO has reliable service of operation, maintenance and management project in Pathum Thani, Thammasat and Rangsit area.





Bang Pa-In Industrial Estate

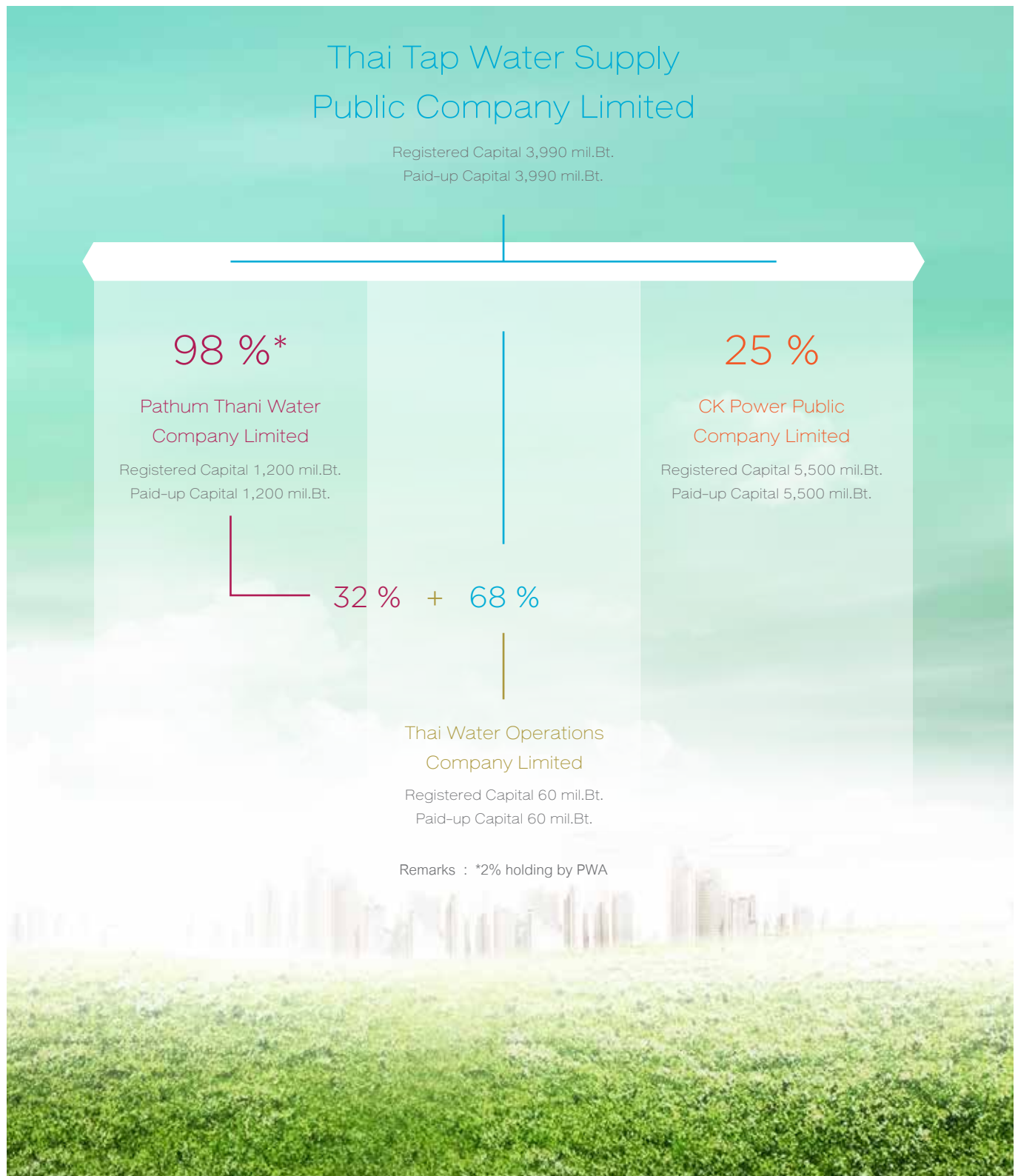
The company purchased the rights to produce tap water and wastewater treatment in Bang Pa-In Industrial Estate (BIE), Phranakorn Sri Ayuttaya Province, from Bang Pa-In Land Co., Ltd. The right period is 30 years starting from August 2009. The production capacity of tap water is at 48,000 m³/day and wastewater treatment capacity was at 18,000 m³/day. Throughout 2013, tap water sale volume was recorded at 6,948,639 million m³, the total accumulated sale volume of 26,700,699.47 million m³. The objective on the BIE right purchase is to reduce revenue reliance on PWA which is the company's sole customer. In addition, the new business will increase skill, knowledge, and experience of the company's personnel as a direct service provider. This is the first step to achieve the company's vision of "Being the national leading company in water, energy, and environment businesses".

Investment in another company

In 2012, the company had invested in common shares of CK Power Co., Ltd. (CKP), the holding company owning other company engaging in production and distribution of electricity. Through, 5 subsidiaries and associated companies, i.e. 1 Hydro Power Plant, 3 Solar Power Plant and 1 Co-generation Power Plant. At present, the company holds 25% of CKP's registered capital or accounting of 5,500 million baht, the total amount invested was 2,756 million baht.

TTW AND ITS SUBSIDIARIES STRUCTURE

THAI TAP WATER SUPPLY PUBLIC COMPANY LIMITED



LIST OF SUBSIDIARIES

Pathum Thani Water Company Limited

Business

Produce and distribute tap water for the Provincial Waterworks Authority in Pathum Thani - Ransit area

Registered Capital

Baht 1,200,000,000

Ordinary Shares

12,000,000 shares

Par Value

Baht 100 per shares

Paid-up Capital

Baht 1,200,000,000

Address

43 Moo 3 Chiang Rak Noi-Bang Sai Road,
Ban Pathum, Sam Khok,
Pathum Thani 12160

Telephone (+662) 979-8530-2

Facsimile (+662) 979-8533

Website

www.ptw.co.th

Thai Water Operations Company Limited

Business

Operate and maintain tap water production and distribution system and wastewater treatment system

Registered Capital

Baht 60,000,000

Ordinary Shares

600,000 shares

Par Value

Baht 100 per share

Paid-up Capital

Baht 60,000,000

Address

30/10 Moo 12 Buddhamonthon 5 Road,
Tambol Rai Khing Amphur Sam Phran
Nakhon Pathom Province 73210

Telephone (+662) 811-9901,

(+662) 811-9904-8

Facsimile (+662) 811-9509

Website

www.two.co.th

CK Power Public Company Limited

Business

Holding Company of various power generation firms

Registered Capital

Baht 5,500,000,000

Ordinary Shares

1,100,000,000 shares

Par Value

Baht 5 per shares

Paid-up Capital

Baht 5,500,000,000

Address

587 Viriyathavorn Building, 19 Floor,
Sutthisarnvinitchai Road, Dindaeng,
Dindaeng, Bangkok 10400

Telephone (+662) 691-9720-2

Facsimile (+662) 691-9723

Website

www.ckpower.co.th

RISK MANAGEMENT

Risk management is the key component in every step of company business process. The management regularly reviews risk and risk management plan by considering the changing environment that will affect its business includes monitoring the risk management implementation and report to Risk Management Committee quarterly in order to control the risk continuously.



The Risk Management Committee plays an important role in determining policy framework, review the adequacy of the policy, bringing the company's risk management plan to practice, keep track of risk identification, risk assessment, adequacy of critical risk management, risk reporting and perform duties assigned by the Board of Directors.

The company in 2013 has revised its residual risk as registered from years ago and add risks that occur during the year from environmental factors, both internal and external particularly of domestic political issues that affect entire economy, investment policy and as a result, it has to re-consider investing in the water business, energy business, and environment business. However, the company continues to manage risk according to the Enterprise Risk Management Framework in the water business, which is regarded as a major source of revenue.

The Risk Management Committee assess the company's risk according its 5 – year business plan based on various factors that vary according to the mentioned above. The company has classified the risk into 4 areas; strategy, operations, financial and compliance. Then it has provided a risk register which contains a list of risk, risk control measures, risk management operations, and risk management monitoring action plan. The details are as follows:

1. Strategic risk:

The company was unable to expand investment in the water sector, energy and as well as environment business.

Due to the ongoing domestic political issues that affect the entire economy and investment policy, as a result, the company has adjusted investment strategy into energy and environment business from development of new projects to take part in well-developed business. This is to reduce the risk of tolerance in estimated revenue and construction period. However, the company continues to seek opportunities in the development of new projects relating to water and waste water business.

2. Operational risks which has 3 risk factors:

2.1 The lack of continuity of water in the bulk trunk main-BTM.

In addition to the production system that was designed and constructed in order to produce clean water at a standard prescribed by The Ministry of Public Health, it is of equal important that the transport and distribution systems is reliable to ensure that it will deliver water to the end users through PWA in Nakhon Pathom province and Samut Sakhon at sufficient pressure level 24 hours a day and 7 days a week. If not, it will cause negative impact to company's image and reputation as well as revenue. The discontinuity may cause by the accident from a nearby construction work, the water surge in the pipelines and from corrosion of pipelines, The Company has prepared a project to prevent and manage the risk of transmission system as follows;

2.1.1 Cathodic Corrosion Protection Improvement Project:

This was implemented by hiring an expert firm to install and test which has already done.

2.1.2 Cold Applied Tape Coating: This was done by company maintenance staff but the inspection and testing psrts were conducted by professional outsourcing at the end of 2013.

The company has increased more risk management in 2014 such as incident management to control and contain damage to BTM if such incident occurs.

2.2 Loss of reputation from water quality that is not up to standard.

Due to the fact that more than 5,000 large and smaller industrial plants are the end users in service area, they produce products for domestic consumption and for export worth tens of thousands million Baht. So it is important that water for production must meet certain standard. The company realizes that water quality depends on raw water and the production process so the company prevents such risk by.

2.2.1 Request cooperation from the Royal Irrigation

Department In order to help regulate water in Tha Chin River in accordance with the company's request and coordinate with We Love Tha Chin River Club to help along. As the company managed to secure a good relationship with both agencies in the past year, together with continuous water quality surveillance measure has helped the company to analyze the raw water quality and prepare production planning as appropriate.

2.2.2 The company has prepared the production guide to

ensure that the standard quality control procedures are in place. Such standard can be verified and met by adjusting the supply of chemicals, according to a statement issued by the water quality control laboratory. In addition, the company has given importance in maintaining machinery and equipment in the production process to prevent damage which will affect efficiency and effectiveness of water production.

2.3 Impact of Major Flood on production and distribution system

The company collected information from 2011 major flood and produce an Incident Management Manual that covers dealing with flood events, practice, drills and review to ensure that concern parties thoroughly understand the process of managing events. It is one of several measures that will build confidence for the PWA and water users in the area that the company can supply standard clean water adequately and continuously.

In addition to event management and risk prevention measures, the company have surveillance and applied prevention control from high water level due to the drainage from large dams of Irrigation Department in each season that will affect the company as well as to make alternative plans for chemical substances to ensure that the quantities of the chemicals used in the process of production and will not be a shortage by looking through the shipping process, in cooperation with the supplier.

3. Financial Risk :

Interest rate fluctuations

By the end of December 2013 the company has long-term loans with floating interest rates (MLR-margin) that may cause a higher interest for the company. To minimize such risk, the company continues negotiating with banks or issuing bonds with a fixed interest rate for the same loan alternative. The interest rate of the bonds must be lower than the interest rate of the loan no less than 3.00 per cent. Minimizing the risk including reserve cash for interest payments and evaluation of the financial state of the company every quarter and every year end.

4. Compliance Risk:

Changing the terms in the contract by PWA

The nature of company business is producing and selling tap water under contract with PWA which is considered a single customer that create revenue and profit to the company more than 90 per cent of the total revenue of the Group of Thai Tap Water. If there is a change in contract terms, it will affect the company's financial status and as a result reflect revenues and net income. The company then needs to follow up the news of the project with PWA.

INTERNAL AUDIT



The Board of Directors emphasizes the importance of internal control and auditing system to ensure transparency and eliminate all risks concerned. The Audit Committee comprising of 3 independent directors with various experiences was responsible for overseeing such tasks. With assistance from the Internal Audit Section, the Audit Committee had carried out duties within scopes and responsibilities as specified in approved plan and complied with 5 elements of internal control process: control environment, risk assessment, control, information and communication and monitoring and evaluation. In summary, TTW in 2013 had a fair internal control in line with the generally accepted accounting principles. The internal audit systems were set efficiently and effectively. The operation of the Company and subsidiaries were in compliance with securities and stock exchange laws, regulations of the Stock Exchange of Thailand, and other related laws including ISO 9001 : 2008 and ISO 14001 : 2004.

For the fiscal years as of December 31, 2013, the company disclosed information regarding related transactions in the notes of the financial statements which inspected by the auditor of the company. The following list provides detailed information on related transactions in 2013 as below :

Related Companies	Relationship	Transactions with related parties	Value of related transactions for the year ended 31 December 2013		Description
			Consolidated financial statement	Separate financial statement	
<p>1. CH. Karnchang Public Company Limited (CK)</p> <p>To operate the business of general contract construction</p>	<ul style="list-style-type: none"> Major shareholder (19% holding by TTW) Joint Director with TTW : <ol style="list-style-type: none"> Mr. Plew Trivisvavet Mr. Narong Sangsuriya CK pay expense to TTW for any service. 	<ul style="list-style-type: none"> Other receivables - related parties 	80	80	<ul style="list-style-type: none"> Cost of sale and waste water service paid under the contract.
<p>2. Pathum Thani Water Company Limited (PTW)</p> <p>Produce & distribute tap water to Provincial Waterworks Authority in Pathum Thani Province under the concession</p>	<ul style="list-style-type: none"> Subsidiaries companies (98% holding by TTW) Joint Director with TTW : <ol style="list-style-type: none"> Mr. Phairuch Mekarporn Mr. Techapit Sangsingkeo Director of TTW who take the position in PTW : <ol style="list-style-type: none"> Mr. Sompodh Sripoom Mr. Somkiat Pattamamongkolchai PTW pay expense to TTW for any service. 	<ul style="list-style-type: none"> Dividend income Interest income Long-term loans to related party accrued interest 		<p>1,105,000</p> <p>99,894</p> <p>1,782,500</p> <p>1,208</p>	<ul style="list-style-type: none"> Revenue from Dividend refers to the expense according to its declaration. Revenue from Interest is based on the minimum borrowing rate subtracted by a margin on annually basis. The rate of long term loan is calculated by the minimum borrowing rate subtracted by a margin on the contract.

(Unit: Million Baht)

Related Companies	Relationship	Transactions with related parties	Value of related transactions for the year ended 31 December 2013		Description
			Consolidated financial statement	Separate financial statement	
<p>3. Thai Water Operations Company Limited (TWO)</p> <p>Operate and maintain tap water production and distribution system and wastewater treatment system</p>	<ul style="list-style-type: none"> Subsidiaries companies (68.50% holding by TTW) Director of TTW who take the position in TWO : <ol style="list-style-type: none"> Mr. Sompodh Sripoom Mr. Somkiat Pattamamongkolchai TWO pay expense to TTW for any service. 	<ul style="list-style-type: none"> Cost of sales and service Rental income Other income Trade payable – related parties Retention payable 	<p>2,000</p>	<p>31,462</p> <p>1,310</p> <p>2,983</p> <p>5,000</p>	<ul style="list-style-type: none"> Service and maintenance fees for tap water production system refer to the expense on the contract. The office rental refers to the expense on the contract. The commissioning of waste water treatment system at Bang Sue refers to the transaction on P/O. Service and maintenance fees for tap water production system refer to the expense on the contract. Retention money refers to the transaction on the contract.
<p>4. Bangpa-in Land Development Company Limited (BLDC)</p> <p>Its core business is related to real estate</p>	<ul style="list-style-type: none"> Joint Director with TTW : Mr. Plew Trivisvavet BLDC pay expense to TTW for any service. 	<ul style="list-style-type: none"> Other payable - related parties 	<p>66</p>	<p>66</p>	<ul style="list-style-type: none"> Electricity expenses is paid on actual basis.
<p>5. Bangpa-in Cogeneration Company Limited (BIC)</p> <p>Operation of power plant and electricity transmission to Electricity Generating Authority of Thailand</p>	<ul style="list-style-type: none"> Joint Director with TTW : Mr. Narong Sangsuriya BIC pay expense to TTW for any service. 	<ul style="list-style-type: none"> Other receivables - related parties 	<p>5,693</p>	<p>5,693</p>	<ul style="list-style-type: none"> Cost of sale and waste water service paid under the contract.
<p>6. Expert Transport Company Limited</p> <p>Large transportation company</p>	<ul style="list-style-type: none"> Joint Director with TTW : Mr. Plew Trivisvavet Expert Transport Company Limited pay expense to TTW for any service. 	<ul style="list-style-type: none"> Other receivables - related parties 	<p>6</p>	<p>6</p>	<ul style="list-style-type: none"> Cost of sale and waste water service paid under the contract.

The company complies with rules and regulations of The Securities and Exchange Commission and the Stock Exchange of Thailand as well as Capital Market Supervisory Board (CMSB). Provided there are related transactions which may cause the conflict of interest, it must be approved by the company's Board of Director. Entering into all related transactions is the company's business operation as usual under taking the appropriate and reasonable aspect into account in order to maximize the company's interest.

GOOD CORPORATE GOVERNANCE REPORT

The Board of Directors has assigned the Corporate Governance Committee to take charge of corporate governance matters as well as to consider trends and movements at the international level in order to find areas for improvement. The Board of Directors, moreover, specifies corporate governance as one of the main items on the agenda at the Board of Directors' meeting. The company also publishes and distributes booklets of Code of Conduct to its employees to create the corporate governance guidelines to ensure effective practice, details shown on company's website, www.thaitap.com

TTW sees its corporate governance and code of conduct as essential guidelines for the organization; therefore, the emphasis is strongly laid upon principles and practices concerning responsibility and fairness towards all stakeholders. The principles include a clear outline of the structure, components, duties, independence and the performance of the Board of Directors, transparency of information disclosure, a strict auditing system and risk management policies. These build trust and create additional value among the shareholders. TTW has disclosed related information through various media, for example, the annual report, 56-1 form, websites of the Stock Exchange of Thailand (SET) and of TTW.

In addition, the stakeholders have the opportunity to participate in improving the company's operating results through communications with the Investor Relation via e-mail, ir@thaitap.com. All suggestions will be carefully considered prior to reporting to TTW's executives and the Board of Directors for acknowledgement and consideration.

Guidelines to Corporate Governance

The Rights of Shareholders

Shareholders, both as investors and owners of the company, are entitled to all basic rights at acceptable standards, which include the right to freely trade or transfer their own shares, the right to receive dividends from the company, the right to propose the agenda of the meeting, the right to nominate a person to be a director, the right to express opinions independently, the right to make decisions on important affairs of the company e.g. the election of directors, approval of significant transactions influencing the direction of the company. Shareholders have the right to vote at meeting according to the number of shares owned by each shareholder, whereby one share is for one vote and no particular share allows them privilege to limit the rights of other shareholders.

Apart from the above mentioned rights of the shareholders, TTW has carried out additional tasks to encourage and facilitate shareholders in exercising their rights by

1. Providing essential, clear and up-to-date information for shareholders regarding the company's business through TTW's website and SET.
2. Providing sufficient detailed information concerning the date and the agendas prior to the date of shareholders' meeting. The shareholders' right to attend the meetings and the right to vote on resolutions will be clearly stated in the notice of the meeting submitted by the company.
3. In a case where shareholders are unable to attend a meeting, they are entitled to appoint a representative e.g. an independent director or a person to act as their proxy, using any proxy form attached to the notice of the meeting. The company has prepared the proxy forms in compliance with the specifications defined by the Ministry of Commerce in which the shareholders can exercise their voting rights as wished. In addition, TTW provides to shareholders the duty stamp to be sealed on the proxy form for their convenience.

Shareholders who arrive after the meeting has commenced are able to vote on the agenda item being considered provided that a resolution is not yet made. They shall constitute part of the quorum starting from the agenda item that they are in attendance and exercise their voting rights.

4. Prior to the 2013 Annual Ordinary General Meeting of Shareholders, one or several shareholders holding the shares for a period of or more than 1 year consecutive by and in aggregate of at least 0.050% of all issued shares of the Company have the right to suggest issues to be included in the agenda of the Annual Ordinary General Meeting of Shareholders for 2013. The Company provided the proposed form to shareholders and they were allowed to exercise this right three months in advance between 1 October – 31 December 2012, so that the Nomination and Remuneration Committee could screen the issues before presenting them to the Board of Directors for consideration. However, no shareholder proposed any agenda item or candidate prior to the Meeting.
5. On the date of the meetings, the company uses the barcode system for registration to ensure convenience of shareholders as each reference number is already included in the registration form. In addition, for each agenda, the company will collect the ballot paper from the shareholders who vote “disapprove” or “abstain” in order to deduct the votes from the total entitled voting rights. The company applies the e-voting system to perform the calculation in order to ensure immediate voting results prompt for announcement right after the end of each agenda. Shareholders are entitled to verify each voting result after the meeting.
6. At the meetings, shareholders are allowed to freely express their opinions, give suggestions, and raise questions on any agenda item before casting votes to ensure that shareholders have sufficient detailed information on the matters. Should shareholders have questions or inquiries, specialists in specific fields are available to answer queries under the responsibility of the Boards.
7. An agenda on the Board’s remuneration is included to inform the shareholders of the amount and type of remuneration received by each director including meeting allowance and the Board’s bonus. The detailed information can be found in the company’s annual report on page 43
8. The agenda of the 2013 Annual Ordinary General Meeting of Shareholders was considered chronologically as it appeared in the invitation letter submitted to shareholders prior to the Meeting, without any changes in order or request for the Meeting to consider any agenda item other than those specified in the invitation letter.

The Equitable Treatment of Shareholders

Internal Information Control

The Board of Directors has established measures to control the usage and prevent the misuse of internal information (insider trading) for the personal benefit of the concerned person, namely the Board of Directors, executives and employees working in related departments (including their spouses and children who are minors).

1. All concerned persons are prohibited from trading the company shares for a 24-hour period after the release of the company’s quarterly and annual financial statements.
2. Should they have knowledge of confidential information that could have any impact on the company’s share price; they are prohibited from trading the company shares until after a 24-hour period from the public disclosure.

Conflict of Interest Prevention Measure.

The Board of Directors has established policies and measures as follows :

1. TTW has a clear and transparent shareholder structure. There is no cross-holding of major shareholders, thereby, preventing any conflict of interests or transfer of benefits to one party or another. The shareholder structure of TTW and its subsidiaries is published in the company’s annual report, also the Board member’s ordinary shares and debentures.
2. There is a clear separation of duties and responsibilities of the Board, the management, and shareholders, thereby, ensuring no overlapping of their duties and responsibilities. The directors or executives who may have interests in any agenda under consideration must not attend the meeting nor vote on such agenda. This is to ensure that the Board of Director and executives make decisions in a fair manner for the benefits of shareholders.
3. The company has an established policy governing the use of internal information.

The Role of Stakeholders in Corporate Governance

The Board of Directors oversees the management system to ensure that the company acknowledges the right of stakeholders, both stated by law and as written in Corporate Governance and Code of Conduct. The company also ensures that those rights and the shareholders, employees, customers and business partners are treated equally.

Shareholders	Besides the basic rights of shareholders and the rights stipulated by the law and the company's regulations, such as the right to attend the shareholders' meetings, the right to vote at the meetings, the right to freely express opinions at the shareholders' meetings, and the right to receive a fair return, TTW also gives shareholders the rights, as the owner of the company, to make suggestions and comments on the company's affairs. Each comment and suggestion will be carefully considered and presented to the Board of Directors.
Employees	TTW truly believes that employees are the most valuable assets and is determined to ensure that every employee is proud of and feel confidence of belonging to the company. In the previous year, TTW organized activities to promote a collaborative working environment to enhance the competence of employees. Furthermore, the company focuses on promoting employee's health, safety, as well as good working conditions and competitive remuneration.
Customer	It is concern to TTW that customers be provided with the benefits in terms of cleanliness, sufficiency and availability, and the company is determined to develop and maintain sustainable relationships with customers. It has set supporting activities to provide product information, solve problems and receive complaints in order to ensure satisfaction for customers.
Business partners	TTW operates its business by upholds promises, Code of Conduct and commitments.
Creditors	TTW practices under the terms of loans and obligations of its creditors. The Company has complied with all conditions and obligations toward creditors, such as business creditor, financial account, etc. It also has a project to build a relationship with creditors, such as suppliers and partner visiting.
Society	TTW ensures that its business operation is fair to related parties. The company supports activities which develop the quality of life and create happiness to community and society in which TTW operates. Furthermore, TTW encourages its employees and related parties to partake in activities that are beneficial to the community and society.
Environment	TTW sets the guidelines for development which are applied to the operations of its business, aiming to respect of the environmental management. The concept is integrated in the designs of the production process and technology to make them eco-friendly and to minimize the impact to the community. Additionally, the company constantly raises awareness regarding environmental conservation and encourages its employees and related parties to participate in saving the environment.



Disclosure and Transparency

TTW realizes the importance of information disclosure as it greatly affects the decision-making of investors and stakeholders. TTW is committed to obeying the law, regulations and obligations mandated by the Securities and Exchange Commission (SEC), SET and other related government agencies to.

1. Disclose accurate, complete and timely financial information and non-financial information.
2. Prepare the report of the Board's responsibility for financial statements and present it along with the Audit Committee's report in an annual report.
3. Require the company's directors and executives report the interests of themselves and related person which are vested interests relating to management of the company or subsidiaries through the Company Secretary, who will gather, store and submit the documents to the Chairman of the Board of Directors and the Chairman of the Audit Committee for acknowledgement within 7 days the company receives the documents.
4. Announced a policy requiring all directors to disclose and/or report their securities trading and holdings to the Company.
5. Disclose the performance and attendance record of each member of the committee.

6. Disclose detailed information on the operation and investment structure in subsidiaries and associate companies.
7. Disclose information on the remuneration each director receives as a member of the committee.

In addition, the Company has a policy not to support any violation of intellectual property rights or copyright. It represents the spirit of the Company to conduct business with fairness. The guidelines are as follows :

1. The work of the compliance function is an intellectual property of the Company.
2. Effect or a right of any third party information received or to be used within the Company must be checked to ensure that it will not infringe the copyright or intellectual property rights of others.
3. Monitoring system from the procurement process, installation to use software and database of various computer programs active in the organization currently. To ensure compliance with the Computer Acts related offenses in 2007.

The attendance of the Board of Director

The Board of Directors schedule the ordinary meeting in every quarter and arrange an additional meeting as requirement which issue the agenda in advance and normally has agenda for consideration the company's performance. Office of Managing Directors send the invitation letter together with the agenda not less than 10 days and the material of meeting not less than 7 days before the date of meeting in order that the Board have sufficient time to prepare in advance. In 2013, the Board of Directors and subcommittees held a total of 24 meetings as follows:

Name	Ordinary General Meeting of Shareholders	Board of Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee
1. Dr.Thanong Bidaya	1/1	4/4					
2. Mr. Plew Trivisvavet	1/1	3/4					
3. Mrs. Narong Sangsuriya	1/1	3/4	7/7				
4. Mr. Payao Marittanaporn**	1/1	3/4			1/2		3/4
5. Mr. Prasert Marittanaporn*	-/1	-/4			-/2		-/4
6. Dr. Sombat Kitjalaksana	1/1	3/4	5/7				
7. Mr. Sompodh Sripoom	1/1	4/4	7/7			2/2	4/4
8. Mr. Ryotaro Sumi	1/1	2/4			1/2		
9. Mr. Tomonori Susuzi	1/1	4/4	7/7				4/4
10. Mr. Techapit Sangsingkeo	1/1	4/4		4/4		2/2	4/4
11. Mr. Phairuch Mekarporn	1/1	4/4		4/4	2/2	2/2	
12. Mr. Somnuk Chaidejsuriya	1/1	4/4		4/4	2/2	2/2	
13. Mr. Suvich Pungchareon	1/1	4/4	7/7				

* Mr. Prasert Marittanaporn resigned on 29 January 2013

** Mrs. Payao Marittanaporn was appointed on 30 January 2013

Orientation for New Directors

All of new Directors are required to have an Orientation regarding principal information of the company by Executive Director and also obtain the Director's guide introducing the roles, the duties, the responsibilities, stock holding, stock buying and stock selling of Directors, report of Director benefits, meeting arrangement, suitable information disclosure, communication with Management division, remuneration and privilege and general information of the company. Company's business ethic guide will be provided as well. In addition to the orientation, the company encourages new Directors to enroll Director's training program organized by Thai Institute of Directors Association (IOD) or related institutes to increase knowledge of their role and company's mission under Good Corporate Governance campaign. All expenses will be paid by the company.

Self-Assessment of the Board

By the resolution of the Board meeting No. 4/2013 of 11 November 2013, it acknowledged the result of 2013 self-assessment. Self-Assessment of the Board consisted of five categories: Understanding of responsibility and company business, relationship with executives, supervision, meeting and performance. The results indicated very good/ most suitable overall performance with an average score of 92.5%.

The Corporate Secretary

By the resolution of Board of Director meeting, Ms. Sudarat Chiamchan, Director, Office of Managing Director, was appointed as the corporate Secretary, responsible for organizing the meeting of the Board, committees and shareholders. The corporate secretary is also in charge of preparing the minutes of the Board's meeting and Annual report as well as filing documents as stipulated by law. She is deemed by the Board to be appropriate and she should have no character against the Securities and Exchange Commission's regulation. Moreover, Office of Director supports the corporate secretarial work compliance with law, rules, regulations and the Corporate Governance policy.

Nomination and Succession Plan for High-level Executive Positions

The company put in place a proper and transparent nomination process for key management positions at every level in order to ensure that all of our executives are professional who perform their duties independently from the major shareholders and other shareholders. The succession plan for the Managing Director and high level executive is carried out by Nomination and Remuneration Committee and considered their knowledge, experience, ability, and ethic and leadership skill by the Board of Directors. The qualified employees will undergo a high potential assessment and pursue development plan through nomination and succession Plan called IDP (Individual Development Planning). These talents will assign challenging tasks and their position will be rotated periodically in order to further develop their leadership skills and all-round knowledge in every area of the company's business. The plan is implemented at every level of employment to ensure that staffs are ready to fill any positions that become vacant.

A clear policy on how to deal with creditors

The Company intends to supply goods and services to the highest standards and ethics operates under the following principles.

1. a fair bidding and selection process,
2. a clear for evaluation and selection of suppliers and contractors,
3. an appropriate format of contract,
4. a monitoring system to ensure that the operating conditions, of the contract in its entirety in order to prevent fraud, misconduct at all stages of the procurement process.

Policies and practices to educate and train employees in environmental matters

The Company's operations depend on the natural environment, awareness of the business with commitment to engage with environmental responsibility. Reduce resource use and waste, added ability to use resources effectively. Cultivate participation in health care and environmental responsibility to the employees. The approach recognizes that all employees have a total impact on the environment.

- 1) Would comply with environmental laws and regulations,
- 2) Promote employee knowledge, understanding about the need to protect the environment both education and training.
- 3) Exchange of knowledge and experience with both internal and external agencies as well as the companies listed on the Stock Exchange. The goals are to prevent a negative impact on the environment. Employees to perform continuously and can track their progress regularly.

All stakeholders can contact/ report to the Board of Directors or the Audit Committee directly

The channel for all stakeholders has complained to the secretary of the Audit Committee. To report directly to the Audit committee by contacting the secretary of the Audit Committee's website at ia@thaitap.com

Information Dissemination Channels

The company places great importance upon transparency and full disclosure of significant financial, operational, and other relevant information. In addition to fulfill legal and SET reporting requirement, the company has established its own broad infrastructure of dissemination channels to reach related parties. These communication channels include.

1. Availability of Investor Relation Department (IR) for direct communication with local and international investors
2. Arrangement of Press Conferences on an annual basis to announce operating results and regularly press briefings to announce significant investment projects and activities.
3. Arrangement of analyst meeting to announce semi-annually operating results to investors and stakeholders.
4. Arrangement of activities to meet both local and international investors and other stakeholders
5. Arrangement of company visit and plant tour for stakeholders, analysts, NGOs, communities, media and other stakeholders
6. Distribution to the media of press releases, such as captioned photographs, news stories and advertisements.
7. Arrangement of publication and media, such as annual report, sustainability report, TTW's E-News Letter journal
8. Distribution to employees of press releases via electronic media, such as intranet and e-mail.
9. Disclosure relevant information on company's website: www.thaitap.com

COMPENSATION PAID TO DIRECTORS AND EMPLOYEES

The 2013 Annual Ordinary General Meeting held on 22 March 2013 passed resolution to approve of Director's Remuneration for the year 2013 in the amount of 6,822,690 Baht and Bonus for the 2012 in the amount of 16,091,250 Baht. Rule and Determination of Remuneration procedure details as follow :

1. The remuneration shall be proper and sufficient to persuade and retain qualified directors as required, in avoidance of unreasonable high payments.
2. The remuneration shall comprise three portions as follows :
 - 1) Retainer Fee shall be taken into account the results of operation and the ability to meet the target.
 - 2) Meeting Allowance shall be paid to directors who attend the meeting.
 - 3) Bonus shall be paid to the directors once a year, based on value generated to the shareholders, such as, profits of the Company or dividend paid to the shareholders.

Compensation paid to directors in 2013

No.	Name-Surname	Position	Remuneration	Meeting Allowance	Total	Bonus (2009)	Total
1	Dr. Thanong Bidaya	Director and Chairman of the Board Director	679,090	169,700	848,790	2,025,000	2,873,790
2	Mr. Plew Trivisvavet	Director	555,300	138,300	693,600	1,655,000	2,348,600
3	Mr. Narong Sangsuriya	Director and Chairman of Executive Committee	448,500	113,800	562,300	1,340,000	1,902,300
4	Mr. Techapit Sangsingkeo	Independent Director, Chairman of Audit Committee, Chairman of Risk Management Committee and Corporate Governance Committee	549,700	138,300	688,000	1,641,250	2,329,250
5	Mr. Phairuch Mekarporn	Independent Director, Chairman of Nomination and Remuneration Committee, Corporate Governance Committee and Audit Committee	494,700	124,700	619,400	1,477,500	2,096,900
6	Mr. Somnuk Chaidejsuriya	Independent Director, Chairman of Corporate Governance Committee and Audit Committee	489,550	123,390	612,940	1,292,500	1,905,440
7	Mr. Sompodh Sripoom	Director, Executive Committee, Risk Management Committee and Corporate Governance Committee	469,400	119,400	588,800	1,405,000	1,993,800

No.	Name-Surname	Position	Remuneration	Meeting Allowance	Total	Bonus (2009)	Total
8	Mr. Prasert Marittanaporn	Director, Nomination and Remuneration Committee and Risk Management Committee	29,950	7,595	37,545	1,075,000	1,112,545
9	Mrs. Payao Marittanaporn	Director, Nomination and Remuneration Committee and Risk Management Committee	329,450	83,505	412,955	-	412,955
10	Mr. Tomonori Suzuki	Director, Executive Committee and Risk Management Committee	407,600	103,700	511,300	1,220,000	1,731,300
11	Mr. Ryotaro Sumi	Director and Nomination and Remuneration Committee	238,650	41,625	280,275	111,250	391,525
12	Mr. Jun Aketa	Director and Nomination and Remuneration Committee	-	-	-	778,750	778,750
13	Dr. Sombat Kitjalaksana	Director and Executive Committee	332,050	84,463	416,513	1,035,000	1,451,513
14	Mr. Suvich Pungchareon	Director and Executive Committee	345,800	88,000	433,800	1,035,000	1,468,800
Total			5,369,740	1,336,478	6,706,218	16,091,250	22,797,468

Remarks

Mr. Prasert Mariitanaporn resigned on 29 January 2013
 Mrs. Payao Mariitanaporn was appointed on 30 January 2013
 Mr. Jun Aketa resigned on 14 November 2012
 Mr. Ryotaro Sumi was appointed on 15 November 2012

Director's Compensation in 2011-2013

Description	2013		2012		2011	
	Persons	Baht	Persons	Baht	Persons	Baht
Remuneration	13	5,369,740	12	5,110,000	12	4,829,000
Meeting Allowance	13	1,336,478	12	1,208,000	12	1,181,917
Total Bonus	13	6,706,218	12	12,129,600	12	10,334,100
Total		22,797,468		18,447,600		16,345,017

Compensation Paid to Management

TTW's compensation paid to management team members complies with the policies and principles defined by the Company, which is jointly defined as key performance indicators by the Managing Director and his management team for framing TTW's business each year. Each person's compensation is measured against the performance. Detail of Remuneration, Bonus and Provident Fund of management team as follows :

Compensation Paid to Management in 2011-2013

Description	2013		2012		2011	
	Persons	Baht	Persons	Baht	Persons	Baht
Remuneration	9	18,309,080	10	18,338,167	9	16,043,381
Total Bonus	9	6,953,700	9	6,573,400	9	7,032,370
Provident Fund	9	1,279,261	10	1,266,193	9	918,803

Compensation Paid to all employees

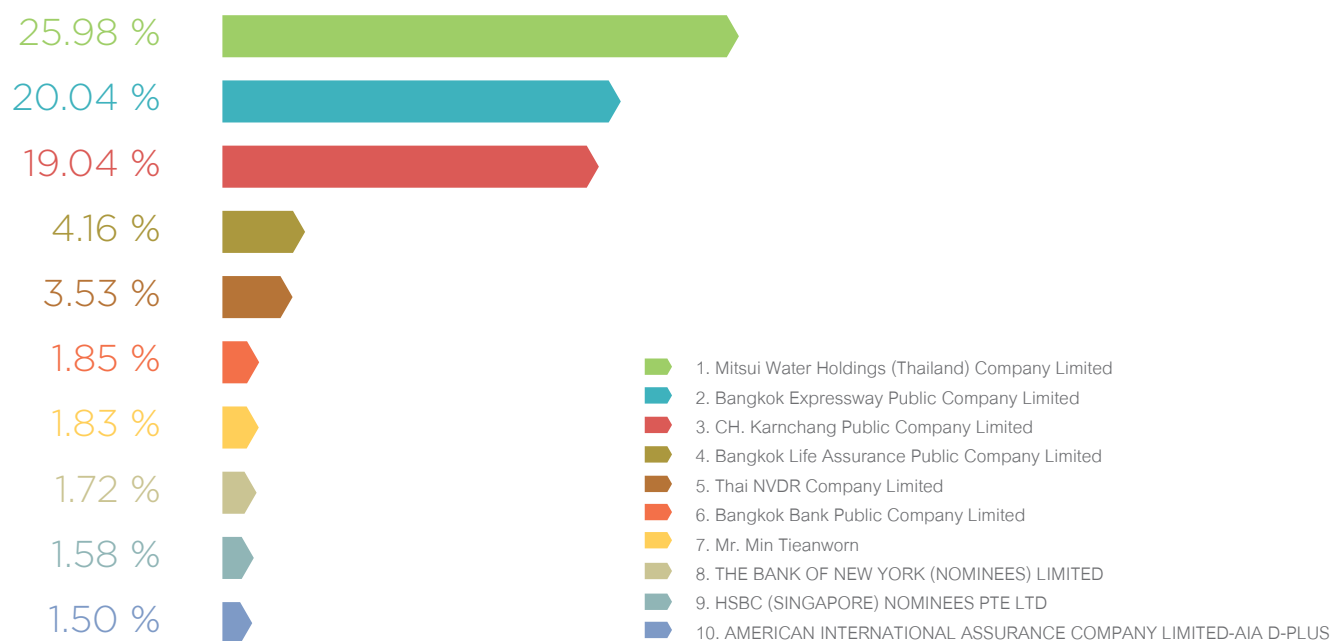
The company has the policy to equally provide remuneration to all employees who have the same knowledge, ability and responsibility. The remuneration rate shall not be less than other utility companies in SEC.

Other Compensation

TTW has instituted employee welfare and benefit other than salary, bonus and provident fund contribution for management and all employees. This is according to domestic economic conditions, cost of living, and other standard for peer companies.

SHAREHOLDING STRUCTURE

List of top ten shareholders as at December 31, 2013

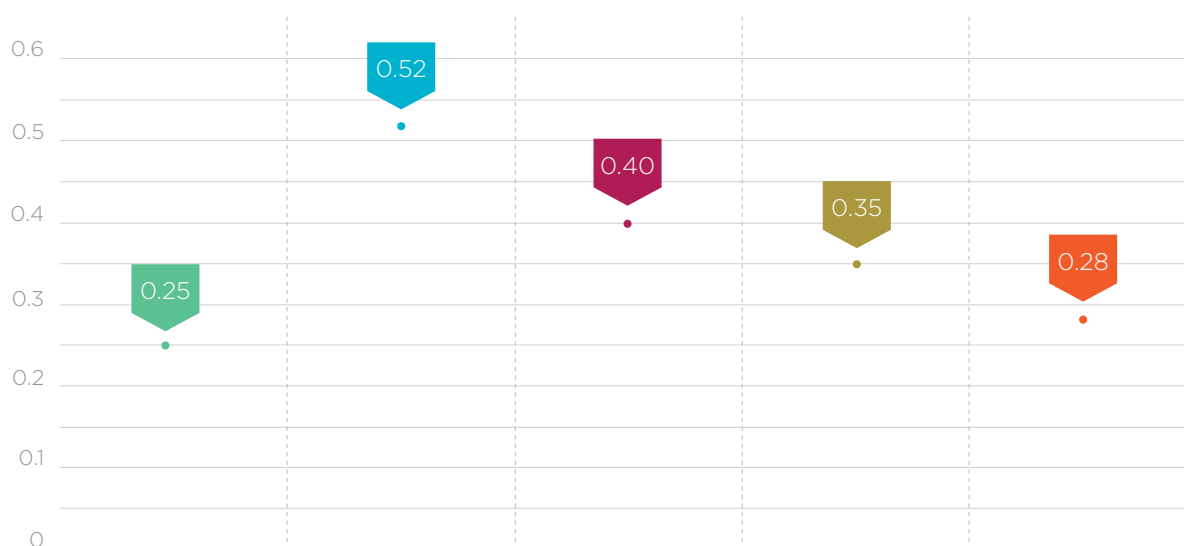


List of Shareholders	Number of Shares	Shareholding (%)
1. Mitsui Water Holdings (Thailand) Company Limited	1,036,500,000	25.98%
2. Bangkok Expressway Public Company Limited	807,650,000	20.04%
3. CH. Karnchang Public Company Limited	759,877,400	19.04%
4. Bangkok Life Assurance Public Company Limited	166,177,800	4.16%
5. Thai NVDR Company Limited	140,943,282	3.53%
6. Bangkok Bank Public Company Limited	73,895,000	1.85%
7. Mr. Min Tieworn	73,200,000	1.83%
8. THE BANK OF NEW YORK (NOMINEES) LIMITED	68,568,246	1.72%
9. HSBC (SINGAPORE) NOMINEES PTE LTD	62,894,638	1.58%
10. AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED-AIA D-PLUS	59,800,000	1.50%

DIVIDEND POLICY

To maintain a consistent dividend payment, and the benefit of the shareholders, the Company has set dividend payment policy as follow:

The Company will prioritize the financial needs for the next five years and maintain appropriate level of the debt-equity ratio. If there is a possibility to pay dividend, the Company will consider paying as high rate as possible. However, such rate shall not be less than 50% of its net profit after corporate income tax, statutory reserve, and other reserves required by terms of relevant agreements.



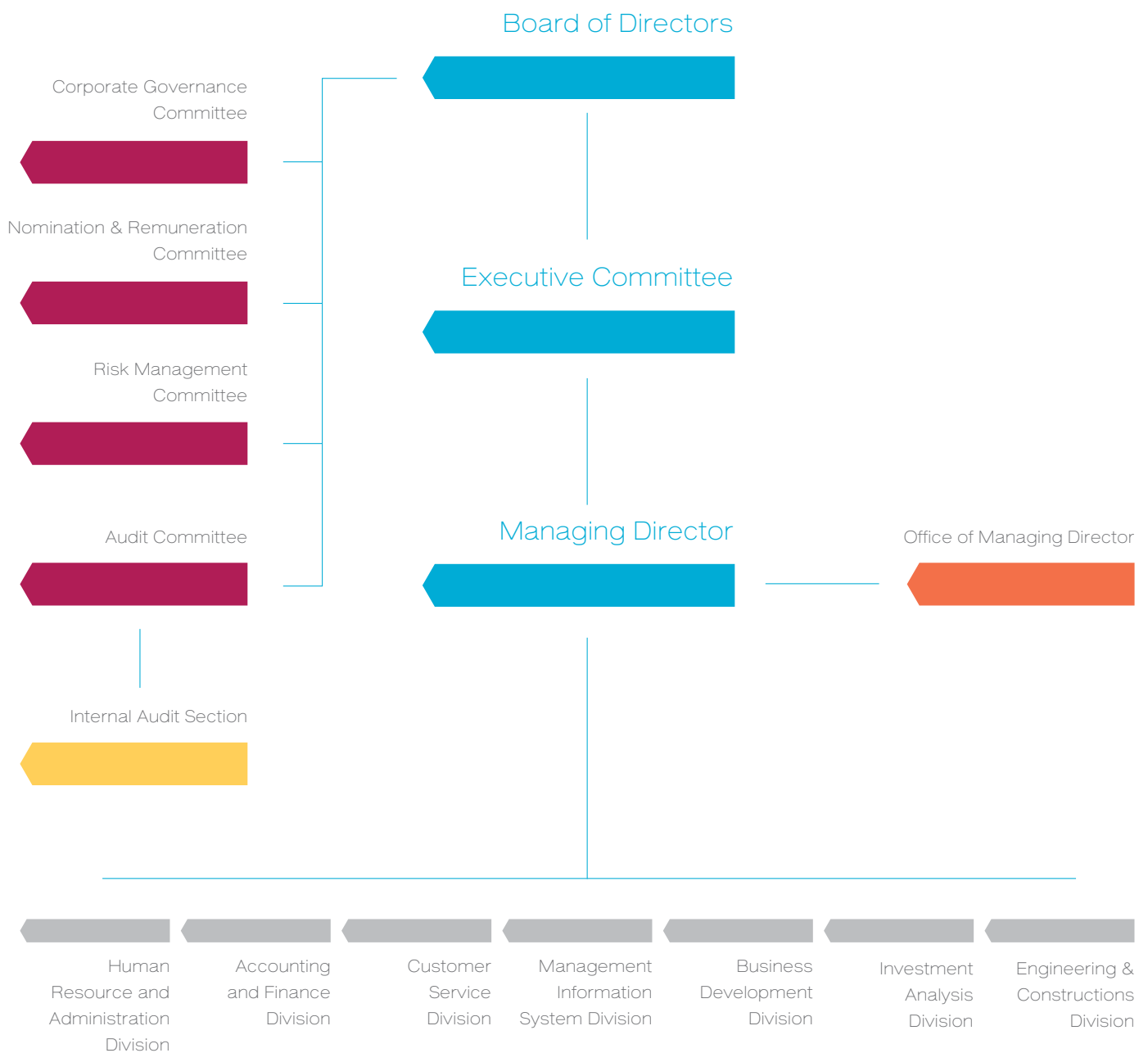
(unit : Baht/share)

	2013 (First half)	2012	2011	2010	2009
Dividend	0.25	0.52	0.40	0.35	0.28

MANAGEMENT STRUCTURE

As at December 31, 2013, the Company's management structure is as follows:

organization chart



The Board of Directors consists of the Chairman of the Board of Directors and directors, totaling at least five persons, provided that not less than one half of the total number of directors shall be non-executive directors, and at least three persons or one-third of the total number of directors shall be independent directors.

The Company's management structure comprises six committees, namely, the Board of Directors, the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee, as well as the executive management. The Board of Directors has four independent directors who have the qualifications and have no prohibited characteristics as set forth in the Public Limited Companies Act, with a three-year term in office.

The appointment of directors shall be transparent and comply with the Company's Articles of Association as well as the criteria and procedures as established by the Nomination and Remuneration Committee. Names and backgrounds of candidates nominated for appointment as directors shall be submitted through the Nomination and Remuneration Committee and the Board of Directors for consideration and to seek approval from the shareholders' meeting. The said nomination process shall also allow the minority shareholders to nominate candidates for consideration and selection.

Board of Directors

As at December 31, 2013, the Board of Directors comprises twelve directors as follows:

1.	Dr. Thanong Bidaya	Chairman of the Board of Directors and Independent Director
2.	Mr. Plew Trivisvavet	Director
3.	Mr. Techapit Sangsingkeo	Independent Director, Chairman of Audit Committee, Chairman of Risk Management Committee and Corporate Governance Committee
4.	Mr. Phairuch Mekarporn	Independent Director, Chairman of Nomination and Remuneration Committee, Corporate Governance Committee and Audit Committee
5.	Mr. Somnuk Chaidejsuriya	Independent Director, Chairman of Corporate Governance Committee and Audit Committee, Nomination and Remuneration Committee
6.	Mr. Narong Sangsuriya	Director and Chairman of Executive Committee
7.	Mrs. Payao Marittanaporn	Director, Nomination and Remuneration Committee and Risk Management Committee
8.	Mr. Ryotaro Sumi	Director and Nomination and Remuneration Committee
9.	Mr. Suvich Pungchareon	Director and Executive Committee
10.	Dr. Sombat Kitjalaksana	Director and Executive Committee
11.	Mr. Tomonori Susuki	Director, Executive Committee and Risk Management Committee
12.	Mr. Sompodh Sripoom	Director, Executive Committee, Risk Management Committee, Corporate Governance Committee and Managing Director

The term of office is three years each. At every Annual Ordinary General Meeting, one-third of the total number of directors shall retire, provided that those retiring directors for the first and second years after the Company's incorporation shall be drawn by lots, and for subsequent years, such directors with the longest term of office shall retire. Retiring directors may be re-elected for appointment as directors.

The Company's Authorized Signatory Directors

The Company's authorized signatory directors shall be: (1) any two of these five directors, namely, Mr.Plew Trivisvavet, Mr.Narong Sangsuriya, Mr.Sombat Kitjalaksana, Mrs.Payao Marittanaporn, Mr.Sompodh Sripoom and Mr.Suvich Pungcharoen, jointly sign and affix the Company's seal; or (2) either Mr.Plew Trivisvavet or Mr.Narong Sangsuriya or Mr.Sombat Kitjalaksana or Mr.Prasert Marittanaporn or Mr.Sompodh Sripoom or Mr.Suvich Pungcharoen, and either Mr.Ryotaro Sumi or Mr.Tomonori Susuki, totaling two directors, jointly sign and affix the Company's seal.

Powers and duties of the Board of Directors

The Board of Directors shall take responsibility towards the shareholders in respect of the Company's business operations, and supervision of the Company's operations to be in line with the guidelines and goals, which would give rise to the optimum benefits to the shareholders, subject to the code of ethics and taking into account the benefits of all interested parties:

- 1) Supervising the Company's operations to ensure compliance with laws, objectives and the Company's Articles of Association, as well as resolutions of the shareholders' meetings, and protecting the Company's interest based on the good corporate governance principles.
- 2) Determining policies and directions of the Company's operations and supervising the management to take actions to ensure compliance with the policy with efficiency and effectiveness so as to result in the optimum economic value to the business and great prosperity to the shareholders.
- 3) Approving vision, mission, corporate value as anticipated by the Company, and the business ethics.
- 4) Arranging for and supervising the administration in compliance with the good corporate governance principles.
- 5) Considering approval for budget for investment and budget for the Company's annual business operations, including monitoring the use of the Company's resources.
- 6) Providing complete, correct and sufficient reports on financial information, data and general information which are important for shareholders, and affirming the certification of the reported information.
- 7) Arranging for the Company to have an efficient internal control and audit system as well as appropriate and adequate risk management measures, including following up on such matters on a regular basis.
- 8) Considering clearly determining and separating roles, duties and responsibilities among the Board of Directors, the Executive Committee, subcommittees and the management, with regular communication regarding such roles, duties and responsibilities to the Board of Directors, the Executive Committee, subcommittees, the management and staff of the Company.
- 9) Supervising the Executive Committee, subcommittees and the management to comply with the specified policies.
- 10) Considering performance evaluation, determination of salaries, wages, welfare, bonus, allowance and other remuneration, including expenses and facilities of the Managing Director, as well as determining backup plan for nominating personnel to hold major office of the management should the management become unable to perform the duties.
- 11) Considering revision of the scope of powers, duties, responsibilities and roles of the Executive Committee, subcommittees and the management as appropriate.

Executive Committee

As at December 31, 2013, the Executive Committee comprises five members as follows:

- | | | |
|----|-------------------------|-------------------------------------|
| 1. | Mr. Narong Sangsuriya | Chairman of the Executive Committee |
| 2. | Mr. Suvich Pungchareon | Member |
| 3. | Dr. Sombat Kitjalaksana | Member |
| 4. | Mr. Tomonori Susuki | Member |
| 5. | Mr. Sompodh Sripoom | Member |

Scope of powers and duties of the Executive Committee

- 1) Supervising the Managing Director's performance to ensure compliance with resolutions, policies and strategies as determined by the Board of Directors, as well as providing advice and suggestions to the Managing Director.
- 2) Supervising the conduct of feasibility studies on new projects, and approving implementation of projects as it deems appropriate within an amount under (3).
- 3) Having power to approve execution of any juristic acts which would have binding effect upon the Company within an amount of not exceeding Baht 50 (Fifty) Million, provided that such approval shall involve neither any transactions giving rise to conflict or interest against the Company or its subsidiaries.
- 4) Having power to consider, approve and/or determine policies on administration and business operation of the Company or any actions which would have binding effect upon the Company, subject to the scope of policies and strategies as determined by the Board of Directors.
- 5) Having power to employ, appoint, impose disciplinary action, terminate, dismiss, remove, determine salary, bonus, benefits, and other remunerations, including expenses and facilities of the Company's officers or staff in the position of Division Director or equivalent and higher, but excluding the Managing Director.
- 6) Having power to appoint, determine authorities and duties, delegate direction of supervision policy, determine remunerations, allowances, expenses and facilities for special workgroups for carrying out specific works, including to approve proposals of special workgroups within an amount under (3).
- 7) Having power to appoint chairman of the advisors, advisors and/or advisory board to the Executive Committee as appropriate, whereby remunerations, allowances, expenses and facilities for the said chairman of the advisors, advisors and/or advisory board shall be determined by the Nomination and Remuneration Committee.
- 8) Performing other duties as delegated from time to time by the Board of Directors.

Audit Committee

As at December 31, 2013, the Audit Committee comprises three independent directors as follows:

1. Mr. Techapit Sangsingkeo Chairman of the Audit Committee
2. Mr. Somnuk Chaidejsuriya Member
3. Mr. Phairuch Mekarpom Member

Scope of powers and duties of the Audit Committee

- 1) Reviewing the Company's financial reports to ensure the correctness and adequate disclosure.
- 2) Reviewing the internal control and internal audit systems of the Company to ensure the suitability and efficiency.
- 3) Reviewing the Company's operation to ensure its compliance with the laws on securities and exchange, the regulations of the Stock Exchange, or such laws, rules and regulations and policies relating to the business of the Company.
- 4) Considering the Company's disclosure in respect of related party transactions or such transactions which may give rise to conflict of interest, to ensure the accuracy, completeness and timeliness.
- 5) Considering, selecting, nominating for appointment and proposing remuneration for the Company's auditor to the Board of Directors for further submission to seek approval of the shareholders.
- 6) Preparing the Audit Committee's corporate governance report to be disclosed in the Company's annual report, whereby such report shall be signed by the Chairman of the Audit Committee.
- 7) Performing other duties as delegated by the Board of Directors and with approval of the Audit Committee.

Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee to help consider selecting qualified persons to take office as directors, the Managing Director as well as setting out criteria for consideration of remuneration. As at December 31, 2013, the Nomination and Remuneration Committee comprises three members as follows:

- | | | |
|----|--------------------------|---|
| 1. | Mr. Phairuch Mekarporn | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr. Somnuk Chaidejsuriya | Member |
| 3. | Mrs. Payao Marittanaporn | Member |
| 4. | Mr. Ryotaro Sumi | Member |

Scope of powers and duties of the Nomination and Remuneration Committee

- 1) Considering the criteria and procedures for recruiting persons qualified to take office as directors of the Company, including selecting persons in accordance with the specified nomination procedures for submission to the Board of Directors for consideration and appointment, or for submission to the shareholders' meeting for consideration and appointment, as the case may be, provided that such procedures for consideration and selection of qualified persons as aforesaid shall also allow minority shareholders to nominate persons for such consideration and selection.
- 2) Considering the criteria and procedures for recruiting person qualified to take office as the Managing Director, including nominating and selecting such person in accordance with the specified nomination procedures for submission to the Board of Directors for consideration and appointment.
- 3) Arranging for Succession Plan for key positions in management or persons eligible to take office of high level executive, with regular review of such Plan.

- 4) Determining the criteria for consideration of remuneration for directors and the Managing Director.
- 5) Considering proposing remuneration of directors to the Board of Directors for approval and submission to the shareholders' meeting for further consideration and approval.
- 6) Considering proposing salary and adjustment of salary rate, including other remuneration of the Managing Director to the Board of Directors for consideration and approval.
- 7) Performing other duties as delegated by the Board of Directors.

In 2013, The Company has the policy to appoint an Independent Director in the group of the Nomination and Remuneration Committee. The Committee then has consisted of two Independent Directors, equivalent to fifty percent (50%) of the total committees.

Corporate Governance Committee

The Board of Directors appoints the Corporate Governance Committee to help consider policies and practices on good corporate governance and business ethics. As at December 31, 2013, the Corporate Governance Committee comprises four members as follows:

1. Mr. Somnuk Chaidejsuriya Chairman of the Corporate Governance Committee
2. Mr. Techapit Sangsingkeo Member
3. Mr. Phairuch Mekarporn Member
4. Mr. Sompodh Sripoom Member

Scope of powers and duties of the Corporate Governance Committee

- 1) Proposing practical guidelines for good corporate governance to the Board of Directors.
- 2) Supervising the operation of the Board of Directors, the Executive Committee, various subcommittees and the management to ensure compliance with the good corporate governance principles.
- 3) Reviewing the practical guidelines for good corporate governance, by comparing with the good corporate governance principles based on international standard and of the Stock Exchange of Thailand, for submission to the Board of Directors for consideration and regular update.
- 4) Delegating policies on good corporate governance to the Company's good corporate governance workgroup and reporting the results of the good corporate governance to the Board of Directors.
- 5) Having authority to invite any external persons having knowledge and expertise to act as advisors and attend meetings at the Company's expenses.
- 6) Performing other duties as delegated by the Board of Directors.

Risk Management Committee

The Board of Directors appoints the Risk Management Committee to help consider setting out policy on measures and plan for risk management in the Company's operations. As at December 31, 2013, the Risk Management Committee comprises four members as follows:

1. Mr. Techapit Sangsingkeo Chairman of the Risk Management Committee
2. Mrs. Payao Marittanaporn Member
3. Mr. Tomonori Susuki Member
4. Mr. Sompodh Sripoom Member

Scope of powers and duties of the Risk Management Committee

- 1) Setting out the Risk Management Policy for the Company as a whole, and assigning the management to perform in compliance with such Policy, including reporting the performance results to the Risk Management Committee.
- 2) Developing and reviewing the Company's Risk Management System to ensure its continual efficiency and effectiveness, by way of regular evaluation and follow-up of the risk management procedures to be consistent with the specified policy.
- 3) Supporting and encouraging the mutual cooperation in risk management at every level of the Company.
- 4) Preparing reports on risks and suggestions to the Board of Directors.
- 5) Performing other duties as delegated by the Board of Directors.

Executive Management

As at December 31, 2013, the Company's Executive Management comprises nine executives as follows:

Name	Position
1. Mr. Sompodh Sripoom	Managing Director
2. Mr. Chutchawan Tienprasertkij	Manangement Information System Director
3. Mr. Sompol Krisadasima	Business Development Director
4. Mr. Somkiat Pattamamongkolchai	Accounting and Finance Director
5. Miss Pathida Chaiyasen	Human Resource and Administration Director
6. Miss Sudarat Chiamchan	Director, Office of Managing Director
7. Mr. Sivar Nagdhary	Management Information System Director
8. Mr. Hongthong Artit	Acting Customer Service Director
9. Mr. Nattapon Klinhawarn	Acting Engineering and Constructions Director

Scope of powers and duties of the Managing Director

- Having power to approve execution of any juristic acts which would have binding effect upon the Company within an amount of not exceeding Baht 5,000,000 (Five Million Baht Only).
- Having power to issue, amend, adjust the Company's work rules, orders and regulations, e.g., employment, appointment, demotion, discipline of staff and employees, determination of salaries and other payments, including welfare and benefits.
- Having power to delegate authority to the Company's executive staff, namely, Division Managers, to perform duties on behalf of the Managing Director in particular matters (such as, purchasing, employment, payment instruction) as deemed appropriate.
- Having power to appoint any person or group of persons to operate the business of the Company under the supervision of the Managing Director, or authorizing such person to take actions as the Managing Director deems appropriate, and also having power to change, amend, cancel or revoke such authorization.
- Having power for adjustment, transfer, closure and merger or expansion of the organization structure at such levels lower than the Divisional Level, as appropriate, as long as the Company still has six divisions and the total number of staff not exceeding 111 persons.
- Having power to determine salary rates and other remunerations, including expenses and facilities of the Division Directors or equivalent and higher, to seek approval of the Executive Committee.
- Having power to determine the structure of salary rates and other remunerations of staff at such levels lower than the Division Directors or equivalent, provided that the salary rates (excluding other remunerations and benefits), in both 6) and 7), shall altogether not exceed one percent of the Company's revenue.
- Having power to employ, appoint, impose disciplinary action, terminate, dismiss, remove, determine salary, bonus, welfare, and other remunerations, including expenses and facilities of the Company's staff who receive salary at the rate (only the salary rate, excluding any other benefits received) of not exceeding Baht 150,000 per month, and/or the Company's staff in such positions lower than the Division Directors or equivalent. Apart from those mentioned, the Managing Director shall seek approval of the Executive Committee. In this regard, the authority to take the following actions may be delegated, either in whole or in part, to workgroups, the Board of Directors, the management, group of persons or any manager, as appropriate.
- Having duty to supervise all businesses of the Company to ensure compliance with resolutions and policies of the Board of Directors.

- 10) Having duty to submit statements of financial position and statement of comprehension income of the Company to the Board of Directors for approval.
- 11) Having duty to propose significant issues to the Board of Directors or the shareholders' meeting for consideration and approval or for any other purposes as appropriate.
- 12) Having duty to conduct feasibility studies on new projects and having power to approve such projects, as delegated by the Executive Committee.
- 13) In case the Managing Director is unable to perform duties, the Managing Director shall appoint a Division Director or another person to act for and on behalf of the Managing Director from time to time, whereby such person shall have the powers and duties equivalent to the Managing Director.
- 14) Performing other duties as delegated by the Board of Directors from time to time.

However, the Managing Director or the person authorized by the Managing Director has no power to approve any matters or transactions in which the Managing Director or persons who may have conflict, have interest or may have conflict of interest in any other manner, would enter into with the Company or its subsidiaries, as defined by the Securities and Exchange Commission.

The definition of Independent Director

The company has set the definition of independent director is stricter than the standard rule of Stock Exchange of Thailand and Securities and Exchange Commission, Thailand as follows;

1. Shall hold shares not exceeding 0.5% of the total number of voting shares of the Company, subsidiary, associate or juristic person that may be conflict;
2. Shall not be related to the management of the company, its subsidiaries and its associated companies, Moreover, shall not be a major shareholder, a temporary or full-time employees and an advisor regularly earning salaries from the company, its subsidiaries, its associated companies and its major shareholders;
3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child, of an executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary;
4. Shall not have any direct or indirect conflicts of interest against the management of the company and its subsidiaries, and its associated companies for the period of not less than one year prior to nomination except the Board of Director was attentively considered that such conflict of interest not affecting the operation and have independent decision-making of Independent directors;
5. Shall not be a director who has been appointed as representative of the company's director, major shareholder or shareholders who are related to the major shareholder;
6. Shall be independently perform the duties and give the opinion or report on the result of duties as assigned by the Board of Directors, uncontrolled by the management or major shareholders and related person or relative of such person;
7. Shall be able to attend meetings of the Board of Directors and make independent judgment;
8. Shall not operate any business which has the same nature as and is in significant competition with the business of the company or it subsidiaries, or not being a principal partner in any partnership, or not be an executive director, employee, staff, or advisor regularly earning the salaries; or holding shares not exceeding one percent of the total number of voting right of any other company operating business which has the same as and is in significant competition with the business of the company or its subsidiaries;
9. Shall not have any characteristics which make him/her incapable of expressing independent opinion with regard to the company's business affairs;
10. Shall be able to look after the interests of all shareholders equally;
11. Shall be able to prevent conflicts of interest;
12. Shall not have been convicted of violating security or stock exchange laws, financial institution laws, life insurance laws, general insurance laws, anti-money laundering laws or any other financial law of a similar nature, whether Thai or foreign, by an agency with authority under that certain law. Such wrongful acts include those involved with unfair trading in shares or perpetration of deception, fraud, or corruption.

BOARD OF DIRECTORS

As at December 31, 2013 comprises:

DR. THANONG BIDAYA

1

Independent Director and
Chairman of the Board of Directors

MR. PLEW TRIVISVAVET

2

Director and
Vice-Chairman of the Board of Directors

MR. NARONG SANGSURIYA

3

Director and
Chairman of Executive Committee

MR. TECHAPIT SANGSINGKEO

4

Independent Director,
Chairman of Audit Committee,
Chairman of Risk Management Committee
and Corporate Governance Committee

MR. PHAIRUCH MEKARPORN

5

Independent Director,
Chairman of Nomination and Remuneration
Committee, Audit Committee and
Corporate Governance Committee

MR. SOMNUK CHAIDEJSURIYA

6

Independent Director, Chairman of
Governance Corporate Committee
and Audit Committee



5

2

1

3

4

6

Mrs. PAYAO MARITTANAPORN

7

Director, Risk Management Committee,
Nomination and Remuneration
Committee

MR. SUVICH PUNGCHAREON

8

Director and
Executive Committee

DR. SOMBAT KITJALAKSANA

9

Director and
Executive Committee

MR. RYOTARO SUMI

10

Director and Nomination and
Remuneration Committee

MR. TOMONORI SUZUKI

11

Director, Executive Committee
and Risk Management Committee

MR. SOMPODH SRIPOOM

12

Director, Executive Committee,
Corporate Governance Committee,
Risk Management Committee and
Managing Director



12

9

8

7

10

11



DR. THANONG BIDAYA

Age	66 Years
Positions in the Company	Independent Director and Chairman of the Board of Directors Thai Tap Water Supply Public Company Limited

Education Background

- Doctor's Degree Ph.D. in Management, Northwestern University, U.S.A.
- Master's Degree Economics, Northwestern University, U.S.A.
- Bachelor's Degree Economics, Yokohama National University, Japan

Work Experience

Minister of Finance	
Minister of Commerce	
Chairman	of National Economic and Social Development Board (NESDB)
Chairman	of Thai Airways International Public Company Limited

Position in other listed companies

Independent Director and Chairman of the Board of Directors	CK Power Public Company Limited
Chairman of the Board of Directors	Srisawad Power 1979 Public Company Limited
Chairman of the Board of Directors	Thai Sri Insurance Public Company Limited

Position in other non - listed companies

Chairman of the Board of Directors	Scan Inter Company Limited
Chairman of the Board of Directors	Xayaburi Power Company Limited

TTW Shareholding	0.009% or 342,500 shares
Date appointed as a director	December 17, 2008

Seminar and Training

2004	Directors Accreditation Program (DAP) 25/2004 Thai Institute of Directors Association
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MR. PLEW TRIVISVAVET

Age	67 Years
Positions in the Company	Director and Vice-Chairman of the Board of Directors Thai Tap Water Supply Public Company Limited

Education Background

- Master's Degree Electrical Engineering, Osaka University, Japan
- Bachelor's Degree Electrical Engineering, Osaka University, Japan

Work Experience

Chairman	CK Power Public Company Limited
Chairman of the Board of Directors	Thai Tap Water Supply Public Company Limited

Position in other listed companies

Chairman of the Board of Directors	Bangkok Metro Public Company Limited
Chairman of Executive Committee	
Chairman of Nomination and Remuneration Committee	
Chairman of Executive Committee	Bangkok Expressway Public Company Limited
President and Chief Executive Officer	CH. Karnchang Public Company Limited

Position in other non - listed companies

Director	CK Power Public Company Limited
Director	Southeast Asia Energy Limited
Director and Chairman of the Executive Committee	Nam Ngum 2 Power Company Limited
Director	Xayaburi Power Company Limited
Committee	King Mongkut's Institute of Technology Ladkrabang

TTW Shareholding	0.075% or 1,100,000 shares
Date appointed as a director	September 26, 2006

Seminar and Training

2007	Senior Executive Program, 4/2007 Capital Market Academy
2004	Director Certificate Program (DCP) 50/2004 Thai Institute of Directors Association
1993	Diploma 366/2007 National Defense College



MR. NARONG SANGSURIYA

Age	70 Years
Positions in the Company	Director and Chairman of Executive Committee Thai Tap Water Supply Public Company Limited

Education Background	
• Bachelor's Degree	Civil Engineering, Chulalongkorn University

Work Experience	
Project Manager	Bang-On Construction Company Limited
Project Vice Manager	Nantawan Company Limited

Position in other listed companies	
Director	CK Power Public Company Limited
Director, Executive Director, Nomination and Remuneration Committee and Senior Executive Vice President – Operations Group	CH. Karnchang Public Company Limited

Position in other non - listed companies	
Director	Bangpa-in Cogeneration Limited
Director and Executive Director	Nam Ngum 2 Power Company Limited
Director	Southeast Asia Energy Limited

TTW Shareholding	0.000002% or 100 shares
Date appointed as a director	September 11, 2000

Seminar and Training	
2005	Directors Certification Program (DCP) 54/2005 Thai Institute of Directors Association



MR. TECHAPIT SANGSINGKEO

Age	69 Years
Positions in the Company	Independent Director, Chairman of Audit Committee, Chairman of Risk Management Committee and Corporate Governance Committee Thai Tap Water Supply Public Company Limited

Education Background	
• Master's Degree	Economics, KEIO University, Japan
• Bachelor's Degree	Economics, Hitotsubashi University, Japan

Work Experience	
Deputy Governor	Bank of Thailand
Chairman and Chief Executive Officer	Nakornthon Bank Public Company Limited
Chairman of the Board of Directors	Sukhumvit Asset Management Company Limited
Director and Chairman of the Audit Committee	Petchaburi Asset Management Company Limited
Chairman of the Board of Directors	Ratanasin Asset Management Company Limited
Executive Director	Thai Asset Management Corporation (TAMC)

Position in other listed companies	
Independent Director and Chairman of Audit Committee	CK Power Public Company Limited

Position in other non - listed companies	
Director	Pathum Thani Water Company Limited
Independent Director and Chairman of Audit Committee	Star Sanitary Ware Company Limited
Executive Director	Life Development Foundation, Under Patronage of Her Royal Highness, Princess Kalayaneewatana

TTW Shareholding	None
Date appointed as a director	September 26, 2006

Seminar and Training	
2006	Audit Committee Program (ACP) 22/2006
2005	Directors Accreditation Program (DAP) 34/2005 Thai Institute of Directors Association
-	Executive Development Program Harvard University, Graduate School of Business, U.S.A.
-	Senior Executive Development Prapokklao Institute Class 3
-	Senior Executive Program, Capital Market Academy Class 5



MR. PHAIRUCH MEKARPORN

Age	68 Years
Positions in the Company	Independent Director, Chairman of Nomination and Remuneration Committee, Audit Committee and Corporate Governance Committee Thai Tap Water Supply Public Company Limited

Education Background

• Master's Degree	Mechanical Engineering, California State University Long Beach, U.S.A.
• Bachelor's Degree	Mechanical Engineering, Chulalongkorn University

Work Experience

Managing Director	Siam Kraft Industry Company Limited Thai Kraft Paper Industry Company Limited TIP Fibre-Cement Company Limited
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Position in other listed companies

Director	Thai Optical Group Public Company Limited
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Position in other non - listed companies

Chairman of the Board of Director	Pathum Thani Water Company Limited
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TTW Shareholding	None
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Date appointed as a director	September 26, 2006
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Seminar and Training

2007	Audit Committee Program (ACP) 17/2007
2006	Directors Certification Program (DCP) 81/2006 Thai Institute of Directors Association
1995	Advanced Management Program : The International Senior Managers' Program Harvard University, Graduate School of Business Administration, U.S.A



MR. SOMNUK CHAIDEJSURIYA

Age	63 Years
Positions in the Company	Independent Director, Chairman of Governance Corporate Committee and Audit Committee, Nomination and Remuneration Committee Thai Tap Water Supply Public Company Limited

Education Background

• Master's Degree	Law, Chulalongkorn University
• Bachelor's Degree	Law, Chulalongkorn University

Work Experience

Director	The Marketing Organization for Farmers (MOF)
Governor Deputy Governor for Operations Deputy Governor for Law and Acquisition Director of Land and Acquisition Department Director of Legal Department	Expressway and Rapid Transit Authority of Thailand

Position in other listed companies

Director, Audit Committee and Chairman of Risk Management Committee	Don Muang Tollway Public Company Limited
Chairman of Audit Committee	Cathay Leaseplan Public Company Limited
Director and Chairman of the Nomination and Remuneration Committee	Thai Sri Insurance Public Company Limited

Position in other non - listed companies

Vice President	Navamindradhiraj University (University of Bangkok Metropolitan)
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TTW Shareholding	None
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Date appointed as a director	September 26, 2006
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Seminar and Training

2005	Audit Committee Program (ACP) 9/2005
2004	Directors Accreditation Program (DAP) 9/2004
2004	Directors Certification Program (DCP) 46/2004 Thai Institute of Directors Association
1998	Diploma National Defense College
1975	Barrister-at-Law Institute of Legal Education of the Thai Bar



Mrs. PAYAO MARITTANAPORN

Age	57 Years
Positions in the Company	Director, Risk Management Committee, Nomination and Remuneration Committee Thai Tap Water Supply Public Company Limited

Education Background

- Master's Degree Business Administration, Chulalongkorn University
- Higher Diploma in Auditing, Thammasart University
- Bachelor's Degree Accountancy, Chulalongkorn University

Work Experience

Managing Director	Northern Bangkok Expressway Company Limited
Director, Executive Director and Managing Director	Bangkok Expressway Public Company Limited

Position in other listed companies

Director, Executive Director and Managing Director	Bangkok Expressway Public Company Limited
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Position in other non - listed companies

Director	Xayaburi Power Company Limited
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TTW Shareholding	None
Date appointed as a director	January 30, 2013

Seminar and Training

2004	Directors Certification Program (DCP) 48/2004
2009	Role of the Compensation Committee (Class 9/2009) Thai Institute of Directors Association



MR. SUVICH PUNGCHAREON

Age	70 Years
Positions in the Company	Director and Executive Committee Thai Tap Water Supply Public Company Limited

Education Background

- Master's Degree Political Science, Sukhothai Thammathirat Open University
- Bachelor's Degree Electrical Engineering, Tohoku University, Japan

Work Experience

Managing Director	Bangkok Expressway Public Company Limited Northern Bangkok Expressway Company Limited
General Manager	Bangkok Expressway Public Company Limited
Thai Industrial Forging & Siam Nawaloha Foundry	The Siam Cement Public Company Limited

Position in other listed companies

Advisor	Bangkok Expressway Public Company Limited
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TTW Shareholding	None
Date appointed as a director	January 30, 2013

Seminar and Training

2004	Politics and Governance in Democratic Systems for Executives Course Class 8/2004 King Prajadhipok' Institute
2003	Management of Public Economy for Executives Course Class 1/2003 King Prajadhipok' Institute
2003	Director Certification Program (DCP) 37/2003 Thai Institute of Directors Association
1984	Mini MBA, Berkeley University, U.S.A.



DR. SOMBAT KITJALAKSANA

Age 57 Years
Positions in the Company Director and Executive Committee
 Thai Tap Water Supply
 Public Company Limited

Education Background

- Doctor's Degree Engineering (Soil Mechanic), University of Innsbruck, Austria
- Master's Degree Engineering (Soil Mechanic), Chulalongkorn University

Work Experience

Managing Director	Bangkok Metro Public Company Limited
Director	Pathum Thani Water Company Limited
Senior Director (Business Foreign Section)	CH. Karnchang Public Company Limited
Head of Division (Construction Standard)	The Electricity Generating Authority of Thailand

Position in other listed companies

Director and Vice Chairman of the Executive Committee	Bangkok Metro Public Company Limited
Director	CH.Karnchang Public Company Limited

Position in other non - listed companies

Director	Bangkok Metro Network Company Limited
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TTW Shareholding 0.072% or 2,860,100 shares
Date appointed as a director September 11, 2000

Seminar and Training

2006	Directors Certification Program (DCP) 81/2006
2005	Directors Accreditation Program (DAP) 36/2005 Thai Institute of Directors Association



MR. RYOTARO SUMI

Age 54 Year
Positions in the Company Director and Nomination and
 Remuneration Committee
 Thai Tap Water Supply
 Public Company Limited

Education Background

- Bachelor's Degree Commerce, WASEDA University, Japan

Work Experience

SVP & Divisional Operating Officer,	Infrastructure Projects Business Division Asia Pacific Business Unit, Mitsui & Co (Asia Pacific) PTE. Ltd. (Singapore)
Project Director	First Projects Development Div. Infrastructure Projects Business Unit Mitsui (Tokyo) Company Limited
Filial de Rio de Janeiro General Manager of Dept de Projects & Director	Regional do filial de Belo Horizonte, Mitsui Brasileira IMP. E exp. S.a (Brasil)

Position in other listed companies

Directors	Mitsui Water Holdings (Thailand) Limited
Directors	Infrastructure Projects Business Division Asia Pacific Business Unit, Mitsui & Co (Asia Pacific) PTE. Ltd. (Singapore)

TTW Shareholding None
Date appointed as a director November 15, 2012

Seminar and Training

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MR. TOMONORI SUZUKI

Age	44 Years
Positions in the Company	Director, Executive Committee and Risk Management Committee Thai Tap Water Supply Public Company Limited
Education Background	
• Bachelor's Degree	Commerce, WASEDA University, Japan
Work Experience	
Manager, Second Dept.	First Power Project Development Division Mitsui & Co., Ltd. (Tokyo)
Manager, First Project Development Dept.	Power & Infrastructure Project Development Division Mitsui & Co., Ltd. (Tokyo)
Project Coordinator, Paiton Project Dept.	Project Development Division Mitsui & Co., Ltd. (Tokyo)
Position in other non-listed companies	
Director	Mitsui Water Holdings (Thailand) Limited
Other Current Positions	
Senior Vice President & General Manager Infrastructure Projects Division	Mitsui & Co., Ltd. (Thailand)
TTW Shareholding	None
Date appointed as a director	July 30, 2010
Seminar and Training	
2011	Directors Certification Program (DCP) 154/2011 Thai Institute of Directors Association



MR. SOMPODH SRIPOOM

Age	54 Years
Positions in the Company	Director, Executive Committee, Corporate Governance Committee, Risk Management Committee and Managing Director Thai Tap Water Supply Public Company Limited
Education Background	
• Master's Degree	Resource Planning and Management Naval Postgraduate School, Monterey, California, U.S.A. Structural Engineering and Structural Mechanics (Civil Engineering) University of California at Berkeley, California, U.S.A.
• Bachelor's Degree	Civil Engineering Virginia Military Institute, Virginia, U.S.A.
Work Experience	
Advisor	Bangkok Metro Public Company Limited
Operations Director, Deputy Managing Director	Bangkok Metro Public Company Limited
Position in other listed companies	
Director	CK Power Public Company Limited
Position in other non - listed companies	
Director and Managing Director	Pathum Thani Water Company Limited
Director	Thai Water Operations Company Limited
TTW Shareholding	0.054% or 2,160,100 shares
Date appointed as a director	August 2, 2005
Seminar and Training	
2011	Building New Business in Established Organizations, U.S.A
2006	Directors Certification Program (DCP) 73/2006 Thai Institute of Directors Association

Management

As at December 31, 2013, the Company's management comprises nine executives as follows:

MR. SOMPODH SRIPOOM

1

Managing Director

MR. CHUTCHAWAN
TIENPRASERTKIJ

2

Management Information System Director

MR. SOMPOL KRISADASIMA

3

Business Development Director

MR. SIVAR NAGDHARY

4

Investment Analysis Director



1

2

3

4

MR. SOMKIAT
PATTAMAMONGKOLCHAI

Accounting and Finance Director

5

MS. PATHIDA CHAIYASEN

Human Resource and
Administration Director

6

MS. SUDARAT CHIAMCHAN

Director,
Office of Managing Director

7

MR. NATTAPON KINHAWHARN

Engineering
and Construction Director

8

MR. HONGTHONG ARTIT

Customer Service Director

9



5

6

7

8

9



MR. SOMPODH SRIPOOM

Age	54 Years
Positions in the Company	Director, Executive Committee, Corporate Governance Committee, Risk Management Committee and Managing Director Thai Tap Water Supply Public Company Limited

Education Background

- Master's Degree Resource Planning and Management
Naval Postgraduate School, Monterey,
California, U.S.A.
Structural Engineering and Structural
Mechanics (Civil Engineering)
University of California at Berkeley,
California, U.S.A.
- Bachelor's Degree Civil Engineering
Virginia Military Institute, Virginia, U.S.A.

Work Experience

Advisor	Bangkok Metro Public Company Limited
Operations Director, Deputy Managing Director	Bangkok Metro Public Company Limited

Position in other listed companies

Director	CK Power Public Company Limited
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Position in other non - listed companies

Director and Managing Director	Pathum Thani Water Company Limited
Director	Thai Water Operations Company Limited

TTW Shareholding 0.054% or 2,160,100 shares

Date appointed as a director August 2, 2005

Seminar and Training

- 2011 Building New Business in Established Organizations, U.S.A
- 2006 Directors Certification Program (DCP) 73/2006
Thai Institute of Directors Association



MR. CHUTCHAWAN TIENPRASERTKIJ

Age	47 Years
Positions in the Company	Management Information System Director Thai Tap Water Supply Public Company Limited

Education

- Master's Degree Master of Business Administration
(Management and Organization)
Sripatum University
- Bachelor's Degree Commerce and Accountancy (Statistics),
Chulalongkorn University

Work Experience

Marketing Director	Thai Tap Water Supply Public Company Limited
Senior Business Development Manager, Operation Support Manager	Bangkok Metro Public Company Limited
Management information Manager	CKET Blue Line Project Manager
IT department Manager	Siam Kayaba Company Limited

TTW Shareholding None

Seminar and Training

- 2011 what does it take to be an MD of a listed company?



MR. SOMPOL KRISADASIMA

Age	56 Years
Positions in the Company	Business Development Director Thai Tap Water Supply Public Company Limited
Education	
• Master's Degree	Master of Business Administration (MBA) Chulalongkorn University Master of Economics (Business Economics) National Institute of Development Administration
• Bachelor's Degree	Engineering (Civil) Chiangmai University
Work Experience	
Director, Managing Director	Thai Water Operations Company Limited
Managing Director	BJT Water Company Limited
Director of Operations and Business Development Department	Pathum Thani Water Company Limited
TTW Shareholding	None
Seminar and Training	
2011	What does it take to be an MD of a listed company?
2008	Directors Certification Program (DCP) 110/2008 Thai Institute of Directors Association



MR. SIVAR NAGDHARY

Age	56 Years
Positions in the Company	Investment Analysis Director Thai Tap Water Supply Public Company Limited
Education	
• Master's Degree	Public Policy and Project Management (Hons.) National Institute of Development Administration
• Bachelor's Degree	Science (Mathematic) Burapha University
Work Experience	
Management Information System Director	Thai Tap Water Supply Public Company Limited
Executive Vice President, Funding Finance and Securities Group	Apex Development Public Company Limited
Executive Vice President, Finance & MIS	Suntech Group Public Company Limited
TTW Shareholding	None
Seminar and Training	
2012	Enterprise Risk Management
2011	What does it take to be an MD of a listed company?
2006	Directors Certification Program (DCP) 73/2006 Thai Institute of Directors Association



MR. SOMKIAT PATTAMAMONGKOLCHAI

Age 41 Years

Positions in the Company Accounting and Finance Director
Thai Tap Water Supply
Public Company Limited

Education

- Master's Degree Master of Accounting
Thammasart University
- Bachelor's Degree Commerce and Accountancy
Chulalongkorn University

Work Experience

Director	CK Power Public Company Limited
Assistant Audit Manager	Ernst & Young Office Limited

Other Current Positions

Director	Bangkhenchai Company Limited
Director	Thai Water Operations Company Limited
Director	Pathum Thani Water Company Limited

TTW Shareholding None

Seminar and Training

2011	What does it take to be an MD of a listed company?
2009	Directors Certification Program (DCP) 121/2009 Thai Institute of Directors Association
2009	Directors Accreditation Program (DAP) 79/2009 Thai Institute of Directors Association



MS. PATHIDA CHAIYASEEN

Age 48 Years

Positions in the Company Human Resource and Administration
Director
Thai Tap Water Supply
Public Company Limited

Education

- Master's Degree Master of Education
(Education management)
Chulalongkorn University
- Bachelor's Degree Politics Science
(Human Resource Management)
Chulalongkorn University

Work Experience

Human Resource Manager	Bangkok Microbus Company Limited
Senior Human Resource Officer	Thanachart Capital Company Limited

TTW Shareholding 0.0187% or 750,000 shares

Seminar and Training

2011	What does it take to be an MD of a listed company?
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MS. SUDARAT CHIAMCHAN

Age 49 Years

Positions in the Company Director, Office of Managing Director and Company Secretary
Thai Tap Water Supply
Public Company Limited

Education

- Master's Degree Master of Management
Mahidol University
- Bachelor's Degree Business Administration (Accounting)
Ramkhamhaeng University

Work Experience

Accounting and Finance Manager	Pathum Thani Water Company Limited
Accounting and Finance Manager	Index International Group Company Limited

TTW Shareholding None

Seminar and Training

2013 TMA, Management Development Program 18/2013

2012 Effective Minutes Taking (EMT) 24/2012

2011 What does it take to be an MD of a listed company?

2011 Company Secretary Program (CSP) 43/2011

2011 Company Reporting Program (CRP) 2/2011
Thai Institute of Directors Association



MR. NATTAPON KINHAWHARN

Age 47 Years

Positions in the Company Engineering and Construction Director
Thai Tap Water Supply
Public Company Limited

Education

- Master's Degree Master of Business Administration,
Naresuan University
- Bachelor's Degree Engineering (Mechanical Engineering)
Rajamangala University of Technology
Phra Nakhon

Work Experience

Project Operation Department Manager	Thai Water Operations Company Limited
Maintenance Chief	Water Flow Company Limited
Project Manager	Tyco Earth Tech (Thailand) Company Limited

TTW Shareholding 0.011% or 475,050 shares

Seminar and Training

2013 TMA, Management Development Program 18/2013



MR. HONGTHONG ARTIT

Age	46 Years
Positions in the Company	Customer Service Director Thai Tap Water Supply Public Company Limited
Education	
• Master's Degree	Infrastructure and Management Engineering, M.Eng Kasetsart University
• Bachelor's Degree	Mechanical Engineering, B Eng. King Mongkut's Institute of Technology North Bangkok (KMITN), Bangkok
Work Experience	
Operation Department Manager	Pathum Thani Water Company Limited
Engineering and Construction chief	Thai Tap Water Supply Public Company Limited
Pipeline Site Manager	Joint Venture TWCK
Engineering Manager	Thai Crane International Company Limited / SVS Consultant
TTW Shareholding	0.00001% or 400 shares

Seminar and Training

2013 TMA, Management Development Program 18/2013

SHAREHOLDING BY DIRECTORS AND MANAGEMENT

Number of 2013 Shareholding by Directors, Management and Spouse

Name-Surname	Position	Number of Shares in early 2013	Number of Shares as of in late 2013	Number of shares during the year	TTW Shareholding (%)
1. Dr. Thanong Bidaya	Chairman of the Board of Directors	342,500	342,500	-	0.009
2. Mr. Plew Trivisvavet	Director	2,997,000	1,100,000		0.0275
3. Mrs. Saikasem Trivisvavet	Spouse	100,000	100,000	-	0.0025
4. Mr. Narong Sangsuriya	Director	2,300,100	100	2,300,000	0.000002
5. Mr. Techapit Sangsingkeo	Independent Director	1,000,000	1,000,000	-	0.025
6. Mr. Phairuch Mekarporn	Independent Director	-	-	-	none
7. Mr. Somnuk Chaidejsuriya	Independent Director	-	-	-	none
8. Mr. Suvich Pungchareon	Director	-	-	-	none
9. Mrs. Wanna Pungchareon	Spouse	700,000	700,000	-	0.0175
10. Mrs. Payao Mariitanaporn	Director	-	-	-	none
11. Mr. Prasert Mariitanaporn	Spouse	100	100	-	0.000002
12. Dr. Sombat Kitjalaksana	Director	2,660,100	2,860,100	200,000	0.072
13. Mr. Ryotaro Sumi	Director	-	-	-	none
14. Mr. Tomonori Suzuki	Director	-	-	-	none
15. Mr. Sompodh Sripoom	Director and Managing Director	2,160,100	2,160,100	-	0.054
16. Mr. Chutchawan Tienprasertkij	Information Technology Director	-	-	-	none
17. Mr. Sompol Krisadasima	Business Development Director	-	-	-	none
18. Mr. Somkiat Pattamamongkolchai	Accounting and Finance Director	-	-	-	none
19. Mr. Sivar Nagdhary	Investment Analysis Director	-	-	-	none
20. Miss Sudarat Chiamchan	Director, Office of Managing Director	-	-	-	none
21. Miss Pathida Chaiyasen	Human Resource and Administration Director	900,000	750,000	150,000	0.0187
22. Mr. Hongthong Artit	Customer Service Director	400	400	-	0.00001
23. Mr. Nattapon klinhawham	Engineering and Constructions Director	505,050	475,050	30,000	0.011

REPORT ON THE BOARD OF DIRECTOR'S RESPONSIBILITY ON THE FINANCIAL REPORT

The Board of Directors is responsible for the financial statements of Thai Tap Water Supply Public Company Limited (TTW) and subsidiaries to ensure that the financial statements, income expense and cash flow statement are accurate, reasonable and in line with accounting standard and policy.

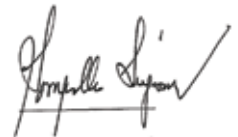
In doing so, the Board of Directors had delegated this responsibility to the Audit Committee which comprise of qualified and experienced independence directors. The Audit Committee oversaw the internal control process to ensure its effectiveness and efficiency. Furthermore, they had reviewed the financial statement for its accuracy reliably and adequately disclosed of related information. The Board of Directors then acknowledged the report the Audit Committee had presented.

The Board of Directors believes that the 2013 Financial Statements of TTW and subsidiaries are accurate, reasonable, in line with accounting standard and policy and adequately disclosed of related information. The company's auditor gave opinions to TTW and subsidiaries financial statements without condition.



(Dr. Thanong Bidaya)

Chairman of the Board
of Directors



(Sompodh Sripoom)

Managing Director

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Thai Tap Water Supply Public Company Limited by appointment of the Board of Directors is composed of independent experts, which have experience in various aspects. The Committee comprises of Mr. Techapit Sangsingkeo who is the Chairman and Mr. Phairuch Mekaporn and Mr. Somnuk Chaidejsuriya as members. The Internal Audit Section assists the committee in all administrative works.

Roles and responsibilities have been delegated by the Board of Directors which the committee may act independently but is consistent with the requirements of the Stock Exchange of Thailand, as well as advice given on various matters. The Audit Committee for the year 2013 had conducted 4 joint meetings with executives, internal auditor and external auditor, which summarize the subject matter as follows:

1. To review the financial reporting

This is to ensure that accounting system and financial reports were accurate and reliable, the related information was adequately disclosed, as well as the business between the company and its subsidiaries are of normal practice and for the best interest of the investors.

The Audit Committee reaffirmed the Auditor recommendation that TTW quarterly and yearly statements of 2013 are corrected and comply with accounting principle.

2. To review the internal audit report

The Audit Committee had reviewed the scope responsibility and independency of the Internal Audit Section and found that TTW had a suitable internal control system equivalent to international standard.

The Audit Committee approved TTW 2013 audit plan and observed the quarterly report from the Internal Audit Section and found that the internal control of each work process and major work systems are suitable for the its business and in line with laws and regulations of the Stock Exchange of Thailand or other organizations. No significant infringement found.

3. Selection, Recommendation and Set Remuneration Fee of Auditors

The Audit Committee recommended and proposed remuneration fee of auditors to the Board of Directors against their experiences and past performance records.

Miss Siraporn Ouuanunkun, the Certified Public Accountant No. 3844 and/ or Mr. Supachai Phanyawattano, the Certified Public Accountant No. 3930 and/ or Mr. Khitsada Lerdwana, the Certified Public Accountant No. 4958 from Ernst & Young Office Ltd. were proposed to be TTW auditors for 2013 to the Board of Directors and later approved by the annual general meeting at the remuneration package of 1,165,000 baht



Mr. Techapit Sangsingkeo

Chairman of the Audit Committee

OPERATION RESULT ANALYSIS AND REPORT

Income analysis of tap water sales

(Unit: million Baht)

Incomes	2013	2012	Change	%
Tap water– Company	3,409.0	3,219.0	190.0	5.9
Tap water – Pathum Thani Water Company Limited	1,667.1	1,619.0	48.1	3.0
Total	5,076.1	4,838.0	238.1	4.9

Income from tap water sales

In 2012 and 2013, the company (TTW) and its subsidiaries had income from tap water sales of 4,838.0 million Baht and 5,076.1 million Baht, respectively, an increase of 238.1 million Baht or 4.9% from the last year figure. The reasons are as follows:

- 1) The increase on tap water income was at 190.0 million Baht or 5.9% due to an increase of sales volume of 5.1 million m³ or 3.9% and also higher selling prices.
- 2) Tap water income of Pathum Thani Water Company Limited (PTW) rose 48.1 million Baht or 3.0% due to an higher selling price.

5-year water tariff rate sold to Provincial Waterworks Authority (PWA) by TTW and PTW are summarized as follows.

Period	Selling Prices of the TTW		Selling price of PTW (Baht / m ³)
	1-300,000 m ³ early (Baht / m ³)	From 300,001 m ³ up (Baht / m ³)	
1 Jan - 31 Dec 2009	23.552023	-	11.49
1 Jan - 31 Dec 2010	24.461331	14.676799/10.75*	10.99
1 Jan - 31 Dec 2011	25.110952	11.02	11.37
1 Jan - 31 Dec 2012	26.016170	11.49	11.83
1 Jan - 31 Dec 2013	26.858730	11.72	12.15

* Since 1 September 2010 - 31 December 2010

Expense analysis

(Unit: million Baht)

Expenses	2013	2012	Change	%
Cost of sales and services	1,550.3	1,495.4	54.9	3.7
Administrative expenses	341.7	262.3	79.4	30.3
Financial expenses	614.7	608.2	6.5	1.1
Corporate income tax	517.0	343.3	173.7	50.1
Total	3,023.7	2,709.2	314.5	11.6

Costs of sales and services

Cost of sales and services of the company and its subsidiaries mainly comprised depreciation, electricity, chemical, piping land lease, labor cost and consumables.

In 2012 and 2013, the company and its subsidiaries recorded costs of sales and services at 1,495.4 million Baht and 1,550.3 million Baht, respectively, an increase of 54.9 million Baht or 3.7%.

The reasons are summarized as follows:

- 1) Higher sales volume of tap water of TTW
- 2) Increase of electricity Ft rate

Administrative expenses

In 2012 and 2013, the company and its subsidiaries had administrative expenses of 262.3 million Baht and 341.7 million Baht, respectively, a growth rate of 79.4 million Baht or 30.3% because

- 1) the period of the Company's corporate income tax exemption pursuant to the promotion certificate, which ended in July 2012, which had been incorrectly applied because the Company submitted VAT on a sale of water in February 2004. As a result, the income tax exemption period should have ended in January 2012 (not in July 2012). Moreover, the Company did not withhold tax from the interim dividends paid from the net income of the Company between February and July 2012, as it is obliged to do under the Revenue Code. In the fourth quarter of 2013, the Company paid this corporate income tax, withholding tax and a surcharge for late payment of 200.5 million Baht , 34.3 million Baht and 25.7 million Baht , respectively. The Company recorded withholding tax and surcharge of 60 million Baht in the administrative expenses account.
- 2) the Company wrote off the feasibility study of waste water systems project of 9.3 million Baht as paid in year 2010 - 2011.
- 3) the employee expenses increased by 9 million Baht from the Company's re-organization.

Financial expenses

Financial Expense in 2012 and 2013 were 608.2 million Baht and 614.7 million Baht, respectively with an increase of 6.5 million Baht or 1.1%. This was due to the fact that in May 2012 the company obtained long-term loan of 2,670 million Baht to invest in CK Power Public Company Limited (CKP) which resulted in financial expense for only 8 months. In 2013, the company recorded fully financial expense for the whole year while the average of borrowing interest rate and the loan amount decreased.

Corporate income tax

The corporate income tax increased by 173.7 million Baht or representing an increase of 50.6 % because the period of the Company's corporate income tax exemption pursuant to the promotion certificate, which ended in July 2012, which had been incorrectly applied because the Company submitted VAT on a sale of water in February 2004. As a result, the income tax exemption period should have ended in January 2012 (not in July 2012). In the fourth quarter of 2013, the Company paid and recorded this corporate income tax of 200.5 million Baht. For a surcharge of late corporate income tax payment, the Company recorded this in the administrative expenses.

Profit and loss of investment in associated companies analysis

Sharing of profit from investment in associated company increased by 46.0 million Baht or 278.8% because CKP repaid loans of 1,400 million Baht and CKP's subsidiary, Bangpa-in Cogeneration Company Limited, started to operate business in June 2013 onwards.

Net profit

In 2012 and 2013, the company and its subsidiaries have the net profit of 2,337.5 million Baht or 44.3% and 2,573.8 million Baht or 44.4%, respectively, an increase of 236.3 million Baht or 10.1%.

Financial position analysis

(Unit: million Baht)

Incomes	31 Dec 2013	31 Dec 2012	Change	%
Total assets	24,525.2	24,671.5	(146.3)	(0.6)
Total liabilities	13,514.0	14,011.1	(497.1)	(3.6)
Shareholders' equity	11,011.2	10,660.4	350.8	3.3

Analysis of assets

The assets of the company and its subsidiaries comprised mainly of land, buildings, equipment and investment in associated company, assets for tap water production, which shall be transferred at the end of the agreements, rights to produce and sell tap water and treat waste water, and rights to produce and distribute tap water (net).

As of 31 December 2013, the company and its subsidiary have total assets of 24,525.2 million Baht, decreasing from the last year by 146.3 million Baht as compared to that in 2012 due to increase other long term investments by 200 million Baht in the company and its subsidiary. At the same time, decrease buildings and equipment for tap water production which must be transferred at the end of the agreements are 466.3 million Baht.

Analysis of liabilities

The liabilities of the company and its subsidiaries were mainly comprised of the long-term loans and current portion of the long-term loans. As of 31 December 2013, the company and its subsidiaries have the total liabilities by 13,514.0 million Baht decreasing by 497.1 million Baht as compared to that in 2012 due to the principle repayment by 490 million Baht.

Analysis of shareholders' equity

As of 31 December 2013, the shareholders' equity was recorded at 11,011.2 million Baht, rising by 350.8 million Baht from the last year. In 2013, the company has the net profit of 2,573.7 million Baht and paid dividend of 2,194.1 million Baht.

Analysis of cash flows

Cash flows from operating activities

In 2012, the company and its subsidiaries have the net cash flow from operating activities of 3,384.3 million Baht, increased by 653.3 million Baht, or an increase of 23.9% due to higher profit from operating activities of 363.0 million Baht and decrease of trade accounts payable and other accounts payable 265.0 million Baht.

In 2013, the company and its subsidiaries have the net cash flow from operating activities of 3,279.2 million Baht, decreasing from the last year by 105.1 million Baht or a decrease of 3.1%, due to higher profit from operating activities of 365.4 million Baht and increase of interest and increase tax payment of 470.6 million Baht.

Cash flows from investment activities

In 2012, the company and its subsidiaries have the cash flow used in investment activities of 3,067.2 million Baht, increased from the 2011 figure. In 2012, the company had investment in CKP by 2,730.0 million Baht and other long-term investment by 200.0 million Baht.

In 2013, the company and its subsidiaries have the cash flow used in investment activities of 1,101.4 million Baht, decreasing from 2012. This was due to the fact that the company invested in CKP with the amount of 2,730 million Baht in 2012 while the company and its subsidiaries had buildings, equipment and assets for tap water production which must be transferred at the end of agreements by increasingly 187.1 million Baht, advanced payment for land of increasingly 90.4 million Baht and the rise in its current investment of 491.8 million Baht.

Cash flows from financing activities

In 2012, the company and its subsidiaries have the cash flow from financing activities of 392.6 million Baht due to bond redemption of 3,500.0 million Baht and a new bond issue of 3,492.7 million Baht, an increase of long-term loan from financial institution of 2,287.2 million Baht and dividend payment of 1,874.8 million Baht.

In 2013, the company and its subsidiaries have the cash flow used in financing activities of 2,706.7 million Baht increasing from the year of 2012. This was due to the dividend payment of 2,194.1 million Baht. In 2012 the company and its subsidiaries had long-term loan from financial institution for investment in CKP of 2,760.0 million Baht.

Audit fee

In 2013, according to the resolution of the 2013 Annual Meeting of Shareholders on 22 March 2013, Ernst and Young Co., Ltd., was selected as the company's auditor. The audit fee was 1,235,000 Baht which was equal to that in 2012

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thai Tap Water Supply Public Company Limited

I have audited the accompanying consolidated financial statements of Thai Tap Water Supply Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated 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 explanatory information, and have also audited the separate financial statements of Thai Tap Water Supply Public Company Limited for the same period.

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.

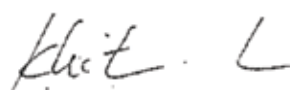
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Tap Water Supply Public Company Limited and its subsidiaries and of Thai Tap Water Supply Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. My opinion is not qualified in respect of this matter.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

Ernst & Young Office Limited
Bangkok: 27 January 2014



FINANCIAL STATEMENTS

THAI TAP WATER SUPPLY PUBLIC COMPANY LIMITED

Statement of financial position

Thai Tap Water Supply Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Assets							
Current assets							
Cash and cash equivalents	8	2,148,024,596	2,676,865,367	1,967,105,263	1,642,676,136	2,098,390,696	1,405,182,127
Current investments	9	3,679,041,489	3,096,567,482	2,965,962,319	3,679,041,489	3,096,567,482	2,965,962,319
Trade and other receivables	10	539,933,986	452,063,407	431,237,544	380,457,320	295,968,223	290,594,552
Current portion of long-term loans to related party and interest receivable	7	-	-	-	311,208,091	311,163,219	310,681,575
Raw materials and supplies	12	22,189,628	23,643,137	24,869,016	12,112,412	15,007,441	15,562,833
Other current assets		28,007,158	57,362,109	45,773,968	15,035,547	49,046,961	38,704,463
Total current assets		6,417,196,857	6,306,501,502	5,434,948,110	6,040,530,995	5,866,144,022	5,026,687,869
Non-current assets							
Other long-term investments	11	400,000,000	200,000,000	-	200,000,000	-	-
Long-term loans to related party, net of current portion	7	-	-	-	1,472,500,000	1,782,500,000	2,092,500,000
Investments in subsidiaries	13	-	-	-	3,245,258,440	3,466,752,588	3,688,853,569
Investment in associate	14	2,904,995,995	2,771,312,856	24,807,925	2,756,080,010	2,766,100,000	36,100,000
Property, plant and equipment	15	8,640,268,248	8,869,866,014	9,232,032,753	8,572,117,369	8,800,099,977	9,161,560,146
Assets for production of treated water that must be transferred at end of concession	16	2,851,788,267	3,088,456,680	3,367,419,936	-	-	-
Rights to produce and sell treated water and treat waste water	17	1,267,117,647	1,304,160,808	1,333,829,201	1,267,117,647	1,304,160,808	1,333,829,201
Rights to produce and sell treated water	18	1,909,358,691	2,104,305,081	2,299,299,214	-	-	-
Intangible assets	19	9,687,544	11,346,387	13,009,775	-	-	-
Deferred tax assets	27	1,378,479	1,125,297	17,919,559	-	-	16,925,844
Advance for land		90,400,000	-	-	90,400,000	-	-
Advance for assets for production of treated water that must be transferred at end of concession		21,510,000	-	-	-	-	-
Other non-current assets		11,510,656	14,443,749	22,951,997	5,924,067	8,493,321	8,672,654
Total non-current assets		18,108,015,527	18,365,016,872	16,311,270,360	17,609,397,533	18,128,106,694	16,338,441,414
Total assets		24,525,212,384	24,671,518,374	21,746,218,470	23,649,928,528	23,994,250,716	21,365,129,283

The accompanying notes are an integral part of the financial statements.

Statement of financial position (continued)

Thai Tap Water Supply Public Company Limited and its subsidiaries

As at 31 December 2013

(Unit: Baht)

Consolidated financial statements					Separate financial statements		
Note	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012	
Liabilities and shareholders' equity							
Current liabilities							
Trade and other payables	20	133,023,726	110,122,682	108,548,853	74,888,175	81,740,220	84,462,800
Current portion of long-term loans							
from financial institutions	21	510,000,000	490,000,000	470,000,000	510,000,000	490,000,000	470,000,000
Current portion of debentures	22	1,700,000,000	-	3,500,000,000	1,700,000,000	-	3,500,000,000
Income tax payable		162,578,620	159,374,662	91,035,029	97,008,241	84,500,360	-
Accrued interest		138,343,585	139,717,275	112,380,651	138,343,586	139,717,275	112,380,651
Other current liabilities		63,389,342	82,844,671	76,390,390	42,919,182	53,972,316	51,575,795
Total current liabilities		2,707,335,273	982,059,290	4,358,354,923	2,563,159,184	849,930,171	4,218,419,246
Non-current liabilities							
Retention payable - subsidiary	7	-	-	-	5,000,000	5,000,000	5,000,000
Long-term loans from financial institutions,							
net of current portion	21	5,430,000,000	5,940,000,000	3,670,000,000	5,430,000,000	5,940,000,000	3,670,000,000
Debentures, net of current portion	22	5,292,804,018	6,990,471,485	3,496,207,735	5,292,804,018	6,990,471,485	3,496,207,735
Provision for long-term employee benefits	23	18,490,920	14,780,026	12,065,745	8,384,186	6,577,096	4,998,922
Deferred tax liabilities	27	65,409,327	83,815,892	16,793,379	50,117,496	66,227,699	-
Total non-current liabilities		10,806,704,265	13,029,067,403	7,195,066,859	10,786,305,700	13,008,276,280	7,176,206,657
Total liabilities		13,514,039,538	14,011,126,693	11,553,421,782	13,349,464,884	13,858,206,451	11,394,625,903

The accompanying notes are an integral part of the financial statements.

Statement of financial position (continued)

Thai Tap Water Supply Public Company Limited and its subsidiaries

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Shareholders' equity							
Share capital							
Registered							
3,990,000,000 ordinary shares of Baht 1 each		3,990,000,000	3,990,000,000	3,990,000,000	3,990,000,000	3,990,000,000	3,990,000,000
Issued and fully paid-up							
3,990,000,000 ordinary shares of Baht 1 each		3,990,000,000	3,990,000,000	3,990,000,000	3,990,000,000	3,990,000,000	3,990,000,000
Share premium		2,637,769,601	2,637,769,601	2,637,769,601	2,637,769,601	2,637,769,601	2,637,769,601
Retained earnings							
Appropriated - statutory reserve	24	399,000,000	399,000,000	399,000,000	399,000,000	399,000,000	399,000,000
Appropriated - other reserve	25	935,527,729	723,128,286	516,859,790	935,527,729	723,128,286	516,859,790
Unappropriated		3,642,111,050	3,475,162,362	3,219,199,017	2,338,166,314	2,386,146,378	2,426,873,989
Other components of shareholders' equity		(629,289,864)	(600,362,866)	(600,362,866)	-	-	-
Equity attributable to owners of the Company		10,975,118,516	10,624,697,383	10,162,465,542	10,300,463,644	10,136,044,265	9,970,503,380
Non-controlling interests of the subsidiaries		36,054,330	35,694,298	30,331,146	-	-	-
Total shareholders' equity		11,011,172,846	10,660,391,681	10,192,796,688	10,300,463,644	10,136,044,265	9,970,503,380
Total liabilities and shareholders' equity		24,525,212,384	24,671,518,374	21,746,218,470	23,649,928,528	23,994,250,716	21,365,129,283

The accompanying notes are an integral part of the financial statements.

Directors

Statement of comprehensive income

Thai Tap Water Supply Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Consolidated financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss:					
Revenues					
Sales of treated water	28	5,076,078,509	4,837,947,630	3,408,972,490	3,218,959,995
Service income		106,348,166	87,208,925	32,727,228	26,114,220
Interest income		107,557,886	87,194,836	189,637,780	190,315,431
Dividend income	13	-	-	1,105,414,902	606,606,227
Gain on sales of investment in associate	14	113,076,250	-	2,979,997	-
Other income	27	386,771,625	260,369,569	37,120,946	99,024,651
Total revenues		5,789,832,436	5,272,720,960	4,776,853,343	4,141,020,524
Expenses					
Cost of sales of treated water and service		1,550,261,485	1,495,379,272	899,672,348	870,112,747
Administrative expenses		341,668,353	262,324,284	273,706,615	190,153,965
Amortisation of investments in subsidiaries	13	-	-	221,494,148	222,100,981
Amortisation of rights to produce and sell treated water and treat waste water	17	37,043,161	29,668,393	37,043,161	29,668,393
Amortisation of rights to produce and sell treated water	18	194,946,391	194,994,132	-	-
Total expenses		2,123,919,390	1,982,366,081	1,431,916,272	1,312,036,086
Profit before share of profit from investment in associate, finance cost and income tax expenses					
Share of profit from investment in associate	14	62,533,873	16,504,932	-	-
Profit before finance cost and income tax expenses					
Finance cost		(614,748,724)	(608,241,233)	(613,800,039)	(607,319,337)
Profit before income tax expenses					
Income tax expenses	27, 28	(316,530,710)	(343,343,585)	(171,818,331)	(180,824,216)
Income tax expenses of prior year	27	(200,482,662)	-	(200,482,662)	-
Profit for the year					
Other comprehensive income:					
Unrealised loss from cash flow hedges		(28,926,998)	-	-	-
Other comprehensive income for the year					
Total comprehensive income for the year					
Profit attributable to:					
Equity holders of the Company		2,573,764,791	2,337,503,938	2,358,836,039	2,040,840,885
Non-controlling interests of the subsidiaries		22,920,032	17,771,055		
Total comprehensive income attributable to:					
Equity holders of the Company		2,544,837,793	2,337,503,938	2,358,836,039	2,040,840,885
Non-controlling interests of the subsidiaries		22,920,032	17,771,055		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.65	0.59	0.59	0.51

The accompanying notes are an integral part of the financial statements.

Cash flows statement

Thai Tap Water Supply Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Consolidated financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before tax	3,113,698,195	2,698,618,578	2,731,137,032	2,221,665,101
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	659,262,038	652,613,008	371,872,727	366,010,278
Amortisation of investments in subsidiaries	-	-	221,494,148	222,100,981
Amortisation of rights to produce and sell treated water	194,946,391	194,994,132	-	-
Amortisation of rights to produce and sell treated water and treat waste water	37,043,161	29,668,393	37,043,161	29,668,393
Loss on sales and written off of equipment	9,539,863	2,387,124	9,345,795	3,002,394
Gain on sales of investment in associate	(113,076,250)	-	(2,979,997)	-
Share of profit from investment in associate	(62,533,873)	(16,504,932)	-	-
Dividend income from subsidiary	-	-	(1,105,414,902)	(606,606,227)
Reversal of income tax payable	-	(91,035,029)	-	-
Withholding tax deducted at source written off	2,402,587	13,784,593	2,402,587	2,287,253
Provision for long-term employee benefits	3,710,894	3,242,221	1,807,090	1,578,174
Amortisation of front end fee of long-term loan	-	230,000	-	230,000
Interest expenses	613,834,329	607,343,917	613,800,039	607,319,337
Profit from operating activities before changes in operating assets and liabilities	4,458,827,335	4,095,342,005	2,880,507,680	2,847,255,684
Operating assets (increase) decrease				
Trade and other receivables	(29,418,740)	(20,825,970)	(26,082,247)	(5,373,671)
Raw materials and supplies	1,453,509	1,225,879	2,895,029	555,392
Other current assets	3,247,694	(12,291,052)	1,361,412	(10,687,395)
Other non-current assets	90,066	294,667	166,667	294,667
Operating liabilities increase (decrease)				
Trade and other payables	16,235,656	(4,026,231)	1,332,570	(8,322,643)
Other current liabilities	(19,781,613)	6,029,641	(11,379,418)	1,971,882
Cash paid for long-term employee benefits	-	(527,940)	-	-
Cash from operating activities	4,430,653,907	4,065,220,999	2,848,801,693	2,825,693,916
Cash paid for interest expenses	(612,875,485)	(578,393,543)	(612,841,195)	(578,368,963)
Cash paid for corporate income tax	(338,088,922)	(102,480,809)	(175,420,653)	(13,170,313)
Cash paid for corporate income tax of prior year	(200,482,662)	-	(200,482,662)	-
Net cash from operating activities	3,279,206,838	3,384,346,647	1,860,057,183	2,234,154,640

The accompanying notes are an integral part of the financial statements.

Cash flows statement (continued)

Thai Tap Water Supply Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Consolidated financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Increase in current investments	(617,595,001)	(125,824,143)	(617,595,001)	(125,824,143)
Increase in other long-term investments	(200,000,000)	(200,000,000)	(200,000,000)	-
Decrease in long-term loans to related party	-	-	310,000,000	310,000,000
Increase in investment in associate	-	(2,730,000,000)	-	(2,730,000,000)
Increase in advance for land	(90,400,000)	-	(90,400,000)	-
Increase in advance payment for assets for production of treated water that must be transferred at end of concession	(6,660,000)	-	-	-
Increase in property, plant and equipment	(157,002,758)	(12,967,932)	(152,101,254)	(6,962,887)
Increase in assets for production of treated water that must be transferred at end of concession	(43,029,460)	-	-	-
Proceeds from disposal of equipment	290,000	1,570,893	-	220,093
Proceeds from sale of investment in associate	12,999,987	-	12,999,987	-
Dividend received from subsidiary	-	-	1,105,414,902	606,606,227
Net cash from (used in) investing activities	(1,101,397,232)	(3,067,221,182)	368,318,634	(1,945,960,710)
Cash flows from financing activities				
Cash receipt from long-term loans	-	2,757,240,000	-	2,757,240,000
Repayment of long-term loans	(490,000,000)	(470,000,000)	(490,000,000)	(470,000,000)
Repayment of debentures	-	(3,500,000,000)	-	(3,500,000,000)
Cash received from issuance of debentures	-	3,492,650,000	-	3,492,650,000
Dividend payment	(2,194,090,377)	(1,874,875,361)	(2,194,090,377)	(1,874,875,361)
Dividend payment for non-controlling interests of the subsidiary	(22,560,000)	(12,380,000)	-	-
Net cash from (used in) financing activities	(2,706,650,377)	392,634,639	(2,684,090,377)	405,014,639
Net increase (decrease) in cash and cash equivalents	(528,840,771)	709,760,104	(455,714,560)	693,208,569
Cash and cash equivalents at beginning of year	2,676,865,367	1,967,105,263	2,098,390,696	1,405,182,127
Cash and cash equivalents at end of year	2,148,024,596	2,676,865,367	1,642,676,136	2,098,390,696
Supplemental cash flows information				
Non-cash transactions				
Increase in property, plant and equipment from construction payable	1,134,660	809,710	1,134,660	809,710
Dividend payable	326,283	424,639	326,283	424,639
Accounts receivable from securities trading	25,722,292	-	25,722,292	-
Accounts payable from securities trading	9,398,702	4,781,020	9,398,702	4,781,020

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity

Thai Tap Water Supply Public Company Limited and its subsidiaries
For the year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements											
	Equity attributable to owners of the Company								Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Share premium	กำไรสะสม			Other components of equity					
			Appropriated – statutory reserve	Appropriated – other reserve	Unappropriated	Other comprehensive income	Difference on reorganisation of business of group companies	Total other components of shareholders' equity			Total equity attributable to owners of the Company
3,990,000,000	2,637,769,601	399,000,000	516,859,790	3,217,946,278	-	(600,362,866)	(600,362,866)	10,161,212,803	30,457,705	10,191,670,508	
Balance as at 31 December 2011 - as previously reported											
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	1,252,739	-	-	-	1,252,739	(126,559)	1,126,180
Balance as at 31 December 2011 - as restated	3,990,000,000	2,637,769,601	399,000,000	516,859,790	3,219,199,017	-	(600,362,866)	(600,362,866)	10,162,465,542	30,331,146	10,192,796,688
Dividend paid (Note 32)	-	-	-	-	(1,875,300,000)	-	-	-	(1,875,300,000)	-	(1,875,300,000)
Total comprehensive income for the year (restated)	-	-	-	-	2,337,503,938	-	-	-	2,337,503,938	17,771,055	2,355,274,993
Unappropriated retained earnings transferred to other reserve (Note 25)	-	-	-	206,268,496	(206,268,496)	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	(12,380,000)	(12,380,000)	(12,380,000)
Balance as at 31 December 2012 - as restated	3,990,000,000	2,637,769,601	399,000,000	723,128,286	3,475,134,459	-	(600,362,866)	(600,362,866)	10,624,669,480	35,722,201	10,660,391,681
Balance as at 31 December 2012 - as previously reported	3,990,000,000	2,637,769,601	399,000,000	723,128,286	3,557,698,495	-	(600,362,866)	(600,362,866)	10,707,233,516	35,848,760	10,743,082,276
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	(82,536,133)	-	-	-	(82,536,133)	(154,462)	(82,690,595)
Balance as at 31 December 2012 - as restated	3,990,000,000	2,637,769,601	399,000,000	723,128,286	3,475,162,362	-	(600,362,866)	(600,362,866)	10,624,697,383	35,694,298	10,660,391,681
Dividend paid (Note 32)	-	-	-	-	(2,194,416,660)	-	-	-	(2,194,416,660)	-	(2,194,416,660)
Total comprehensive income for the year	-	-	-	-	2,573,764,791	(28,926,998)	-	(28,926,998)	2,544,837,793	22,920,032	2,567,757,825
Unappropriated retained earnings transferred to other reserve (Note 25)	-	-	-	212,399,443	(212,399,443)	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	3,990,000,000	2,637,769,601	399,000,000	935,527,729	3,642,111,050	(28,926,998)	(600,362,866)	(629,289,864)	10,975,118,516	36,054,330	11,011,172,846

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

Thai Tap Water Supply Public Company Limited and its subsidiaries
For the year ended 31 December 2013

	Separate financial statements					(Unit: Baht)
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity	
			Appropriated - statutory reserve	Appropriated - other reserve		
Balance as at 31 December 2011 - as previously reported	3,990,000,000	2,637,769,601	399,000,000	516,859,790	2,409,948,145	9,953,577,536
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	16,925,844	16,925,844
Balance as at 31 December 2011 - as restated	3,990,000,000	2,637,769,601	399,000,000	516,859,790	2,426,873,989	9,970,503,380
Dividend paid (Note 32)	-	-	-	-	(1,875,300,000)	(1,875,300,000)
Total comprehensive income for the year (restated)	-	-	-	-	2,040,840,885	2,040,840,885
Unappropriated retained earnings transferred to other reserve (Note 25)	-	-	-	206,268,496	(206,268,496)	-
Balance as at 31 December 2012 - as restated	3,990,000,000	2,637,769,601	399,000,000	723,128,286	2,386,146,378	10,136,044,265
Balance as at 31 December 2012 - as previously reported	3,990,000,000	2,637,769,601	399,000,000	723,128,286	2,452,374,077	10,202,271,964
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	(66,227,699)	(66,227,699)
Balance as at 31 December 2012 - as restated	3,990,000,000	2,637,769,601	399,000,000	723,128,286	2,386,146,378	10,136,044,265
Dividend paid (Note 32)	-	-	-	-	(2,194,416,660)	(2,194,416,660)
Total comprehensive income for the year	-	-	-	-	2,358,836,039	2,358,836,039
Unappropriated retained earnings transferred to other reserve (Note 25)	-	-	-	212,399,443	(212,399,443)	-
Balance as at 31 December 2013	3,990,000,000	2,637,769,601	399,000,000	935,527,729	2,338,166,314	10,300,463,644

The accompanying notes are an integral part of the financial statements.

Notes to consolidated financial statements

Thai Tap Water Supply Public Company Limited and its subsidiaries

For the year ended 31 December 2013

1. Corporate information

Thai Tap Water Supply Public Company Limited ("the Company")

was incorporated as a limited company under the Civil and Commercial Code on 11 September 2000 and registered the change of its status to a public company limited under the Public Limited Companies Act B.E. 2535 on 6 July 2006. The Company operates in Thailand and its major shareholder is CH. Karnchang Public Company Limited, which was also incorporated in Thailand. The Company is principally engaged in the production and sale of treated water to the Provincial Waterworks Authority ("PWA") in the Amphur Nakorn Chaisri, Amphur Sam Pran, and Amphur Budha Monthon areas of Nakhon Pathom and the Amphur Muang and Amphur Kratumban areas of Samut Sakhon, under the "Water Purchase Agreement" made with the PWA dated 21 September 2000 (An amendment agreement dated 29 December 2008), which covers a period of 30 years as from the Actual Commencement Date (21 July 2004), and under the Concession to operate treated water granted by the Ministry of Natural Resources and Environment ("the Concessionaire") for a period of 25 years commencing on 11 March 2005. The Company has to comply with certain conditions as stipulated in the Water Purchase Agreement and the Concession.

The terms of the Concession include certain significant conditions, such as that when the Company has completed half of the concession period, if the government or the local government agency wish to purchase the water production business of the Company, the Concessionaire is entitled to cancel the concession in order to purchase it, or permit the relevant local government agency to purchase it, at market price. However, it must provide the Company with advance notice of six months of such action. The Company's registered office is at 30/130 Moo 12, Budha Monthon 5 Road, RaiKhing, Sam Pran, Nakhon Pathom.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Tap Water Supply Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

ชื่อบริษัท	ลักษณะธุรกิจ	จัดตั้งขึ้นใน ประเทศ	อัตราร้อยละของการถือหุ้น	
			2556 ร้อยละ	2555 ร้อยละ
บริษัท ประปาปทุมธานี จำกัด	ผลิตและจำหน่ายน้ำประปาให้กับการ ประปาส่วนภูมิภาคในจังหวัดปทุมธานี	ไทย	98.0	98.0
บริษัท ไทยวอเตอร์ โอเปอเรชั่นส์ จำกัด (ถือหุ้นโดยบริษัท ประปาปทุมธานี จำกัด ในอัตราร้อยละ 31.5)	บริการจัดการและบำรุงรักษาโครงการ น้ำประปา	ไทย	68.5	68.5

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

a. Accounting standards that became effective in the current accounting year

Accounting standards:	
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
Financial Reporting Standard:	
TFRS 8	Operating Segments
Accounting Standard Interpretations:	
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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

b. Accounting standards that will become effective in the future

		Effective date
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied, except for the following financial reporting standards interpretations.

TFRIC 4 Determining whether an Arrangement contains a Lease

This TFRIC requires an entity to determine whether an arrangement is, or contains, a lease, based on the substance of the arrangement. If an arrangement is, or contains, a lease, the payments for the lease should be separated from payments for any other elements in the arrangement.

TFRIC 12 Service Concession Arrangements

This TFRIC gives guidance on the accounting by operators for recognising and measuring the obligations and related rights in public-to-private service concession arrangement. The operators shall recognise the consideration received or receivable at its fair value to be rights to a financial asset or to an intangible asset, depending on the conditions of service concession arrangement.

The management of the Company is evaluating the first-year impact to the financial statements of the financial reporting standards interpretations and has yet to reach a conclusion.

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of financial position						
Increase in deferred tax assets	1,378	-	1,125	-	17,919	16,925
Increase in deferred tax liabilities	65,409	50,117	83,816	66,228	16,793	-
Decrease in non-controlling interests of the subsidiaries	(125)	-	(155)	-	(127)	-
Increase (decrease) in unappropriated retained earnings	(63,906)	(50,117)	(82,536)	(66,228)	1,253	16,925

(Unit: Thousand Baht)

	For the years ended 31 December 2013		For the years ended 31 December 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax expenses	(18,660)	(16,111)	83,817	83,153
Increase (decrease) in profit attributable to non-controlling interest of the subsidiaries	29	-	(33)	-
Increase (decrease) in profit attributable to equity holders of the Company	18,631	16,111	(83,784)	(83,153)
Decrease in basic earnings per share (Baht)	-	-	(0.02)	(0.02)

5. Significant accounting policies

5.1 Revenues recognition

Sales of treated water

Sales of treated water are recognised when the Company and a subsidiary supply the water to the Provincial Waterworks Authority, and comprise the invoiced value, excluding value added tax, of the treated water supplied, after deducting discounts and allowances.

Service income

Service income presents the invoiced value, excluding value added tax, of services rendered.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other income and expenses

Other income and expenses are recognised on an accrual basis

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.4 Raw materials and supplies

Raw materials and supplies are valued at the lower of cost (first - in, first - out method) and net realisable value and are charged to treated water production costs whenever consumed.

5.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investment in associate is accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

5.6 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

Investment costs of subsidiaries are the values paid for their acquisition. The subsidiary is engaged in business under the agreement for the production and sale of treated water with the Provincial Waterworks Authority and concessions granted by state enterprises or government agencies, which have defined fixed periods of operation, as stipulated in the agreement and concessions; and the subsidiary has committed to transfer most of its assets used in the operation to the Provincial Waterworks Authority. Hence, parts of the investment cost are deemed to be investments in the acquisition of rights to operate business under the agreement and concessions, and are amortised on a straight-line basis over the remaining periods of the agreements, commencing from the date of investment in the subsidiary. This amortised amount is presented as amortisation of investments in subsidiary, and recognised as an expense in profit or loss.

In addition, parts of the investment cost in the subsidiary to which the Company transferred most of its operations after investment, in order to reduce future operating costs, was amounts paid for acquisition of such operations. These are amortised on a straight-line basis over the remaining period of the Water Purchase Agreement made between the Company and the Provincial Waterworks Authority, commencing from the date of investing in the subsidiary, and presented as amortisation of investments in subsidiary. The amortised amount is recognised as expense in profit or loss.

5.7 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation for assets is generally calculated by reference to their costs on the straight-line basis over estimated useful lives of 3, 5 and 10 years. However depreciation of the Company's assets used for production of treated water is calculated using the units-of-production method, based on the following formula:

Depreciation for the period	=	Net assets for production of treated water at the beginning of period x Percentage of treated water produced in the period
Percentage of treated water produced in the period	=	$\frac{\text{Current period's actual production of treated water}}{(\text{Actual production of treated water for the period} + \text{Projected total production of treated water over the remaining term of the Water Purchase Agreement})}$
Net assets for production of treated water as at the beginning of the period	=	Total assets for production of treated water - Accumulated depreciation as at the beginning of the period

Assets for production of treated water consist of costs of construction of a water treatment plant and distribution system, and related interest expenses and financial costs.

Depreciation is included in determining income.

No depreciation is charged for land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Assets for production of treated water that must be transferred at end of concession and amortisation

Assets for production of treated water of Pathum Thani Water Company Limited that must be transferred to the Provincial Waterworks Authority at the end of the concession to produce and sell treated water (land, water treatment plant and distribution system) are stated at cost less accumulated amortisation and any impairment losses. Amortisation of assets for production of treated water is calculated using the units-of-production method, based on the following formula:

Amortisation for the period	=	Net assets for production of treated water that must be transferred at end of concession as at the beginning of period x Percentage of treated water produced in the period
Percentage of treated water produced in the period	=	$\frac{\text{Current period's actual production of treated water}}{(\text{Actual production of treated water for the period} + \text{Projected total production of treated water over the remaining term of concession for production and sale of treated water})}$
Net assets for production of treated water that must be transferred at end of concession as at the beginning of the period	=	Total assets for production of treated water that must be transferred at end of concession - Accumulated amortisation as at the beginning of the period

Amortisation is included in determining income.

No amortisation is charged for construction in progress.

5.9 Rights to produce and sell treated water and treat waste water and amortisation

The Company recorded cost of rights to produce and sell treated water and treat waste water ("Operation rights") at cost as at the acquisition date, and allocated such cost in line with forecasted revenues calculated as at the acquisition date.

a) Rights to produce and sell treated water

Rights to produce and sell treated water are stated at cost less accumulated amortisation and any impairment losses. Amortisation of the rights is calculated using the units-of-production method, based on the following formula:

$$\begin{aligned}
 \text{Amortisation for the period} &= \text{Net rights to produce and sell treated water as at the beginning of period} \times \text{Percentage of treated water produced in the period} \\
 \text{Percentage of treated water produced in the period} &= \frac{\text{Current period's actual production of treated water}}{(\text{Actual production of treated water for the period} + \text{Projected total production of treated water over the remaining term of operation rights})} \\
 \text{Net rights to produce and sell treated water as at beginning of the period} &= \text{Total rights to treated water} - \text{Accumulated amortisation as at the beginning of the period}
 \end{aligned}$$

Amortisation is included in determining income.

b) Rights to treat waste water

Rights to treat waste water are stated at cost less accumulated amortisation and any impairment losses. Amortisation of the rights is calculated using the units-of-production method, based on the following formula:

$$\begin{aligned}
 \text{Amortisation for the period} &= \text{Net rights to treat waste water as at the beginning of period} \times \text{Percentage of waste water treated in the period} \\
 \text{Percentage of waste water treated in the period} &= \frac{\text{Current period's actual treatment of waste water}}{(\text{Actual treatment of waste water for the period} + \text{Projected total treatment of waste water over the remaining term of operation rights})} \\
 \text{Net rights to treat waste water as at beginning of the period} &= \text{Total rights to treat waste water} - \text{Accumulated amortisation as at the beginning of the period}
 \end{aligned}$$

Amortisation is included in determining income.

5.10 Rights to produce and sell treated water and amortisation

Rights to produce and sell treated water, which arose as a result of the acquisition of ordinary shares in Pathum Thani Water Company Limited being made at a cost higher than the fair value of this subsidiary, is regarded as an intangible asset with a definite life. It is carried at cost less any accumulated amortisation and any impairment losses.

The Company amortises it on a straight-line basis over the remaining period of the subsidiary's agreement for the production and sale of treated water, starting from the acquisition date, (approximately 16 years) and tested for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for rights to produce and sell treated water are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

5.11 Intangible assets

The intangible assets (assets from which the subsidiary obtained the maintenance and management project) of the subsidiary are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life (5 years) and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

5.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.13 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of rights to produce and sell treated water. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

5.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.17 Hedge accounting - Cash flow hedges

Associate applies hedge accounting in order to hedge the foreign exchange exposure on a certain portion of its forecasted revenue from sales of electricity in USD currency where the revenues from sales of electricity are designated as the hedged item and long-term loans in USD are the hedging instrument. The associate has recorded such transactions using cash flow hedge accounting.

The effective portion of the change in the fair value of the cash flow hedging instrument is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss. Gains or losses accumulated in other comprehensive income are then transferred to profit or loss in the period when the hedged items affect profit or loss.

6. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2013	2012	2013	2012	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Cost of sales and services	-	-	31	28	Contract price
Interest income	-	-	100	116	Minimum Loan Rate minus stipulated margin per annum
Rental income	-	-	1	1	Contract price
Dividend income	-	-	1,105	607	As declared
<u>Transactions with related parties</u>					
Others income	2	-	-	-	Contract price

As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Other receivables - related parties</u> (Note 10) (มีผู้ถือหุ้นหรือกรรมการร่วมกัน)	5,779	238	5,779	238
	5,779	238	5,779	238
<u>Trade and other payables - related parties</u> (Note 20)				
Subsidiary	-	-	2,983	2,658
Related companies (related by shareholders or committees)	66	100	66	100
Total trade and other payables - related parties	66	100	3,049	2,758
<u>Retention payable - subsidiary</u>	-	-	5,000	5,000
	-	-	5,000	5,000

Long-term loans to related party

As at 31 December 2013 and 2012, the balance of long-term loans between the Company and a related party and the movement are as follows:

(Unit: Thousand Baht)

Loans to related party	Related by	Separate financial statements			
		Balance as at 1 January 2013	Increase during the year	Decrease during the year	Balance as at 31 December 2013
Pathum Thani Water Company Limited	Subsidiary				
Loan		2,092,500	-	(310,000)	1,782,500
Interest		1,163	99,894	(99,849)	1,208
Total		2,093,663	99,894	(409,849)	1,783,708

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2013	2012	2013
<u>Long-term loans to related party and accrued interest</u>				
Pathum Thani Water Company Limited				
Loan	-	-	1,782,500	2,092,500
Interest	-	-	1,208	1,163
Total	-	-	1,783,708	2,093,663
<u>Less</u>				
Current portion and accrued interest	-	-	(311,208)	(311,163)
Long-term loans to related party, net of current portion	-	-	1,472,500	1,782,500

Long-term loans to related party were subject to interest at the Minimum Loan Rate minus a stipulated margin per annum. Repayment is to be made in quarterly installments and due in full within September 2019.

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	73	66	52	45
Post-employment benefits	2	1	1	1
Termination benefits	6	-	5	-
Total	81	67	58	46

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	515	515	105	105
Bank deposits	2,147,510	2,676,350	1,642,571	2,098,286
Total	2,148,025	2,676,865	1,642,676	2,098,391

As at 31 December 2013, bank deposits in saving accounts and fixed deposits carried interests between 0.125% and 4.00% per annum (2012: between 0.10% and 3.50% per annum).

9. Current investments

The balances of current investments represent investments in trading securities and the six-month period to twelve-month period fixed deposits, carrying interest between 1.85% and 4.68% per annum (2012: between 2.28% and 5.25% per annum).

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	2013	2012
Fixed deposits	2,325,796	1,769,990
	2,325,796	1,769,990
Investments in trading securities at fair value		
Government and state enterprise bonds	556,958	682,762
State enterprise securities	497,914	-
Private sector debt securities	193,623	514,678
Marketable equity securities	104,750	129,137
	1,353,245	1,326,577
Total current investments	3,679,041	3,096,567

10. Trade and other receivables

As at 31 December 2013 and 2012, the outstanding balances of trade and other receivables were overdue less than 3 months.

11. Other long-term investments

The balance of other long-term investments represents 15-month and 22-month fixed deposits, carrying interest between 3.50% and 4.00% per annum.

12. Raw materials and supplies

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Raw materials	5,565	7,453	2,811	5,016
Spare parts	16,625	16,190	9,301	9,991
Total	22,190	23,643	12,112	15,007

13. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2013	2012	2013	2012	2013	2012	2013	2012
Thai Water Operations Company Limited	60,000	60,000	(%)	(%)	700,000	700,000	-	-
Pathum Thani Water Company Limited	1,200,000	1,200,000	98.0	98.0	3,998,310	3,998,310	1,105,415	606,606
					4,698,310	4,698,310	1,105,415	606,606
<u>Less</u> Accumulated amortisation of investments in subsidiaries					(1,433,051)	(1,211,557)	-	-
<u>Less</u> Dividend received from income before purchase of shares					(20,000)	(20,000)	-	-
Total					3,245,259	3,466,753	1,105,415	606,606

During the first quarter of the year 2013, the Company received dividend from Pathum Thani Water Company Limited amounting to Baht 379 million, in accordance with a resolution of the Annual General Meeting of Pathum Thani Water Company Limited held on 7 March 2013.

During the third quarter of the year 2013, the Company received dividend from Pathum Thani Water Company Limited amounting to Baht 726 million, in accordance with a resolution of Board of Directors' meeting of Pathum Thani Water Company Limited held on 25 July 2013.

14. Investment in associate

14.1 Details of associate:

				งบการเงินรวม				(Unit: Thousand Baht)	
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			2013	2012	2013	2012	2013	2012	
CK Power Public Company Limited	Making investment in other companies	Thailand	(%)	(%)					
			25	30	2,756,080	2,766,100	2,904,996	2,771,313	
Total				2,756,080	2,766,100	2,904,996	2,771,313		

			(Unit: Thousand Baht)				
Company's name	Nature of business	Country of incorporation	Separate financial statements				
			Shareholding percentage		Cost		Carrying amounts based on equity method
			2013	2012	2013	2012	
CK Power Public Company Limited	ลงทุนในบริษัทอื่น	ไทย	(%)	(%)			
			25	30	2,756,080	2,766,100	
					2,756,080	2,766,100	
Total					2,756,080	2,766,100	

14.2 Share of profit

During the years, the Company has recognised its share of profit from investment in the associate in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit from investment in associate during the year	
	2013	2012
CK Power Public Company Limited	62,534	16,505
Total	62,534	16,505

14.3 Fair value investments in listed associate

In respect of investments in associate that is listed company on the Stock Exchange of Thailand, its fair value is as follows:

(Unit: Thousand Baht)

Company's name	Fair values as at 31 December	
	2013	2012
CK Power Public Company Limited	3,245,000	-
Total	3,245,000	-

14.4 Summarised financial information of associate

Financial information of the associate is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit for the years ended 31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
CK Power Public Company Limited	5,500	9,200	50,526	45,154	25,054	22,881	5,679	2,578	249	55

In May 2012, the Company agreed to provide financial support to CK Power Public Company Limited ("the associate"), in the form of a guarantee, whereby it will provide financial support to a subsidiary of the associate, in proportion to its shareholding (30%), or a total of not more than Baht 154 million, should the subsidiary be unable to comply with the conditions of a loan or default on loan repayment to the lending bank.

In November 2012, the Extraordinary General Meeting of the shareholders of the associate passed a resolution to decrease its registered share capital from Baht 9,200 million to Baht 3,067 million, through the cancellation of 613 million ordinary shares with a par value of Baht 10 each. The reduction in capital is to be returned to the shareholders in proportion to their shareholding. The associate registered the capital decrease with the Ministry of Commerce in January 2013 and the Company received payment from such reduction of capital in proportion to its shareholding, amounting to Baht 1,840 million, in February 2013.

Subsequently in February 2013, the Extraordinary General Meeting of the associate passed the following resolutions.

- a) Approved the increase of the registered share capital from Baht 3,067 million to Baht 4,600 million through the issuance of 153 million shares with a par value of Baht 10 each, to be offered to the existing shareholders in proportion to their shareholdings at a price of Baht 40 per share.
- b) Approved the change of the value of its ordinary shares from 460 million shares at Baht 10 each to 920 million shares of Baht 5 each.
- c) Approved the change of its status from a company limited to a public company limited, and registered the shares in the Stock Exchange of Thailand.
- d) Approved the increase of its registered capital from Baht 4,600 million to Baht 5,500 million through the issuance of 180 million shares at a par value of Baht 5 each to reserve for the initial public offering.

The Company made additional payment for the shares of such company in proportion to its shareholding, amounting to Baht 1,840 million, in February 2013.

In July 2013, the Company sold 999,999 ordinary shares of the associate to investors at a price of Baht 13 per share, equivalent to a total price of approximately Baht 13 million, and received all payment on 15 July 2013. As a result, its shareholding in this associate decreased from 30% to 25%. The Company recorded the gain of approximately Baht 3 million on the sale of the investment in this associate in profit or loss in the consolidated financial statements for the third quarter of 2013 (Baht 3 million recorded in profit or loss in the separate financial statements) and recorded a gain on the deemed disposal of the investment in the associate, amounting to approximately Baht 110 million, in profit or loss in the consolidated financial statements for the third quarter of 2013, under the caption of "Gain on sales of investment in associate".

A 3-year silent period was imposed on the 189.1 million shares of the associate held by the Company as from the initial trading date of the shares on the SET, although the Company may gradually allocate the shares for sale beginning one year after the initial trading date under the Regulations of the Stock Exchange of Thailand.

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Assets for production of treated water	Construction in progress	Building and building improvement	Furniture and office equipment	Motor vehicles	Tools	Total
Cost:								
1 January 2012	425,949	10,799,223	15,785	52,559	55,616	30,893	9,831	11,389,856
Additions	-	-	4,027	493	2,562	685	6	7,773
Disposals/ written off	-	-	(3,204)	-	(821)	(1,313)	-	(5,338)
Transfer in (out)	-	-	(2,919)	-	2,919	-	-	-
31 December 2012	425,949	10,799,223	13,689	53,052	60,276	30,265	9,837	11,392,291
Additions	44,740	-	105,553	-	2,846	-	6	153,145
Disposals/ written off	-	-	(9,346)	-	-	-	-	(9,346)
Transfer in (out)	-	-	(92)	183	-	-	-	91
31 December 2013	470,689	10,799,223	109,804	53,235	63,122	30,265	9,843	11,536,181
Accumulated depreciation:								
1 January 2012	-	2,168,299	-	7,785	30,220	13,608	8,384	2,228,296
Depreciation for the year	-	346,609	-	3,186	10,402	5,279	534	366,010
Depreciation on disposals/ written off	-	-	-	-	(802)	(1,313)	-	(2,115)
31 December 2012	-	2,514,908	-	10,971	39,820	17,574	8,918	2,592,191
Depreciation for the year	-	353,172	-	2,485	10,766	4,934	516	371,873
31 December 2013	-	2,868,080	-	13,456	50,586	22,508	9,434	2,964,064
Net book value:								
31 December 2012	425,949	8,284,315	13,689	42,081	20,456	12,691	919	8,800,100
31 December 2013	470,689	7,931,143	109,804	39,779	12,536	7,757	409	8,572,117
Depreciation for the year								
2012 (Baht 354 million included in cost of sales of treated water and service, and the balance in administrative expenses)								366,010
2013 (Baht 360 million included in cost of sales of treated water and service, and the balance in administrative expenses)								371,873

As at 31 December 2013, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 84 million (2012: Baht 77 million) (Separate financial statements: Baht 32 million, 2012: Baht 24 million).

16. Assets for production of treated water that must be transferred at end of concession

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land	Water treatment plant and local distribution treated water system	Construction in progress	Total
Cost:				
1 January 2012	418,088	5,971,661	-	6,389,749
31 December 2012	418,088	5,971,661	-	6,389,749
Additions	-	-	43,029	43,029
31 December 2013	418,088	5,971,661	43,029	6,432,778
Accumulated amortisation:				
1 January 2012	215,459	2,806,870	-	3,022,329
Amortisation for the year	17,187	261,776	-	278,963
31 December 2012	232,646	3,068,646	-	3,301,292
Amortisation for the year	17,147	262,551	-	279,698
31 December 2013	249,793	3,331,197	-	3,580,990
Net book value:				
31 December 2012	185,442	2,903,015	-	3,088,457
31 December 2013	168,295	2,640,464	43,029	2,851,788
Amortisation for the year				
2012				278,963
2013				279,698

Assets for production of treated water of Pathum Thani Water Company Limited will be transferred to the Provincial Waterworks Authority after the end of the 25-year concession to produce and sell treated water.

17. Rights to produce and sell treated water and treat waste water

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2013	2012
Rights to produce and sell treated water and treat waste water	1,410,075	1,410,075
<u>Less</u> Accumulated amortisation of rights to produce and sell treated water and treat waste water	(142,957)	(105,914)
Rights to produce and sell treated water and treat waste water, net	1,267,118	1,304,161

18. Rights to produce and sell treated water

(Unit: Thousand Baht)

	Consolidated financial statements	
	2013	2012
Rights to produce and sell treated water	3,169,109	3,169,109
<u>Less</u> Accumulated amortisation of rights to produce and sell treated water	(1,259,750)	(1,064,804)
Rights to produce and sell treated water, net	1,909,359	2,104,305

19. Intangible assets

The net book value of intangible assets as at 31 December 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	financial statements
Cost:	
1 January 2012	14,104
31 December 2012	14,104
31 December 2013	14,104
Accumulated amortisation:	
1 January 2012	1,095
Amortisation for the year	1,663
31 December 2012	2,758
Amortisation for the year	1,659
31 December 2013	4,417
Net book value:	
31 December 2012	11,346
31 December 2013	9,687

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related party	-	-	2,901	2,577
Trade payables - unrelated parties	26,550	40,378	15,347	33,270
Amounts due to related parties	66	100	148	181
Amounts due to unrelated parties	3,818	1,889	2,116	-
Construction payable - unrelated parties	17,305	819	1,416	819
Retention payable for contract work - unrelated parties	3,640	3,652	3,175	3,090
Accounts payable from securities trading	1,376	10,775	1,376	10,775
Accrued expenses	80,269	52,510	48,409	31,028
Total trade and other payables	133,024	110,123	74,888	81,740

21. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated / Separate financial statements	
			2013	2012
1.	MLR - stipulated rate in agreement between 2.00% - 2.25%	Quarterly installments as from March 2010 to June 2019	1,110,000	1,240,000
2.	MLR - stipulated rate in agreement between 2.00% - 2.25%	Quarterly installments as from December 2009 to September 2019	2,070,000	2,430,000
3.	The 6-month fixed deposit rate plus a stipulated margin per annum	Repayment in full by 9 May 2020	2,760,000	2,760,000
Total			5,940,000	6,430,000
<u>Less</u> Current portion			(510,000)	(490,000)
Long-term loans, net of current portion			5,430,000	5,940,000

Long-term loan in No.2 and No.3 requires the Company to follow certain financial terms such as to maintain financial ratios.

22. Debentures

(Unit: Thousand Baht)

Debentures	Life	Date of issue	Maturity date	Interest rate	Consolidated / Separate financial statements	
					2013	2012
				(% per annum)		
1	5 years	26 February 2009	26 February 2014	4.75	1,700,000	1,700,000
2	7 years	26 February 2009	26 February 2016	5.35	1,800,000	1,800,000
3	7 years	22 February 2012	22 February 2019	4.40	1,500,000	1,500,000
4	10 years	22 February 2012	22 February 2022	4.60	2,000,000	2,000,000
Total					7,000,000	7,000,000
<u>Less</u> Current portion of debentures					(1,700,000)	-
<u>Less</u> Deferred debenture issuing costs					(7,196)	(9,529)
Debentures, net of current portion					5,292,804	6,990,471

All debentures of the Company are unsecured, senior debentures with trustees and with a par value of Baht 1,000 each. The interest is payable every 6 months throughout the life of the debentures.

The Company is required to maintain certain financial ratios.

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligation at beginning of year	14,780	12,065	6,577	4,999
Current service cost	3,099	2,760	1,544	1,378
Interest cost	612	483	263	200
Benefits paid during the year	-	(528)	-	-
Provision for long-term employee benefits at end of year	18,491	14,780	8,384	6,577

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	3,099	2,760	1,544	1,378
Interest cost	612	483	263	200
Total expense recognised in profit or loss	3,711	3,243	1,807	1,578
Line items under which such expenses are included in profit or loss				
Cost of sales and service	1,444	1,266	174	148
Administrative expenses	2,267	1,977	1,633	1,430

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.0	4.0	4.0	4.0
Future salary increase rate	1.5 - 7.0	1.5 - 7.0	5.0	5.0
Staff turnover rate (depending on age)	0 - 14.0	0 - 14.0	0 - 14.0	0 - 14.0

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2013	18,491	8,384
Year 2012	14,780	6,577
Year 2011	12,065	4,999
Year 2010	9,259	3,623
Year 2009	6,501	2,408

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

25. Other reserve

According to the amendment of the concession to operate treated water dated 20 March 2008, prior to paying a dividend the Company is required to set aside 10% of its annual net profit to other reserve.

26. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salary, wages and other employee benefits	156,493	145,359	72,417	69,164
Depreciation and amortisation	379,564	373,650	371,873	366,010
Amortisation of assets for production of treated water that must be transferred at end of concession	279,698	278,963	-	-
Amortisation of investments in subsidiaries	-	-	221,494	222,101
Operating and maintenance expenses	-	-	31,462	28,366
Production and maintenance cost	762,515	730,454	458,181	444,626

27. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Current income tax charge	335,191	259,527	187,929	97,671
Deferred tax:				
Relating to origination and reversal of temporary differences	(18,676)	83,797	(16,111)	83,153
Effects of changes in the applicable tax rates	16	20	-	-
Income tax expenses reported in the statement of comprehensive income	316,531	343,344	171,818	180,824

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2013
		(Restated)		(Restated)
Accounting profit before tax	3,113,698	2,698,619	2,731,137	2,221,665
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	622,740	620,682	546,227	510,983
Effects of changes in the applicable tax rates	16	20	-	-
Effects of:				
Promotional privileges (Note 28)	(238,632)	(295,872)	(191,576)	(247,645)
Non-deductible expenses	53,554	65,357	46,865	57,134
Additional expense deductions allowed	(8,893)	(208)	(8,615)	(129)
Exemption of income	(290,557)	(174,624)	(221,083)	(139,519)
Effect of elimination entry on the consolidated financial statements	178,303	127,989	-	-
Total	(306,225)	(277,358)	(374,409)	(330,159)
Income tax expenses reported in the statement of comprehensive income	316,531	343,344	171,818	180,824

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
Deferred tax assets		(Restated)			(Restated)	
Accumulated amortisation - software	-	20	32	-	20	32
Provision for long-term employee benefits	3,698	2,971	2,579	1,677	1,315	1,150
Unused tax loss	-	-	73,665	-	-	73,665
Total	3,698	2,991	76,276	1,677	1,335	74,847
Deferred tax liabilities						
Accumulated depreciation - assets for production of treated water	(37,815)	(55,399)	(49,482)	(37,815)	(55,399)	(49,482)
Amortisation of rights to produce and sell treated water and treat waste water	(12,796)	(10,805)	(8,440)	(12,796)	(10,805)	(8,440)
Accumulated depreciation - assets for production of treated water that must be transferred at end of concession	(7,340)	(8,608)	(6,800)	-	-	-
Deferred debenture issuing costs	(1,183)	(1,359)	-	(1,183)	(1,359)	-
Fair value adjustment of assets for production of treated water that must be transferred at end of concession regarding business combination	(8,595)	(9,511)	(10,428)	-	-	-
Total	(67,729)	(85,682)	(75,150)	(51,794)	(67,563)	(57,922)

In the third quarter of 2013, the Revenue Department examined the Company's tax payments and met with the Company for discussions on the period of the Company's corporate income tax exemption pursuant to the promotion certificate, which ended in July 2012, which had been incorrectly applied because the Company submitted VAT on a sale of water in February 2004. As a result, the income tax exemption period should have ended in January 2012 (not in July 2012). Moreover, for the interim dividend which was paid to the shareholders in August 2012, the Company did not withhold tax from the interim dividends paid from the

net income of the Company between February 2012 and July 2012, as it is obliged to do under the Revenue Code. In the fourth quarter of 2013, a meeting of the Company's Board of Directors passed a resolution approving the payment of this corporate income tax of Baht 200 million and withholding tax, together with a surcharge for late settlement of Baht 60 million, for a total of Baht 260 million. The Company paid the full amount in November 2013.

Pathum Thani Water Company Limited

During the second quarter of the year 2009, the subsidiary received a notice regarding a change in its net operating loss brought forward from the Area Revenue Office, Pathum Thani 1. Based on the assessment made by the Area Revenue Office, the subsidiary has had corporate income tax obligations since the year 2008. To reduce the risk of future loss, the subsidiary recorded corporate income tax expenses for the years 2008 to 2011 of totaling Baht 580 million. However, the subsidiary disputed this assessment and therefore appealed to the Board of Appeals of the Revenue Department since the second quarter of the year 2009.

During the first quarter of the year 2012, the subsidiary received a letter concerning appeal decision from the Board of Appeals of the Revenue Department which stated that the subsidiary can use for tax loss brought forward as previously submitted. According to the letter of appeal decision, the subsidiary has had corporate income tax obligations since the third quarter of the year 2011 totaling Baht 86 million. In this regard, the subsidiary has right to receive refund from the corporate income tax paid from the years 2008 to 2010. The subsidiary requested the refund of the corporate income tax for 2008 to 2010 that was paid totaling Baht 386 million. The subsidiary reversed Baht 91 million overrecorded income tax expenses for 2011 to other income in the statement of comprehensive income of the first quarter of the year 2012.

In September 2012, the subsidiary received a notification letter from the Area Revenue Office regarding the refund of corporate income tax for 2008 amounting to Baht 62 million. The subsidiary recorded such transaction as other income in the statement of comprehensive income of the third quarter of the year 2012. In addition, in February 2013, the subsidiary received a notification letter from the Area Revenue Office regarding the refund of corporate income tax for 2009 and 2010 amounting to Baht 143 million and Baht 182 million, respectively. The subsidiary recorded such transactions as other income in the statement of comprehensive income of the current year.

28. Promotional privileges

The Company received promotional privileges from the Board of Investment for production of treated water, pursuant to the promotion certificate No. 2437(2)/2553 issued on 13 September 2010. Subject to certain imposed conditions, the main privileges include the following:

- Exemption from import duty on imported machinery under specified conditions.
- Exemption from corporate income tax on net profit from the promoted operations for a period of eight years from the date the promoted operations commenced generating revenues (30 September 2010).

During the year 2013, the Company received promotional privileges from the Board of Investment to restore investment after the floods, pursuant to the promotion certificate No. 5177(2)/2556 issued on 27 May 2013 (replacing earlier promotion certificate No. 1382(2)/2545 which expired in 2012). Subject to certain imposed conditions, the main privileges include the following:

- Exemption from import duty on imported machinery under specified conditions.
- Exemption from corporate income tax on net profit from the promoted operations, with the amount of tax exempted capped at 150% of investment, excluding land and working capital, only the repair expenses of machinery and equipment damaged due to flooding, for a period of eight years from the date the promoted operations commenced generating revenues (30 June 2013).

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2013	2012	2013	2012	2013	2012
Sales of treated water	2,000,525	1,782,494	1,408,447	1,436,466	3,408,972	3,218,960

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Basic earnings per share				
Profit for the year (Thousand Baht)	2,573,765	2,337,504	2,358,836	2,040,841
Weighted average number of ordinary shares (Thousand shares)	3,990,000	3,990,000	3,990,000	3,990,000
Profit attributable to equity holders of the Company (Baht per share)	0.65	0.59	0.59	0.51

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and the subsidiaries are principally engaged in the production and sell of treated water. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographic area.

31. Provident fund

The Company, its subsidiaries and their employees have established provident funds jointly with their employees in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiaries and their employees contribute to the funds monthly between rate of 5% and 7.5% of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company and the subsidiaries contributed Baht 6 million (Separate financial statements: Baht 3 million) (2012: Baht 6 million, Separate financial statements: Baht 3 million) to the funds.

32. Dividend paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends from the earnings of the promoted operations for July to December 2011	Annual General Meeting of the Company's shareholders for the year 2012 on 16 March 2012	997,500	0.25
Interim dividends from the earnings of the promoted operations for January to June 2012	Board of Directors Meeting on 26 July 2012	877,800	0.22
Total dividends for 2012		1,875,300	0.47
Dividends from the earnings of the promoted operations for January to July 2012	Annual General Meeting of the shareholders for the year 2013 on 22 March 2013	39,897	0.01
Dividends from the earnings of the non-promoted operations for July to December 2012	Annual General Meeting of the shareholders for the year 2013 on 22 March 2013	957,536	0.24
Dividends from unappropriated retained earnings	Annual General Meeting of the shareholders for the year 2013 on 22 March 2013	199,487	0.05
Interim dividends from the earnings of the non-promoted operations for January to June 2013	Board of Directors Meeting on 26 July 2013	997,497	0.25
Total dividends for 2013		2,194,417	0.55

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2013, the Company had capital commitments of Baht 2 million relating to the preparation of land for construction of a water treatment plant, the installation and repair of a water pipe distribution system, and related engineering design works (2012: Baht 1 million).

33.2 Service commitments and other commitments

- a) The Company has entered into an operation and maintenance agreement with Thai Water Operations Company Limited (“the subsidiary”), whereby the subsidiary is to manage and maintenance of production and supply of treated water system and to manage the waste water system. Under the conditions of the agreement, the Company is to pay service fees at a rate stipulated in the agreement. The agreement has an initial term of 1 year from 8 January 2010 and thereafter will be automatically renewed for period of 1 year.
- b) Pathum Thani Water Company Limited has entered into a maintenance agreement with Thai Water Operations Company Limited, whereby such company is to maintenance. Under the conditions of the agreement, Pathum Thani Water Company Limited is to pay service fees at a rate stipulated in the agreement. The agreement has an initial term of 1 year from 8 January 2010 and thereafter will be automatically renewed for period of 1 year.
- c) As at 31 December 2013, the subsidiaries had commitments totaling Baht 31 million (2012: Baht 8 million) under other service agreements.

33.3 Operating lease commitments

The Company has entered into a land lease agreement for office building. The terms of the agreement is between 1 March 2010 and 28 February 2035.

Future minimum lease payments required under these non-cancellable operating lease contract were as follows.

(Unit: Million Baht)

Payable	As at 31 December	
	2013	2012
in over 1 and up to 5 years	2	3
in over 5 years	10	9

During the year 2013, the Company recognised rental expenses of Baht 1 million (2012: Baht 1 million).

33.4 Bank guarantees

As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 275 million (Separate financial statements: Baht 97 million) (2012: Baht 265 million (Separate financial statements: Baht 87 million)) issued by banks on behalf of the Company and its subsidiaries in the normal course of business. These included letters of guarantee as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Guarantee under the Water Purchase Agreement with the Provincial Waterworks Authority	220	210	60	50
Guarantee electricity use	55	55	37	37
Total	275	265	97	87

33.5 Litigation

Pathum Thani Water Company Limited

In August 2004, a person filed submitted a dispute to the Thai Justice Arbitration Institute for a decision in relation to a complaint against Pathum Thani Water Company Limited ("the subsidiary") (second defendant) and the Provincial Water Authority (first defendant), claiming compensation totaling approximately Baht 65 million for a tort against this person in the course of the construction of a water treatment plant. On 24 October 2006, the Arbitral Tribunal ordered the dismissal of the dispute.

Subsequently, on 20 December 2006, the person filed suit with the Administrative Court seeking to overturn the order of the Arbitral Tribunal dismissing the dispute.

However, no provision for loss from that dispute was set aside in the account since the management of the subsidiary believes that there is no material financial damage that will be arise as a result of this dispute.

34. Financial instruments

34.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, other long-term investments, long-term loans to related party, trade and other payables, debentures and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade accounts receivable and there is a high concentration of risk since the Company and its subsidiary have only one major customer, the Provincial Waterworks Authority. However, because the Provincial Waterworks Authority is a government agency, the Company and its subsidiary do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Company's and its subsidiaries' exposures to interest rate risk relate primarily to their cash at banks, current investments, other long-term investments, long-term loans to related party, debentures and long-term loans. However, since most of the Company's and the subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2013							
Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% per annum)
Cash and cash equivalents	1,426	-	-	712	10	2,148	0.125 - 4.000
Current investments	3,574	-	-	-	105	3,679	1.85 - 4.68
Trade and other receivables	-	-	-	-	540	540	-
Other long-term investments	-	400	-	-	-	400	3.50 - 4.00
	5,000	400	-	712	655	6,767	
Financial liabilities							
Trade and other payables	-	-	-	-	133	133	-
Long-term loans	-	-	-	5,940	-	5,940	3.725 - 5.000
Debentures	1,700	1,799	3,494	-	-	6,993	4.40 - 5.35
	1,700	1,799	3,494	5,940	133	13,066	

(Unit: Million Baht)

As at 31 December 2012							
Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% per annum)
Cash and cash equivalents	1,264	-	-	1,399	14	2,677	0.10 - 3.50
Current investments	2,967	-	-	-	129	3,096	2.28 - 5.25
Trade and other receivables	-	-	-	-	452	452	-
Other long-term investments	-	200	-	-	-	200	4.00
	4,231	200	-	1,399	595	6,425	
Financial liabilities							
Trade and other payables	-	-	-	-	110	110	-
Long-term loans	-	-	-	6,430	-	6,430	3.9813 - 5.1250
Debentures	-	3,497	3,493	-	-	6,990	4.40 - 5.35
	-	3,497	3,493	6,430	110	13,530	

(Unit: Million Baht)

As at 31 December 2013							
Separate financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% per annum)
Cash and cash equivalents	1,016	-	-	619	8	1,643	0.125 - 4.000
Current investments	3,574	-	-	-	105	3,679	1.85 - 4.68
Trade and other receivables	-	-	-	-	380	380	-
Other long-term investments	-	200	-	-	-	200	3.5
Long-term loans to related party	-	-	-	1,784	-	1,784	4.875 - 5.125
	4,590	200	-	2,403	493	7,686	
Financial liabilities							
Trade and other payables	-	-	-	-	75	75	-
Long-term loans	-	-	-	5,940	-	5,940	3.725 - 5.000
Debentures	1,700	1,799	3,494	-	-	6,993	4.40 - 5.35
	1,700	1,799	3,494	5,940	75	13,008	

(Unit: Million Baht)

As at 31 December 2012							
Separate financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% per annum)
Cash and cash equivalents	1,089	-	-	1,003	6	2,098	0.375 - 3.500
Current investments	2,967	-	-	-	129	3,096	2.28 - 5.25
Trade and other receivables	-	-	-	-	296	296	-
Long-term loans to related party	-	-	-	2,094	-	2,094	5.00 - 5.25
	4,056	-	-	3,097	431	7,584	
Financial liabilities							
Trade and other payables	-	-	-	-	82	82	-
Long-term loans	-	-	-	6,430	-	6,430	3.9813 - 5.1250
Debentures	-	3,497	3,493	-	-	6,990	4.40 - 5.35
	-	3,497	3,493	6,430	82	13,502	

Foreign currency risk

The Company and its subsidiaries do not consider themselves exposed to foreign currency risk because they have no significant foreign currency transactions.

34.2 Fair values of financial instruments

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.

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, current investments, trade and other receivables, trade and other payables, their carrying amounts in the statements of financial position approximate their fair value.
- b) For other long-term investments, long-term loans to related party and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair value.
- c) For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. The approximate fair value is estimated to be close to the carrying amounts in the statements of financial position.

As at 31 December 2013, fair value of significant financial instruments are estimated to be close to the carrying amounts in the statements of financial position, with no material differences.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2013, the Group's debt-to-equity ratio was 1.23:1 (2012: 1.31:1) and the Company's was 1.30:1 (2012: 1.37:1).

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 January 2014.



THAI TAP
WATER

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