



TTW PUBLIC COMPANY LIMITED
ANNUAL REPORT 2014

TTW

TRANSFORM FOR A BETTER FUTURE

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TRANSFORM FOR A BETTER FUTURE

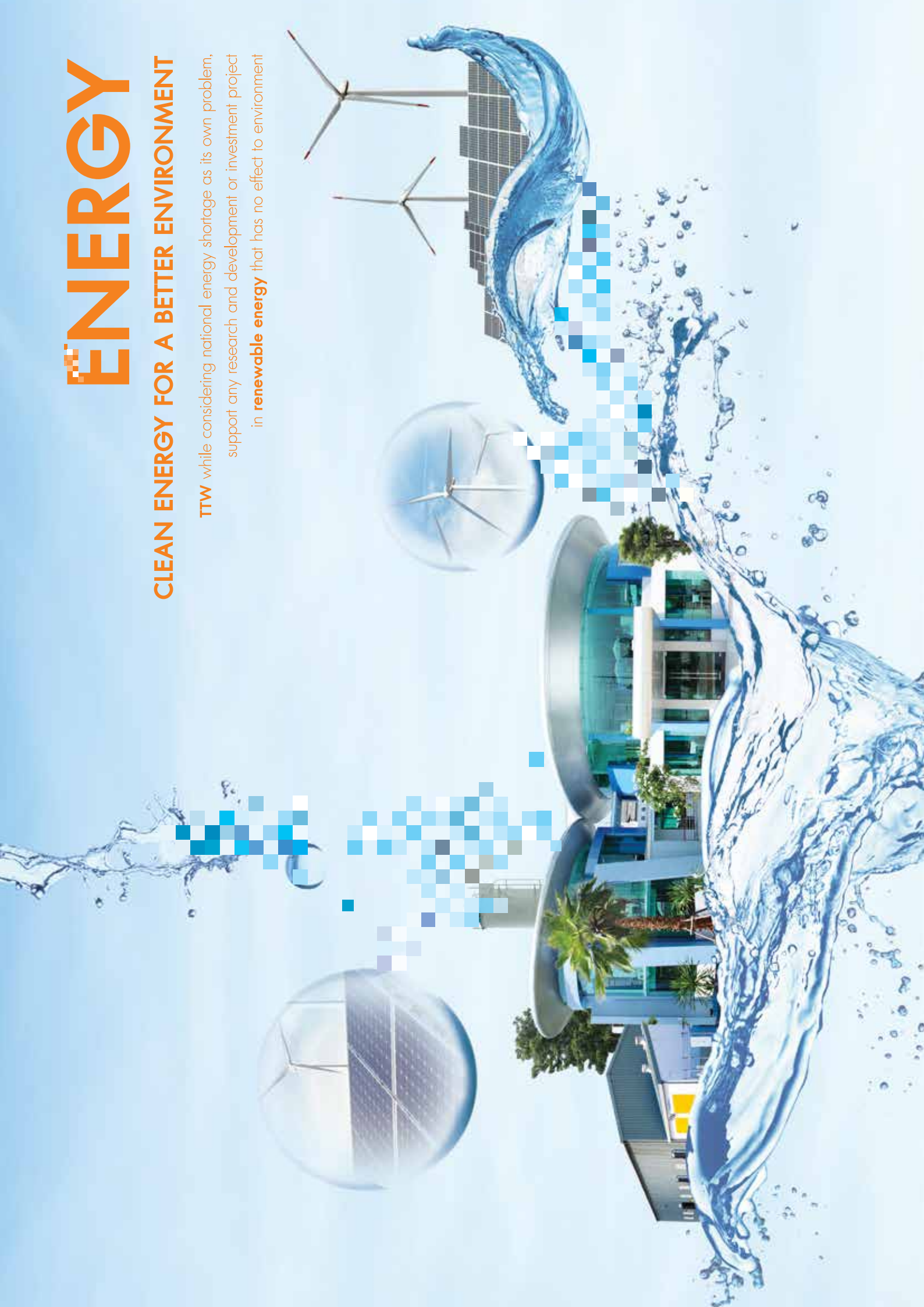
TTW continues to develop and make changes for betterment of all stakeholders, aiming to be the leader in **water, energy and environmental related businesses**



ENERGY

CLEAN ENERGY FOR A BETTER ENVIRONMENT

TTW while considering national energy shortage as its own problem, support any research and development or investment project in **renewable energy** that has no effect to environment





ENVIRONMENT

GREEN ENVIRONMENT FOR A BETTER LIVING WORLD

TTW awareness of how quality environment affects the well-being of all living things, initiates activities for nature and environment conservation as well as continue to nurture such value to youth and employees



WATER

BETTER WATER QUALITY FOR A BETTER LIFE

TTW manufacturing process is punctilious, advanced but strive for better technology, in order to obtain every drop of **quality, clean, sufficient** and **continuous** tap water which is safe and worth for consumption





Dr. Thanong Bidaya

Message from Chairman of the Board of Directors

TTW performance in 2014 has shown a consistently growth amidst political instability and no clear sign of economic recovery. The reason behind this was the equality treatment of all stakeholders and good corporate governance practice together with appropriate cost control of the company.

TTW was able to secure its presence in the SET50, received AA- in credit rating on the company and senior unsecured debentures and received "Very Good" grade for Corporate Governance Report of Thai Listed Companies. This reflects trust on TTW from investors, analysts and media.

2015 will be another challenge year for TTW especially as the country will fully integrate into ASEAN Economic Community. However, it is curtailed that with capability, expertise and strong financial status, TTW will be ready to cope with this challenge without any worry.

On behalf of the Board of Directors, the management and the staff of TTW 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



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

+12.9% +14.7%
+0.94% +2.49%

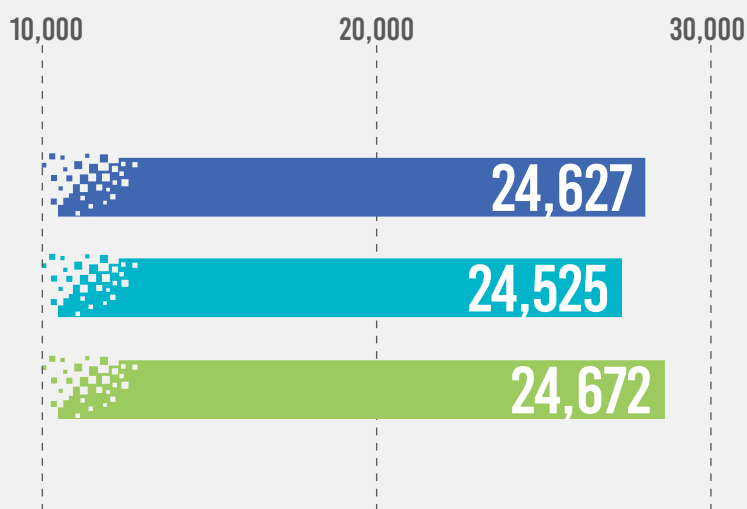


+12.9% +0.94% +14.7%
+12.9% +0.94% +14.7%

Significant Financial Information

Consolidated Financial Statements

Total assets

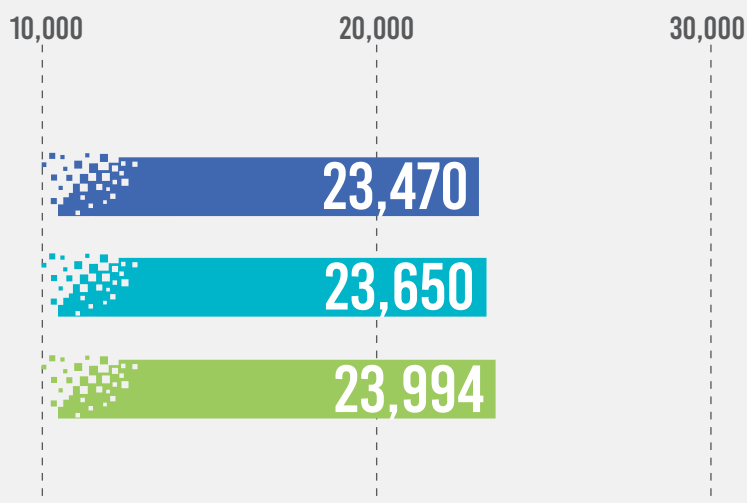


	2014	2013	2012
Total assets	24,627	24,525	24,672
Total liabilities	13,238	13,514	14,011
Shareholders' equity	11,389	11,011	10,661

(Unit : Million Baht)

Separate Financial Statements

Total assets



	2014	2013	2012
Total assets	23,470	23,650	23,994
Total liabilities	13,021	13,349	13,858
Shareholders' equity	10,449	10,331	10,136

(Unit : Million Baht)

2014

2013

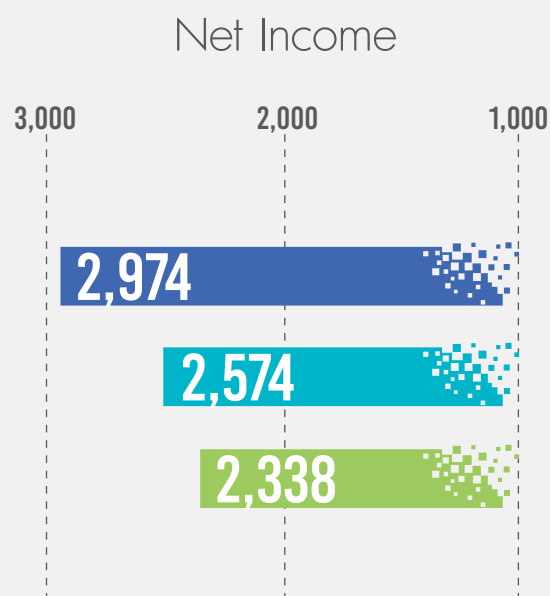
2012

Significant Financial Information

Consolidated Financial Statements

	2014	2013	2012
Net income	2,974	2,574	2,338
Book value per share (Bt./share)	2.85	2.76	2.67
Basic earnings per share (Bt./share)	0.75	0.65	0.59

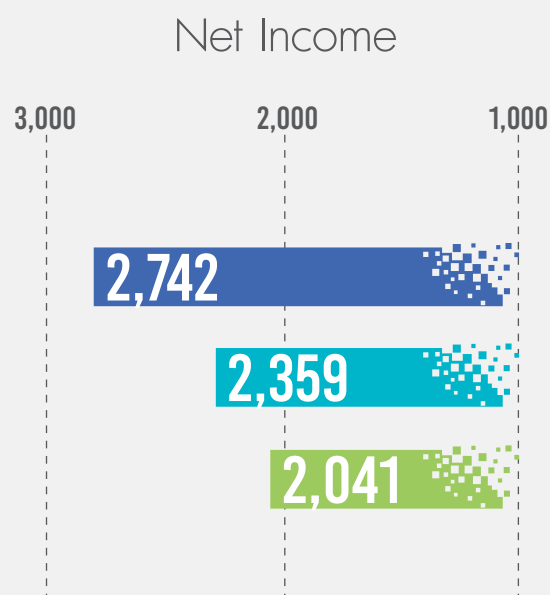
(Unit : Million Baht)



Separate Financial Statements

	2014	2013	2012
Net income	2,742	2,359	2,041
Book value per share (Bt./share)	2.62	2.59	2.54
Basic earnings per share (Bt./share)	0.69	0.59	0.51

(Unit : Million Baht)





Significant Financial Information

(Unit : Million Baht)

Description	Consolidated Financial Statements For the year ended December 31			Consolidated Financial Statements For the year ended December 31		
	2014	2013	2012	2014	2013	2012
Total assets	24,627	24,525	24,672	23,470	23,650	23,994
Total liabilities	13,238	13,514	14,011	13,021	13,349	13,858
Shareholders' equity	11,389	11,011	10,661	10,449	10,331	10,136
Sales of treated water	5,272	5,076	4,838	3,617	3,409	3,219
Services income	111	106	87	37	33	26
Total revenues	5,622	5,790	5,273	4,683	4,777	4,141
Cost of sales and services	1,535	1,550	1,495	912	900	870
Administrative expenses and management expenses	246	342	262	199	274	190
Financial expenses	566	615	608	565	613	607
Income tax expenses	157	517	343	1	372	181
Gross margin	3,848	3,632	3,430	2,741	2,542	2,375
Net income	2,974	2,574	2,338	2,742	2,359	2,041
Book value per share (Bt./share)	2.85	2.76	2.67	2.62	2.59	2.54
Basic earnings per share (Bt./share)	0.75	0.65	0.59	0.69	0.59	0.51

Financial Ratio

Description	Consolidated Financial Statements For the year ended December 31			Consolidated Financial Statements For the year ended December 31		
	2014	2013	2012	2014	2013	2012
Profitability ratios						
Gross profit margin (%)	71.48	70.09	69.64	75.05	73.85	73.19
Net profit margin (%)	52.90	44.46	44.34	58.55	53.21	49.29
Return on equity (%)	26.64	23.38	21.93	26.43	22.83	20.14
Efficiency Ratios						
Return on assets (%)	12.10	10.50	9.48	11.64	9.97	8.51
Return on fixed assets (%)	24.86	22.40	19.55	31.40	27.52	23.19
Debt service coverage ration						
Debt / Equity (times)	1.16	1.23	1.31	1.25	1.29	1.37
Dividend Yield (%)	87.20	85.24	80.20	94.57	93.01	91.87



TTW 2014 Achievements

TTW 2014 best practices and achievements



Received a plaque for “Assisting public works that contribute for national benefits” by the Department of National Park, Wildlife and Plants Conservation



Received AA- in credit rating on the company and senior unsecured debentures



Received a “100” score for organizing Annual Ordinary General Meeting of Shareholder by Thailand Investor Association



Received “Very Good” grade for Corporate Governance Report of Thai Listed Companies



Continue to secure presence in the **SET50**



Sponsored Suratpittaya School, the winner of Thai Tap Junior Water Prize 2013 with the project name “Transforming Wastewater from Raw Rubber Sheet Production to GBC Plastic” to compete and win “Diploma of Excellence” award at Stockholm Junior Water Prize 2014

General Information of the Company

TTW 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
• Business	Produce and distribute tap water for the Provincial Waterworks Authority
• 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.ttwplc.com

• Contact	Head Office
Telephone	(+662) 811-7526, (+662) 811-7528, (+662) 811-8369, (+662) 811-7685-6, (+662) 811-8100
Facsimile	(+662) 420-6064, (+662) 811-7687

Office of Managing Director

- **Corporate Governance and Secretary**
Telephone (+662) 811-7528 Ext. 1106
e-mail : cg@ttwplc.com
- **Investor Relations**
Telephone (+662) 811-7528 Ext. 1108
e-mail : ir@ttwplc.com
- **Internal Audit**
Telephone (+662) 811-7528 Ext. 1108
e-mail : ia@ttwplc.com

Reference

Auditor :

EY Office Limited
193/136-137, 33 rd 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

TTW Public Company Limited is The manufacturer and distributor of tap water to Provincial Waterworks Authority (PWA) in West Bangkok which covers 5 districts in Nakhon Pathom and Samut Sakhon provinces. TTW at present has maximum capacity 440,000 cubic meter/day. The second water treatment plant of TTW shall be established at Krathumban district in the next 2 years with initial capacity of 100,000 cubic meter/day and its capacity can be extended to 400,000 cubic meter/day in the future as structural construction has been built.

In 2014 TTW distributed tap water to PWA at 138.5 million cubic meter and the accumulative quantity of tap water from the first date until the end of 2014 is totally 1,148.5 million cubic meter. Moreover, TTW has subsidiary and affiliated companies as well as exercise its right in Industrial Estate to operate tap water manufacturing and wastewater treatment business including investment in energy and nature as follows:



Pathumthani Water Co., Ltd.

Pathum Thani Water Co., Ltd (PTW) is a subsidiary company of TTW which invests 98% of the registered capital 1,200 million Baht, the company has produced and distributed tap water to Provincial Waterworks Authority (PWA) in Pathumthani-Rangsit area since 1998 and its currently maximum capacity is 388,000 cubic meter/day which its capacity shall increase 57,000 cubic meter in next year which shall be extended to its maximum capacity 100,000 cubic meter/day in accordance with the increase of water demand. In 2014 PTW distributed tap water quantity to Provincial Waterworks Authority totally 133.6 million cubic meter and the accumulative quantity of tap water from the first date until the end of 2014 is totally 1,592.6 million cubic meter.

Thai Water Operations Co., Ltd.

Thai Water Operations Co., Ltd. (TWO) is another affiliate of the company which TTW as shareholder who has 68% of shares and PTW which has 32% of shares. The company operates and management the manufacturing and distributing tap water system and wastewater treatment system for TTW and PTW, Bang Pa-in Industrial Estate, Amata Nakorn Industrial Estate and Amata City Industrial Estate. TWO obtains certification of quality standard ISO 9001:2008 certified by SGS Yarsley, the company provides maintenance system service and administration and management of water treatment projects which are located in Pathum Thani, Thammasat University and Rangsit areas.

Bang Pa-in Industrial Estate

The company has the right to manufacture tap water and wastewater treatment in Bang Pa-in Industrial Estate (BIE), Phra Nakorn Si Ayutthaya province from Bang Pa-in Land Co., Ltd. for 30 years since August 1982. The company has capacity in producing tap water 48,000 cubic meter/day and wastewater can be treated 18,000 cubic meter/day, in 2014 BIE had distribution of water quantity totally 7.7 million cubic meter/day and the accumulative quantity of tap water from the first date of operation until the end of 2014 is totally 33.9 million cubic meter.

In addition, execution its right in BIE proposes aims to increase income of the company as well as to increase skills, knowledge and experiences personnel of the company in providing service to customers directly which shall lead to achieve the set vision **“Being leading national company in operating water, energy and environmental business”**

Investment in other company

The company invested in common stock of CK Power Public Company Limited (CKP) in 2011. CKP is a Holding Company who invested in subsidiary and affiliated companies which operated their businesses in producing and distributing electricity such as hydropower, solar photovoltaic and combined cycle power plant. CKP currently has shares 25% of registered capital 5,500 million baht with total investment 2,756 million baht.



TTW and its Subsidiaries Structure

TTW Supply
Public Company Limited

Registered Capital **3,990** mil.Bt.
Paid-up Capital **3,990** mil.Bt.

98%*

Pathum Thani Water
Company Limited

Registered Capital **1,200** mil.Bt.
Paid-up Capital **1,200** mil.Bt.

25%

CK Power Public
Company Limited

Registered Capital **5,000** mil.Bt.
Paid-up Capital **5,000** mil.Bt.

68%

Thai Water
Operations
Company Limited

Registered Capital **60** mil.Bt.
Paid-up Capital **60** mil.Bt.

32%


Remark *2% holding by PWA

List of Subsidiaries

Pathum Thani Water Company Limited	Thai Water Operations Company Limited	CK Power Public Company Limited
Business Produce and distribute tap water for the Provincial Waterworks Authority 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	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	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 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	Address 30/10 Moo 12 Buddhamonthon 5 Road, Tambol Rai Khing, Amphur Sam Phran, Nakhon Pathom Province 73210 Telephone: (+662) 811-9901, 0-2811-9904-8, Facsimile: (+662) 811-9509	Address 587 Viriyathavorn Building, 19 th Floor, Sutthisarnvinitchai Road, Dindaeng, Dindaeng, Bangkok 10400 Telephone: (+662) 691-9720-2 Facsimile: (+662) 691-9723
Website www.ptw.co.th	Website www.two.co.th	Website www.ckpower.co.th



Risk Management




The company performs Enterprise Risk Management: ERM continuously as risk management is the main factor of all processes in operating business of the company, the management has established Risk Management Officer : RMO in order to review risk, risk management plan by considering changes of environmental factor which may affect to operation of the company as well as monitoring operating results in accordance with risk management plan and preparing outcome report to Risk Management Committee: RMC quarterly.

In 2014, the company reviewed existed and significant risks according to list of risks of the organization continuously from last year by adding and revising the existed list of risks annually which were arisen from both internal and external environment factors, however, the company still implemented due to Enterprise Risk Management Framework in tap water business which was deemed as the main income source of our organization by consideration of environmental condition or other factors that changed as foregoing mentioned. The company divided risks into 4 parts such as strategy, operations, finance and compliance and list of risks was consisted of risk items, risk control measures, management and monitoring operating results of risk management plan continuously as follow:

1. Strategic Risk which had merely 1 factor as:

Water distribution does not meet the objective

The company has set objective of water distribution in Samut Sakhon and Nakhon Pathom provinces not less than 144 million cubic meter and maintained quantity of water distribution in Pathum Thani-Rangsit area not less than 138.5 million cubic meter in 2014 but under changing of external environment factors might cause risk which the company could not distribute water as defined the objective due to impact of water distribution of Provincial Waterworks Authority from tap water treatment plants both in Pathum Thani-Rangsit area and Nakhon Pathom-Samut Sakhon area, water using behavior of industrial factories tended to use ground water instead and economic situation that affected the export sector.



The company has studied areas with high demand of tap water usage but there was limitation in capability of water distribution in highly dense communities particularly in Rangsit-Muang-Ek area which is a dense community with high growth rates of community and building, the company coordinates with Provincial Waterworks Authority (PWA) to find guidelines in distributing tap water to support demand in such area as well as it shall increase quantity of water distribution concurrently, therefore, there is investment in construction of water supply station with capacity of 10,000 cubic meter and implementing piping system in such area, moreover, there is measures to increase water distribution in

Putthamonthon water supply station by increase pressure of water distribution during high using tap water hours both in the morning and evening as 1 set of water pump is added. Such implementation result renders the increase of water distribution quantity approximately 3,000 cubic meter/day, Moreover, the company still coordinates with PWA, Om-noi branch provides fully support in implementing piping to connect water pipes in Putthamonthon 4 Road and Putthamonthon 5 by running through Soi Krathumlom which can constitute highly water pressure in general in Putthamonthon and Sampran districts. Such piping renders water distribution of the company increasing 3,000 cubic meter/day.

2. Operational Risk There are 4 factors in Operations Risk as follow:

2.1 Company disgrace due to distribution low quality of tap water

Quality of tap water must be in standard and qualified which is deemed as core of production process in industrial factories in Samutsakhon-Nakhonpathom area and the impact arisen from usage low quality and low standard of tap water may cause adversely affect directly to quality and reliability of such products of those manufacturers, therefore, to create reliability to PWA and tap water users in the area where water supply service is provided by the company as well as for better image of the company as being the biggest private tap water producer in Thailand, the company is well aware of risk in such matter by conduct assessment and it is found that main causes come from low quality of raw water obtained from Tha Chin River used to tap water production process as well as inefficient production process. Such risk shall affect adversely to both image and operating performance, therefore, the company provides measures, notification and support in information of raw water quality and tap water quality to customers and related persons during problematic period as well as asking cooperation from government authority or State Enterprise in protection of raw water source that

utilized in producing tap water of the company. Raw water quality was not affected to tap water quality as its quality was still in defined standard in 2014.

2.2 Water Conveyance Loss in Bulk Trunk Main

Water supply system from Banglen tap water treatment plant to Pump Station via Bulk Trunk Main-BTM is deemed as core of continuity and maintaining high quality service to PWA and water users as well as it affects to image of the organization and income obtained from water distribution of the company, if there is any incident that affected to water supply in Bulk Trunk Main-BTM and cause of such risk is arisen from an accident in nearby construction, there is rise and fall of water in pipeline or pressure in pipeline increases highly or corrosion of pipeline which the company prepares prevention measures as follow:

1. Visual Pipe Inspection of BTM and reporting to related persons every 3 months.
2. Inspection Transmission Loss of water quantity and reporting to related persons daily.
3. Installation of Cathodic Protection System to cover BTM line.
4. Measurement of voltage difference of pipeline and grounding conductor in order to evaluate Cathodic Protection condition and reporting to related persons every 6 months.

2.3 Great flood had adversely affected to tap water production and distribution systems

The company still has management plan to cope with flood continuously after the Great Flood in 2011 in order to ensure that PWA and water users in serviced areas maintain reliability in production potential of the company distributing clean and standard tap water sufficiently and continuously. As risk due to ceasing production, delivery and distribution of tap water may cause damage to the company both in term of income and image of the organization, therefore, the company has prepared measures of risk management by monitoring and surveillance of draining rate of major dams of Thailand and preparing monthly report, measuring water level and water flow rate in front of raw water intake station and reporting related persons daily as well as monitoring water quantity in major dams in Thailand such as Bhumibhol dam, Sirikit dam, Vajiralongkorn dam and Srinakarin dam as well as drainage quantity at Tha Chin basin and it is found that maximum water level of major dams of Thailand is less than surveillance level particularly water level of Bhumibhol dam tends to be critical which has no effect of flood in Tha Chin basin and it is found that raw water intake at Banglen water treatment plant is lower than surveillance level which has no effect of flood nor tap water production process in 2014.

2.4 Expenses in production, delivery and water distribution do not meet the target

Main expenses in tap water production, delivery and distribution are electricity cost and monitor chemical cost which costs required control and to obtain good quality defined by standard as electricity and chemicals shall be controlled at appropriate level and the company has controlled machine operation and electric power according to operating plan by evaluation of daily water sale volume in order to define daily operating and control plan of machines utilized in production, water pumping machinery, high pressure pumping machine and distributed pumping machine in accordance with daily production plan and preparing electric power usage report submitted to water treatment plant manager daily as well as chemical substance is controlled undefined level and monitoring chemicals quantity used in daily water production which shall be calculated in term of chemicals expenses which chemical usage is normally related to quality of raw water of each water source and it is varied seasonally.

3. Financial Risk which has merely 1 factor:

Fluctuation of Interest Rate

As of 31 December, 2014, the company has liabilities with floating interest rate totally 6,965 million Baht and the company may encounter increased interest rate in the future, due to currently economic situation in Thailand, tending of interest rate is low and maintained for several years, if interest rate increases severely, the company still has cash on hand to pay interest and principle continuously, therefore, the company has financial measures as follow:

1. Creating balance of liabilities with floating interest rate and liabilities with fixed interest rate to have close amount or proportion. As of 31 December, 2014, the company has liabilities with all interest rates totally 12,265 million Baht which is consisted of loans with floating interest rate equally to 6,965 million and corporate bonds with fixed interest rate equally to 5,300 million Baht; the proportion of loans and debentures is 56.8% and 43.2 % respectively while the proportion of loans with floating interest rate is slightly higher than debentures with fixed interest rate.
2. Maintaining financial proportion in every year end in accordance with terms and condition of debentures: (1. Debt/capital < 2.00 times 2. Net Debt/EBITDA < 4.00 3. EBITDA/Interest exp. > 3 times) as financial proportion at the end of year 2014 is according to terms and condition of debentures (proportion of debt/capital is 1.18, Net debt / EBITDA 1.57, EBITDA / Interest 7.35).
3. Considering to organize negotiation with bank or issuing debentures with fixed interest rate to replace the existed loans as the interest rate of debentures must be lower than interest rate of loans at least 3.00 percent and the company has decided to make bank loans with floating interest rate instead of issuance of debentures with fixed interest rate because if the company issues debentures at that moment, the company may have interest costs approximately 4.80 - 5.25% while in bank loans, the company may have borrowing interest costs at MLR-2.25% or equally to 4.50% which bank loans has lower cost than issuing debentures approximately 0.25%.
4. Cash is reserved to pay interest not less than 3 months, the company shall reserve money gradually and continuously to reduce risk in case of the company may receive payment from PWA which is exceeded 30 days, therefore, the company currently reserves cash to repay capital and interest not less than 3 months.
5. Conduct assessment of financial status of the company quarterly and annually, it is found that the company has stable financial status, with good liquidity and having positive working performances regularly, therefore, the opportunity that the company to encounter negative working performance is rare due to current business operation, however, to prevent high risk, the company has policy in investment in projects with return on investment or yield upon investment not less than 15%.

4. Compliance Risk which has merely 1 factor:

Amendment of terms and condition by contractual party

Business operation in water production and distribution under Purchase-Sales Tap Water Contract between the company and Provincial Waterworks Authority (PWA) which is deemed as merely one customer in respect of income structure of the company, it is more than 90% of total income of TTW Group, therefore, if there is amendment of any terms and condition of the contract, it may affect to financial status of the company as income and net profit of the company may reduce, the company shall maintain relationship, providing information to personnel in Provincial Waterworks Authority and monitoring personal rotation in administration committee and executives in Provincial Waterworks Authority, policy which may adversely affect to the contract shall be used as implementing measures to reduce risk in this matter.





Internal Control

Board of Directors and executives of the company emphasizes and being aware of internal control system is an important mechanism which can create confidence within management team in reducing business risks, assisting business operation efficiently by providing allocation of resource appropriately and to achieve the set objective, internal control system is emphasized continuously by assigning Auditing Committee which is consisted of 3 independent committees to direct and supervise internal control system of the company efficiently and correctly in accordance with good corporate governance principle, transparency, precision and reliability.

Internal audit that required external organization and internal inspection section shall coordinate collaboratively to perform inspection, as internal audit section must prepare internal audit results reported directly to Auditing Committee. To emphasize independence in performing inspection, the company implements internal audit due to Professional Standards of Internal Audit and Internal Control Practice of The Committee of Sponsoring Organizations of the Tread way Commission: COSO which is widely recognized in respect of principle and content of assessment.

Results of internal audit activity, revision and inspection of financial statement of the company has indicated that the company has internal control system sufficiently and having appropriate effectiveness for business operation.

The company emphasizes the importance of internal audit of the organization seriously by considering particularly information of risk assessment in organizational level and financial statement analysis in order to define as auditing plan by emphasis on sufficiency and effectiveness of internal control system and risk management of the company, moreover, the company also has monitoring process working performance by using monitoring process defined by quality management system and environmental management system in the company in respect of International Standard ISO 9001: 2008 and ISO 14001: 2004 respectively and continuously.

Related Transaction

Related transaction between the company, affiliated company and subsidiary company and related companies

For accounting year end period at 31 December, 2014, the company has revealed related parties transaction specified in remark attached to financial statement which has been inspected by auditor of the company by performing in accordance with Thai Accounting Standards which is widely certified and 2014 Annual Registration Statement is in the following detail:

(Unit: Thousand Baht)

Related companies	Relations	Related transaction	Related transaction amount at 31 Dec. 2014		Description
			Total financial statement	Specific financial statement	
1. Ch. Karnchang Public Company Limited (CK) Operates construction business	• Being major shareholder (holding company shares 19%)	• Other debtors related business	32	39	• Tap water cost, wastewater treatment service cost which transaction defined by the contract
	• Having 2 co-directors: 1. Mr. Plew Trivisvavet 2. Mr. Narong Sangsuriya • Providing inter-service	• Construction creditors – related business	524,963	466,043	• Construction cost due to expansion of water treatment plant
2. Pathumthani Water Co., Ltd. (PTW) Operates concession business in producing and distributing tap water in Pathumthani	• Being a subsidiary company (The Company holds shares 98%)	• Dividend income		714,757	• Dividend received is paid transaction due to declaration date
	• Having 2 co-directors: 1. Mr. Phairuch Mekarpom 2. Mr. Techapit Sangsingkeo	• Earned interest		80,717	• Earned interest is paid transaction due to interest rate of minimum load subtracted by difference that defined annually
	• Executives who are committee in PWA: 1. Mr. Chaiwat Uthaiwan 2. Mr. Somkiat Pattamongkolchai	• Long term loan related business		1,472,500	• Long term loan with interest rate of minimum load subtracted by difference that defined by the contract
	• Providing inter-service	• Accrued interest receivable • Administration cost		389 4,800	• Administration cost is paid transaction defined by the contract

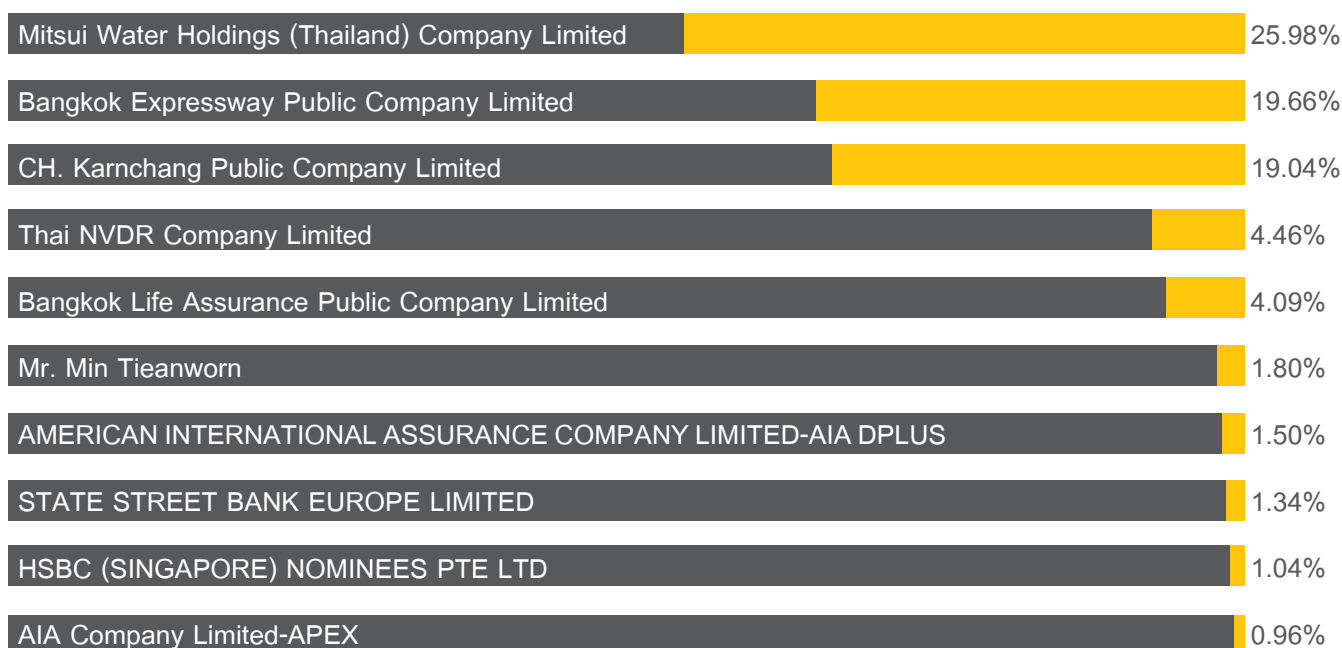


Related companies	Relations	Related transaction	Related transaction amount at 31 Dec. 2014		Description
			Total financial statement	Specific financial statement	
3. Thai Water Operations Co., Ltd. (TWO) Operates maintenance service of water production system and wastewater treatment system	<ul style="list-style-type: none"> Being a subsidiary company (The company holds shares 68.50%) Executives who are committee in TWO 3 person: <ol style="list-style-type: none"> 1. Mr. Chaiwat Uthaiwan 2. Mr. Somkiat Pattamamongkolchai 3. Mr. Tanat Siricharoen Providing inter-service 	<ul style="list-style-type: none"> Sales and service costs Administration cost income Security bond creditor 		33,162 6,000 5,000	<ul style="list-style-type: none"> Service and maintenance costs of water production system is paid transaction defined by the contract Administration cost is paid transaction defined by the contract Security bond is paid transaction defined by the contract
4. Bang Pa-in Co-Generation Co., Ltd. Operates in generating and distributing electricity to EGAT	<ul style="list-style-type: none"> Having 1 co-director whom is Mr. Narong Sangsuriya Providing inter-service 	<ul style="list-style-type: none"> Other debtors related business 	2,319	2,319	<ul style="list-style-type: none"> Tap water cost and wastewater treatment service cost are paid transaction defined by the contract
5. Export Transport Co., Ltd. Operates large lorry transportation	<ul style="list-style-type: none"> Having 1 co-director whom is Mr. Plew Trivisvavet Providing inter-service 	<ul style="list-style-type: none"> Other debtors related business 	8	8	<ul style="list-style-type: none"> Tap water cost and wastewater treatment service cost are paid transaction defined by the contract

The company has complied with rules and regulations of The Securities Exchange Committee, The Securities Exchange of Thailand and Capital Market Supervisory Board, in case of the company prepares Related Parties Transaction which may cause conflict of interest and it must be approved by Board of Directors as well as Related Parties Transaction shall be approved by Audit Committee likewise as Related Parties Transaction is normal business operation of the company which suitability, reasonability and optimum benefits shall be considered.

Shareholding Structure

List of top ten shareholders as at December 31, 2014



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	784,389,100	19.66%
3. CH. Karnchang Public Company Limited	759,877,400	19.04%
4. Thai NVDR Company Limited	177,957,216	4.46%
5. Bangkok Life Assurance Public Company Limited	163,122,400	4.09%
6. Mr. Min Tieworn	72,000,000	1.80%
7. AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED-AIA DPLUS	59,800,000	1.50%
8. STATE STREET BANK EUROPE LIMITED	53,502,924	1.34%
9. HSBC (SINGAPORE) NOMINEES PTE LTD	41,589,933	1.04%
10. AIA Company Limited-APEX	38,198,600	0.96%

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)

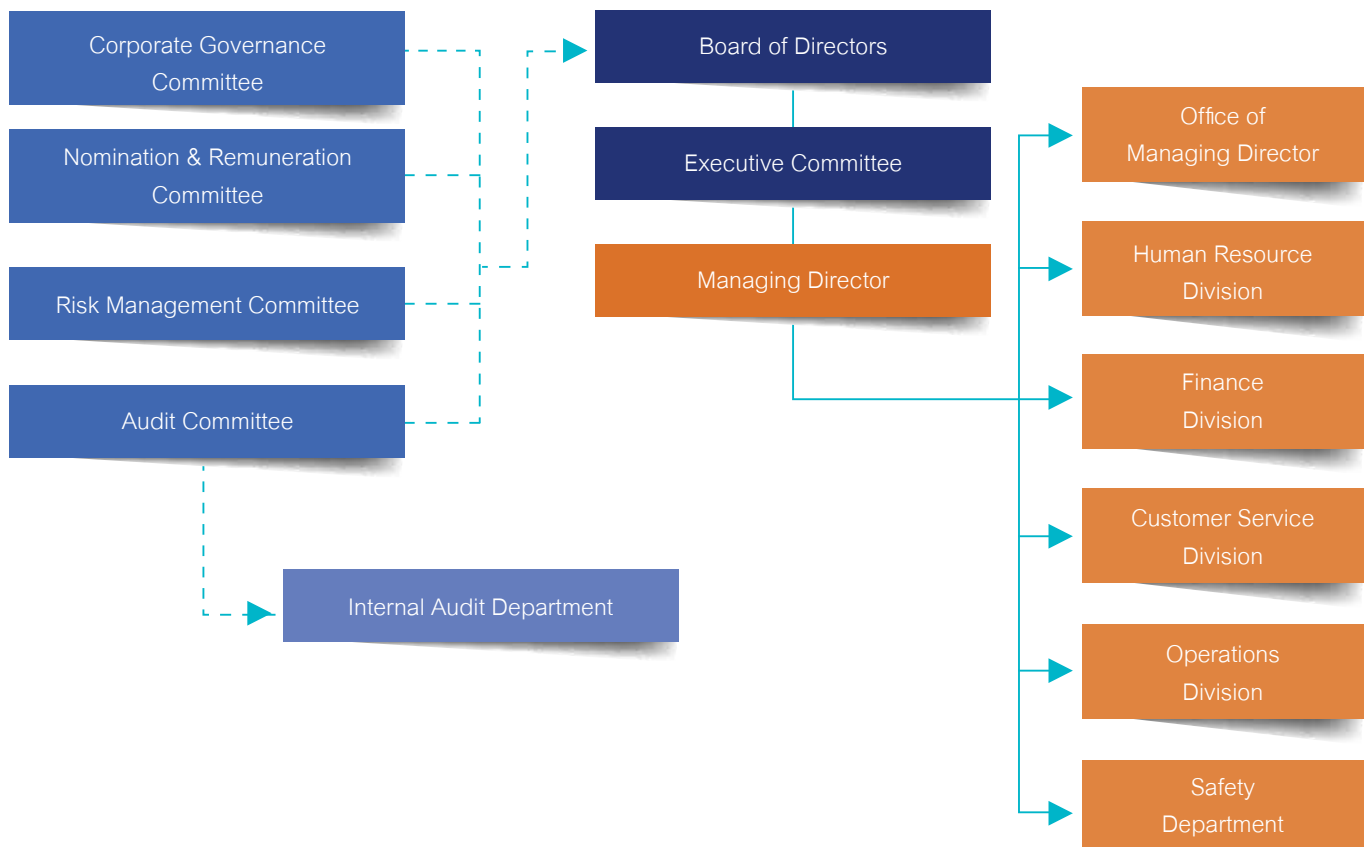
	2014 (First half)	2013	2012	2011	2010
Dividend	0.30	0.60	0.52	0.40	0.35





Management Structure

As at December 31, 2014, the Company's management structure is as follows:



The Company's has 5 subsidiaries committees, namely;

1. The Executive Committee
2. The Corporate Governance Committee
3. The Nomination and Remuneration Committee
4. The Risk Management Committee
5. The Audit Committee

Board of Directors

The Board of Directors as at December 31, 2014 consists of 11 members;

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
6.	Mr. Narong	Sangsuriya	Director and Chairman of Executive Committee
7.	Mr. Ryotaro	Sumi	Director and Nomination and Remuneration Committee
8.	Mr. Suvich	Pungchareon	Director and Executive Committee
9.	Dr. Sombat	Kitjalaksana	Director and Executive Committee
10.	Mr. Tomoaki	Matsumoto	Director, Executive Committee and Risk Management Committee
11.	Mr. Chaiwat	Utaiwan	Director, Executive Committee, Risk Management Committee, Corporate Governance Committee and Managing Director

Director, Office of Managing Director is the Secretary

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, Mr.Chaiwat Utaiwan 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. Chaiwat Utaiwan or Mr.Suvich Pungcharoen, and either Mr.Ryotaro Sumi or Mr.Tomoaki Matsumoto, totaling two directors, jointly sign and affix the Company's seal.

Terms of Duty

A director shall be in in a board seat for a duration of 3 years. At an AGM one third of the Board of Directors shall be resigned by rotation. The Board of Directors shall have an ordinary meeting every 3 months and may call a special meeting as required. There were a total of 31 meetings of Board of Directors and it's subcommittee in 2014.

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. The Board has also formulated a charter for the Executive Committee, the Audit Committee, the Corporate Governance Committee, the Risk Management Committee and Nomination and Remuneration Committee as a guideline for their duties.
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.

The Chairman of the Board, as a leader and independent director, will strictly conform his duty to ethical and CG principles. The Chairman sets and conducts effective board meeting, encourages the constructive discussion among the board members, and concludes the meeting resolution. The Chairman governs the shareholder meeting providing equitable rights to all shareholders with compliance to rules, regulations, and best practices advised by regulators.



Executive Committee

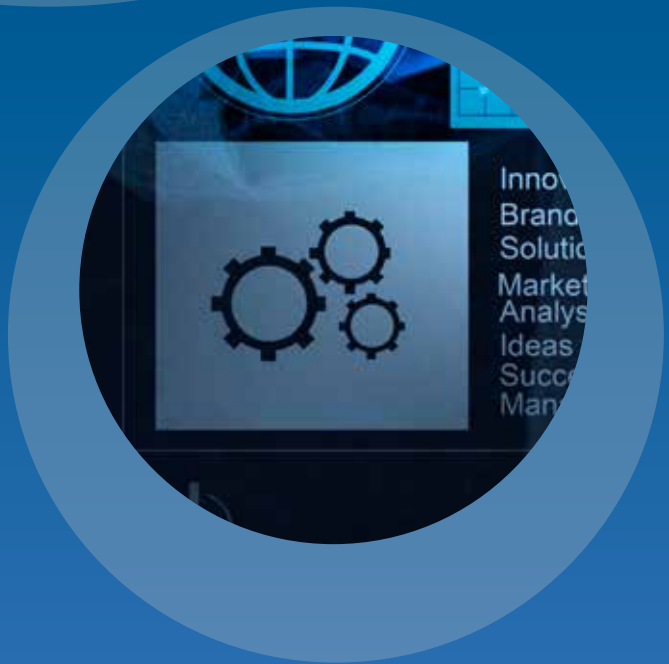
As at December 31, 2014, the Executive Committee comprises five members as follows:

- | | | |
|----|-------------------------|-------------------------------------|
| 1. | Mr. Narong Sangsuriya | Chairman of the Executive Committee |
| 2. | Mr. Suvich Pungchareon | Member |
| 3. | Dr. Sombat Kitjalaksana | Member |
| 4. | Mr. Tomoaki Matsumoto | Member |
| 5. | Mr. Chaiwat Utaiwan | Member and Secretary |

Scope of powers and duties of the Executive Committee

- 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.
- Supervising the conduct of feasibility studies on new projects, and approving implementation of projects as it deems appropriate within an amount under (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.
- 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.
- 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.
- 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).
- 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.
- Performing other duties as delegated from time to time by the Board of Directors.







Audit Committee

As at December 31, 2014, 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 Mekarporn Member

Manager, Intend Audit Department is the Audit Committee Secretary

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, 2014, the Nomination and Remuneration Committee comprises three members Of which 2 are independent directors as follows:

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

Director, Human Resource Division is the Nomination and Remuneration Committee Secretary

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.



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, 2014, 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. Chaiwat | Utaiwan | Member and Secretary |

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, 2012, the Risk Management Committee comprises four members as follows:

- | | | |
|----|--------------------------|---|
| 1. | Mr. Techapit Sangsingkeo | Chairman of the Risk Management Committee |
| 2. | Mr. Tomoaki Matsumoto | Member |
| 3. | Mr. Chaiwat Utaiwan | 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, 2014, the Company's Executive Management comprises seven executives as follows:

Name		Position
1. Mr. Chaiwat	Utaiwan	Managing Director
2. Mr. Somkiat	Pattamamongkolchai	Finance Director
3. Ms. Pathida	Chaiyasen	Human Resource Director
4. Mr. Tanat	Siricharoen	Director, Operations
5. Ms. Sudarat	Chiamchan	Director, Office of Managing Director
6. Mr. Nattapon	Klinhawarn	Director Attached to Office of Managing Director
7. Mr. Hongthong	Artit	Customer Service Director

Scope of powers and duties of the Managing Director

1. 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).
2. 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.
3. 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.
4. 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.
5. 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 315 persons.
6. 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.
7. 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.
8. 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.

9. 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 balance sheets, financial statements and income statements 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

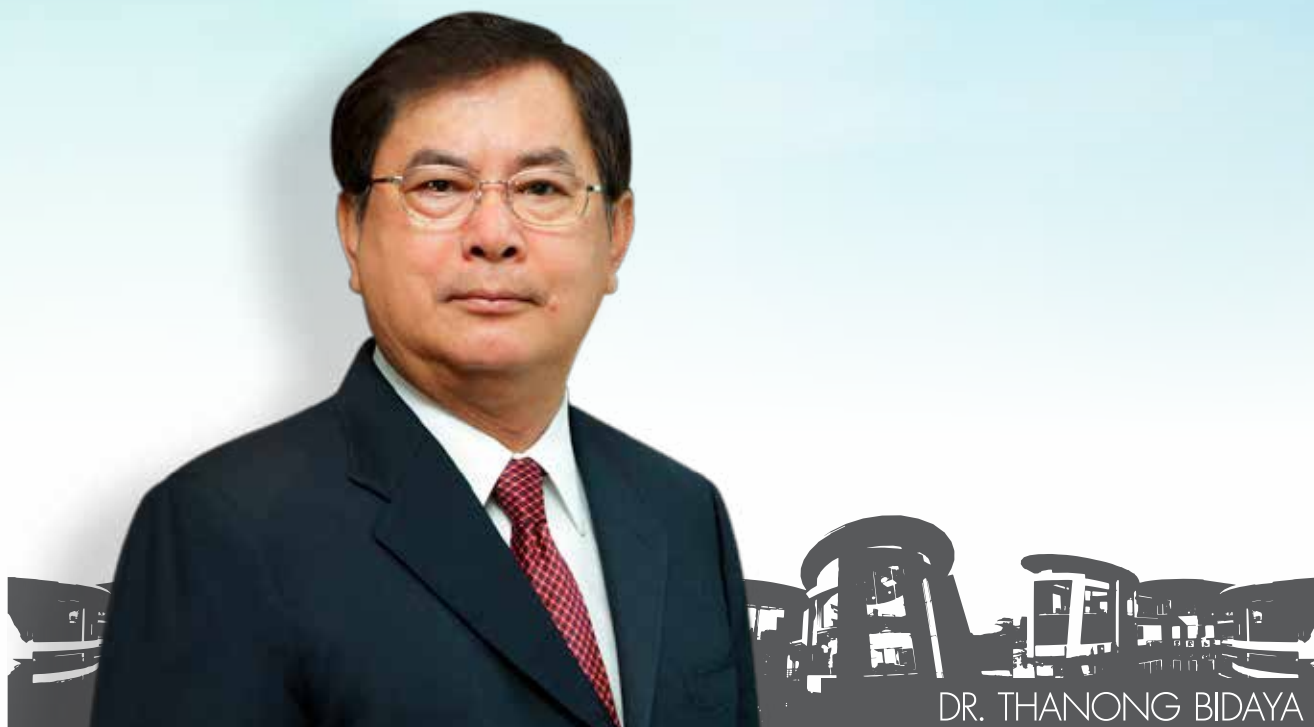
The company has set the definition of independent director is stricter than the standard rule of Stock Exchange of Thailand and Securities and Exchange Commission, Thailand as follows;

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 its 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, 2014 comprises:





DR. THANONG BIDAYA

Age	67 Years
Positions in the Company Independent	Director and Chairman of the Board of Directors TTW 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	0.0085% 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



MR. PLEW TRIVISVAVET



MR. NARONG SANGSURIYA

Age	69 Years
Positions in the Company	Director and Vice-Chairman of the Board of Directors TTW Public Company Limited
Education Background	<ul style="list-style-type: none"> • 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 TTW Public Company Limited
Position in other listed companies	Chairman of the Board of Directors Chairman of Executive Committee Chairman of Nomination and Remuneration Committee Bangkok Metro Public Company Limited Chairman of Executive Committee Bangkok Expressway Public Company Limited President and Chief Executive Officer CH. Karnchang Public Company Limited Director CK Power Public Company Limited
Positions in other non - listed companies	Director Southeast Asia Energy Limited Director and Chairman of the Executive Committee Nam Ngum 2 Power Company Limited Director Xayaburi Power Company Limited Director BMCL Network Company Limited
TTW Shareholding	0.0275% or 1,100,000 shares
Date appointed as a director	September 26, 2006
Seminar and Training	<ul style="list-style-type: none"> • 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

Age	70 Years
Positions in the Company	Director and Chairman of Executive Committee TTW Public Company Limited
Education Background	<ul style="list-style-type: none"> • Bachelor's Degree Civil Engineering, Chulalongkorn University
Work Experience	Project Manager Bang-On Construction Company Limited Project Vice Manager Nantawan Company Limited
Positions 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
Positions 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	0.000003% or 100 shares
Date appointed as a director	September 11, 2000
Seminar and Training	<ul style="list-style-type: none"> • 2005 Directors Certification Program (DCP) 54/2005 Thai Institute of Directors Association



MR. TECHAPIT SANGSINGKEO

Age 70 Years

Positions in the Company Independent Director, Chairman of Audit Committee, Chairman of Risk Management Committee and Corporate Governance Committee
TTW 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

TTW Shareholding 0.02506% or 1,000,000 shares

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 69 Years

Positions in the Company Independent Director, Chairman of Nomination and Remuneration Committee, Audit Committee and Corporate Governance Committee
TTW 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

Position in other listed companies

Director
Thai Optical Group Public Company Limited

Position in other non- listed companies

Chairman of the Board of Director
Pathum Thani Water Company Limited

TTW Shareholding None

Date appointed as a director September 26, 2006

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. SOMNUAK CHAIDEJSURIYA

Age 63 Years

Positions in the Company Independent Director, Chairman of Governance
Corporate Committee and Audit Committee
TTW 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

Positions 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)

TTW Shareholding

None

Date appointed as a director September 26, 2006

Seminar and Training

- 2005 Audit Committee Program (ACP) 9/2005
- 2004 +Directors Accreditation Program (DAP) 9/2004
+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



DR. SOMBAT KITJALAKSANA

Age 58 Years

Positions in the Company Director and Executive Committee
TTW 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

TTW Shareholding 0.0716% 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. SUVICH PUNGCHAREON

Age	68 Years
Positions in the Company	Director and Executive Committee TTW Public Company Limited
Education Background	<ul style="list-style-type: none"> • 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
TTW Shareholding	None
Date appointed as a director	January 30, 2013
Seminar and Training	<ul style="list-style-type: none"> • 2004 Politics and Governance in Democratic Systems for Executives Course Class 8/2004 King Prajadhipok' Institute +Management of Public Economy for Executives Course Class 1/2003 King Prajadhipok' Institute +Director Certification Program (DCP) 37/2003 Thai Institute of Directors Association • 1984 Mini MBA, Berkeley University, U.S.A.



MR. RYOTARO SUMI

Age	54 Years
Positions in the Company	Director and Nomination and Remuneration Committee TTW Public Company Limited
Education Background	<ul style="list-style-type: none"> • 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 Brasilaira IMP. E exp. S.a (Brasil)
Position in other non-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	January 30, 2013
Seminar and Training	<ul style="list-style-type: none"> • 2013 Directors Accreditation Program (DAP) 101/2013 Thai Institute of Directors Association



MR. TOMOAKI MATSUMOTO

Age	42 Years
Positions in the Company	Director, Executive Committee and Risk Management Committee TTW Public Company Limited
Education Background	• Bachelor's Degree Economics, Tokyo University, Japan
Work Experience	Director Pathum Thani Water Company Limited Director TTW Public Company Limited Manager, First Project Development Dept. Power & Infrastructure Project Development Division Mitsui & Co., Ltd. (Tokyo)
Position in other non-listed companies	Director Mitsui Water Holdings (Thailand) Limited Mit-Power (Thailand) Limited Mit-Power Capitals (Thailand) Limited
TTW Shareholding	None
Date appointed as a director	August 14, 2014
Seminar and Training	• 2006 +Directors Accreditation Program (DAP) 57/2006 Thai Institute of Directors Association +Directors Certification Program (DCP) 78/2006 Thai Institute of Directors Association



MR. CHAIWAT UTAIVAN

Age	61 Years
Positions in the Company	Director, Executive Committee, Corporate Governance Committee, Risk Management Committee and Managing Director TTW Public Company Limited
Education Background	• Master's Degree Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration of Chulalongkorn University Master of Science (Mathematics and Computer Science) University of Louisville, Kentucky, U.S.A. • Bachelor's Degree Science (Statistics) Chulalongkorn University
Work Experience	Director, Executive Committee, Risk Management Committee and Managing Director Bangkok Metro Public Company Limited Vice-Chairman of the Board of Directors Bangkok Metro Network Company Limited Director Government Savings Bank President and Chief Executive Officer Siam City Bank Public Company Limited President and Chief Executive Officer AIG Retail Bank Public Company Limited President and Chief Executive Officer AIG Finance (Thailand) Public Company Limited
Position in other non-listed companies	Chairman of the Board of Directors Suvannabhumi Airport Hotel Company Limited Director and Managing Director Pathum Thani Water Company Limited Director Thai Water Operations Company Limited Chairman of the Board of Directors Islamic Bank of Thailand Chairman of the Board of Directors Thai Listed Companies Association
TTW Shareholding	none
Date appointed as a director	March 15, 2014
Seminar and Training	• 2012 Diploma, National Defence College, The Joint State Private Sector Course Class 20/2012 National Defense College • 2012 Role of Chairman Program (RCP) 29/2012 Thai Institute of Directors Association • 2006 Capital Market Academy Leadership Program (CMA) 3/2006 Capital Market Academy • 2002 Directors Certification Program (DCP) 18/2002 Thai Institute of Directors Association

Management

As at December 31, 2014, the company's Comprises seven executive as follows:



MR. CHAIWAT UTAIWAN



MR. SOMKIAT PATTAMAMONGKOLCHAI



MS. PATHIDA CHAIYASEN



MR. TANAT SIRICHAROEN



MS. SUDARAT CHIAMCHAN



MR. NATTAPON KLINHAWHARN



MR. HONGTHONG ARTIT



MR. CHAIWAT UTAIWAN

Age	61 Years	TTW Shareholding	none
Positions in the Company	Director, Executive Committee, Corporate Governance Committee, Risk Management Committee and Managing Director TTW Public Company Limited	Date appointed as a director	March 15, 2014
Education Background		Seminar and Training	
• Master's Degree	Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration of Chulalongkorn University Master of Science (Mathematics and Computer Science) University of Louisville, Kentucky, U.S.A.	• 2012	+Diploma, National Defence College, The Joint State – Private Sector Course Class 20/2012 National Defense College +Role of Chairman Program (RCP) 29/2012 Thai Institute of Directors Association Capital Market Academy Leadership Program (CMA) 3/2006 Capital Market Academy Directors Certification Program (DCP) 18/2002 Thai Institute of Directors Association
• Bachelor's Degree	Science (Statistics) Chulalongkorn University	• 2006	
Work Experience	Director, Executive Committee, Risk Management Committee and Managing Director Bangkok Metro Public Company Limited Vice-Chairman of the Board of Directors Bangkok Metro Network Company Limited Director Government Savings Bank President and Chief Executive Officer Siam City Bank Public Company Limited President and Chief Executive Officer AIG Retail Bank Public Company Limited President and Chief Executive Officer AIG Finance (Thailand) Public Company Limited	• 2002	
Position in other non-listed companies	Chairman of the Board of Directors Suvamabhumhi Airport Hotel Company Limited Director and Managing Director Pathum Thani Water Company Limited Director Thai Water Operations Company Limited Chairman of the Board of Directors Islamic Bank of Thailand Chairman of the Board of Directors Thai Listed Companies Association		



MR. SOMKIAT PATTAMAMONGKOLCHAI



MS. PATHIDA CHAIYASEN

Age	42 Years
Positions in the	Finance Director
Company	TTW Public Company Limited
Education	
• Master's Degree	Master of Accounting Thammasart University
• Bachelor's Degree	Commerce and Accountancy Chulalongkorn University
Other Current Positions	Director
	Thai Water Operations Company Limited Pathum Thani Water Company Limited Bangkhenchai Company Limited
Previous Experience	Director
	CK Power Public Company Limited Assistant Audit Manager EY Office Limited
TTW Shareholding	None
Seminar and Training	
• 2014	+East Asia & Pacific Infrastructure Regulatory & ASEAN Energy Regulators Network Annual Current Issues Conference IBC Asia(S) PTE.LTD. +Change Management Program
• 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 +Directors Accreditation Program (DAP) 79/2009 Thai Institute of Directors Association

Age	49 Years
Positions in the	Human Resource Director
Company	TTW Public Company Limited
Education	
• Master's Degree	Master of Education (Education management) Chulalongkorn University
• Bachelor's Degree	Politics Science (Human Resource Management) Chulalongkorn University
Previous Experience	Human Resource Manager
	Bangkok Microbus Company Limited Senior Human Resource Officer Thanachart Capital Company Limited
TTW Shareholding	0.0144% or 575,000 shares
Seminar and Training	
• 2014	+Change Management Program +Management Development Program Thailand Management Association
• 2013	+CEO HCM Clinic Thai Listed Companies Association +TMA-Management Development Program 18/2013 Thailand Management Association
• 2011	What does it take to be an MD of a listed company?



MR. TANAT SIRICHAROEN

Age	56
Position in the Company	Operations Director
Education	<ul style="list-style-type: none"> • Bachelor's Degree Industrial Electrical Technology King Mongkut's Institute of Technology North Bangkok
Work Experience	Managing Director Thai Water Operations Company Limited Operations Director Thai Water Operations Company Limited Operations Director BJT Water Company Limited Maintenance Manager BJT Water Company Limited
Position in other non-listed company	Director, Managing Director Thai Water Operations Company Limited
TTW Shareholding	-None-
Seminar and Training	<ul style="list-style-type: none"> • 2014 Thailand Economic Outlook 2014 • 2013 <ul style="list-style-type: none"> +Director & Certification Program (DCP) 170/2013 +Personal Financial Planning Workshop for Director Thai Institute of Director & Association +Asian Business Forum 2013 Board of Trade of Thailand and Thailand Management Association +Rainbow Strategy Best Practice from High Performance Organization Personnel Management Association +Integrated Water Management for Executive Class 3 Thai Waterwork Association • 2012 Director & Accreditation Program (DAP) 99/ 2012 Thai Institute of Director & Association



MS. SUDARAT CHIAMCHAN

Age	50 Years
Position in the Company	Director, Office of Managing Director and Company Secretary TTW Public Company Limited
Education	<ul style="list-style-type: none"> • Master's Degree Master of Management Mahidol University • Bachelor's Degree Business Administration (Accounting) Ramkhamhaeng University
Previous 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	<ul style="list-style-type: none"> • 2014 <ul style="list-style-type: none"> +Director Certification Program (DCP) 186/2014 Thai Institute of Directors Association +Change Management Program • 2013 TMA, Management Development Program 18/2013 • 2012 Effective Minutes Taking (EMT) 24/2012 • 2011 <ul style="list-style-type: none"> +What does it take to be an MD of a listed company? +Company Secretary Program (CSP) 43/2011 +Company Reporting Program (CRP) 2/2011 Thai Institute of Directors Association



MR. NATTAPON KLINHAWHARN

Age	48 Years
Position in the	Director Attached to Office of Managing Director
Company	TTW 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
Previous 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	None
Seminar and Training	
• 2014	+East Asia & Pacific Infrastructure Regulatory & ASEAN Energy Regulators Network Annual Current Issues Conference IBC Asia(S) PTE. LTD. +Financial Statement for Director (FSD) Thai Institute of Directors Association Change Management Program
• 2013	TMA, Management Development Program 18/2013



MR. HONGTHONG ARTIT

Age	47 Years
Position in the	Customer Service Director
Company	TTW 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 (KMUTN), Bangkok
Previous Experience	Operation Department Manager Pathum Thani Water Company Limited Engineering and Construction chief TTW 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	
• 2014	+Joint Venture Investment & Business Contract Risk Management in Myanmar Ideal Forum Co., Ltd. +TMA, Management Development Program +The Great Mekhong Investment Forum, Euromoney Conference +Change Management Program
• 2013	TMA, Management Development Program 18/2013

Number of 2014 Shareholding by Directors, Management and Spouse

Name-Surname	Position	Number of Shares in early 2014	Number of Shares as of in late 2014	Number of shares during the year	TTW Shareholding (%)
1. Dr. Thanong Bidaya	Chairman of the Board of Directors	342,500	342,500	-	0.0085
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	100	100	-	0.0000
5. Mr. Techapit Sangsingkeo	Independent Director	1,000,000	1,000,000	-	0.0250
6. Mr. Phairuch Mekarpom	Independent Director	-	-	-	none
7. Mr. Somnuk Chaidejsuriya	Independent Director	-	-	-	none
8. Mr. Suvich Pungchareon	Director	-	-	-	none
9. Mrs. Wanna Pungchareon	Spouse	500,000	200,000	300,000	0.050
10. Dr. Sombat Kitjalaksana	Director	2,860,100	2,860,100	-	0.0716
11. Mr. Tomoaki Matsumoto	Director	-	-	-	none
12. Mr. Ryotaro Sumi	Director	-	-	-	none
13. Mr. Chaiwat Utaiwan	Director and Managing Director	-	-	-	none
14. Mr. Tanat Siricharoen	Operations Director	-	-	-	none
15. Mr. Somkiat Pattamamongkolchai	Finance Director	-	-	-	none
16. Mr. Hongthong Artit	Customer Service Director	400	400	-	0.00001
17. Miss Sudarat Chiamchan	Director, Office of Managing Director	-	-	-	none
18. Miss Pathida Chaiyasen	Human Resource Director	750,000	575,000	175,000	0.0144
19. Mr. Nattapon klinhawham	Director Attached to Office of Managing Director	475,050	375,050	100,000	0.0094

Sustainable Development

Activities for society, quality of living and environment

TTW well recognizes that the national growth and prosperity is based on sustainable development. Therefore, it has implemented business activities in parallel with assist developing communities, society, and environment at local, national, and international level. It has also included care for employee's quality of living. Such activities cover the following 3 levels.

1. Local activities/projects

1.1 Children Day

To promote assertiveness and knowledge regarding water and environmental preservation amongst children living around water treatment plants, as well as to provide them with an opportunity to visit the company's facilities, TTW organize Children Day activity at Bang Len Plant and Pathum Thani Plant every year.



1.2 Education Enhancement Project

To promote and enhance educational opportunities for students in service areas as well as help reduce parents' expenses, TTW offers scholarships and contribute related expenses towards educational equipment supply for schools in 3 provinces, Pathum Thani, Nakhon Pathom, and Samut Sakhon.





1.3 Green School Project

To maximize usage of spaces in school TTW initiate “Green School” project to 4 schools in its service area. This project not only add green zone to school but also educate students how to garden as booklets and planting manuals were also provided.



1.4 Bottled Water Project

As a tool for supporting stake holder and other charity activities, TTW produces almost 200,000 of bottled water per year. This is also part of promoting jobs for better living of local community.



1.5 Religious Support Activity

To support and retain Buddhism, national religious and further maintain relationships between the company and communities, as well as strengthen cooperation with business partners from Myanmar, TTW employees and executives together with executives from Z Corporation, Myanmar paid a merit making visit to Wat Charoen Sukharam Temple (Wat Bang Phai Tia) in Bangkrajao Sub-district, Muang district, Samut Sakhon Province. This temple known to be a center of Mon Buddhists where there are several Myanmar Mon monks living in.



1.6 Study Visit to Water Treatment Plant

To create awareness on the company's business and to educate public on tap water producing process, TTW welcomes group visit from various areas such as schools, universities, public and private organizations.

1.7 Activities to Improve Employees' Quality of Life

TTW well recognizes how important employees are to the company. Activities to improve employees' quality of life such as family day get together, annual health check – up, monthly birthday get together are organized to strengthen tie between employees and their family and to ensure employees good health and sufficient benefits.



1.8 Activities for Environment

As the largest tap water producer in the country utilizing massive water, chemicals, and energy in production processes, TTW attempts to use water, chemical, and electricity on a basis of efficiency, economy, and effectiveness. In doing so, ISO 14001 is adopted for waste management. Activities on energy preservation, seeking for practical approaches to help reduce energy were used for maximizing effective use of energy, reducing pollution and wastes released to the environment, as well as comply with environmental-related laws and standards.



In addition to this, TTW Head Office which has been used since 2010 was designed as a group of six cylindrical shape 1-storey buildings in various sizes linked to one another, except for a central building which has a mezzanine. These buildings are located on the area of 1,283 Square Wah covering usable spaces of 5,132 Square Meters with capacity to support the maximum of 80 employees. Building walls are built with transparent mirrors in order to fully receive natural light which could help reduce the use of electricity. The average use of energy is only 2.03 watt per square meter a day. Also, employees' desks were designed in circular shape as well but each of them can provide sufficient spaces for use. They were placed without wall in order to provide flexibility to increase or decrease their number based on possible change in number of employees. This allows the maximization of total space use, energy saving, and renovation-related costs reduction.

2. Activities/Projects at National Level

2.1 Recovery and preservation of “Watershed Forest”

TTW recognizes the importance of “water” preservation as water is one of limited natural resources and is key raw material for the company’s business. As a result, we conduct a project “1 Million Plants to Create Watershed Forest” in cooperation with the Department of National Parks, Wildlife, and Plant Conservation. The objective is to plant 1,000 Rai of forest or 200,000 trees per year for the total period of 5 years (from 2011 - 2015) in Watershed Forest of Thong Pha Phum National Park area in I-Tong village, Thong Pha Phum District, Kanchanaburi Province. After planting, we will continue to provide maintenance for the planted forest for 2 another consecutive years before transferring such forest to the Department of National Parks, Wildlife, and Plant Conservation to continue taking care of for the next 7 years.

In 2014, it was the 4th year of the company’s project “1 Million Plants to Create Watershed Forest” which the company has planted 200,000 trees and handing over the forest planted in 2012 to the Department of National Parks, Wildlife, and Plant Conservation for further maintenance. This project was well supported by employees, communities, public agencies, and local administration organizations, as well as the company’s shareholders who participated in a trip to the tough forest area to witness the delivery of such forest whether it will be truly done in accordance with the project intentions.



2.2 Promotion and support on “Raising Children Awareness on Water Preservation”

TTW envisions the value of implanting the awareness on sustainable preservation of water is to children. In cooperation with the Institute for the Promotion of Teaching Science and Technology (IPST), TTW has organized water preservation scientific innovation contest for secondary school and high school students around the country since 2011 under the project “Thai Tap Junior Water Prize”.

In 2014, the company organized the 4th contest and there were 122 works from several schools participating in the contest. The judging committee considered selecting 20 qualified topics and the winner will be announced by early 2015,



3. Activities/Project at International Level

3.1 Support the winner from “Thai Tap Junior Water Prize” to compete the award-winning work at international level

TTW was chosen by Stockholm International Water Institute (SIWI) from Sweden to be a National Organizer of contest for the period of 3 years (2013-2015) to seek for the winner representing Thailand to the international forum on Stockholm Junior Water Prize (SJWP) in Stockholm, Sweden.

In 2014, the company supported the winner of the mentioned project in 2013 from Surat Pittaya School with the work titled “Transforming Waste Water from Production of Raw Rubber Sheet to GBC Plastic” to compete with representatives from 28 countries around the world at SJWP 2014 Forum. As a result, the work from Thailand received the award “Diploma of Excellence” which was one of the two awards given in this event. This was only the 2nd time that Thailand participation. This could well represent the capability of Thai kid who could present thoughts related to water preservation innovation as this project proposal would help reduce waste water from production processes up to 3,500 million liters per day.



3.2 Donation of Water Testing Laboratory to Mawlmyaing University in Myanmar

To support better living of Mawlmyaing population, a water testing laboratory will be provided for Mawlmyaing University in Myanmar. This is to be used for creating knowledge for student at the third largest city in Myanmar.



Other than the above mentioned, TTW supports all stakeholders activities, especially towards communities, society and environment in order to express corporate social responsibility concerns at a total budget of more than 10 million Baht hoping that this will help community and society for better living of people and sustainable environment.



Report on the Compliance to Good Governance Principles

Policy Related to Corporate Governance

Business management is significantly subject to Good Governance which can display management system with efficiency, fairness, transparency, accountability, as well as social and environmental responsibility. This will help create trust and security among shareholders, investors, stakeholders, and all relevant parties. Good governance will also lead to sustainable growth in terms of finance, investment, and competitiveness.

The company board controls and monitors the company to perform business on the basis of Good Governance principles of the Stock Exchange of Thailand (SET), regulations of the Security and Exchange Commission (SEC), Capital Market Advisory Board, as well as in accordance with Corporate Governance principles for Listed Companies under ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The company also has Corporate Governance Committee to continuously supervise Corporate Governance in accordance with international standards in order to ensure effective management and sustainable growth of business, as well as to promote working to achieve TTW's vision to become a leading company in the country in the business areas related to water, energy and environment.

Corporate Governance Policy Arrangement

The company's board has prepared policy on Corporate Governance in writing as guidance for business operations to the company's board, executives, and employees, on the basis of Good Governance Principles and good practices of SET. In this regard, Corporate Governance Committee will review Corporate Governance Policy on an annual basis, by focusing on management in various areas, including determining policy recognizing the importance of stakeholder from all sectors, maintaining public trust, regularly improving work efficiency on the basis of environmental preservation, quality use of resources, promotion of moral support among employees, as well as employees' safety and sanitation.

In 2014, the company's board improved Good Governance in accordance with the company's vision and mission as strategies for TTW's business operation and in consistence with current economic conditions. In addition, the company's board recognizes the effectiveness of the independence to perform duties of sub-committees by increasing number of independent board members in recruitment and remuneration determination process as appeared in the Recruitment and Remuneration Committee's structure and responsibilities, section 5: Committee's Responsibilities.



Communication on Corporate Governance Policy

The company disseminated Corporate Governance Policy among stakeholders through the company's website www.ttwplc.com. In addition, TTW has prepared business code of conducts as guidance and practices for the company's board, executives, and employees. In addition, the company arranges to have media and activities to create better understanding on Good Governance among the company's employees subject to the key principles of Good Governance "Good Governance as a frame, with responsibility and transparency, for continuous development and sustainable growth", including

Responsibility

Conscience to Duties

Accountability

Taking account on decisions made and actions performed

Equitable Treatment

Respond to all relevant parties on an equal basis

Transparency

Transparently disclose information which must be accountable

Promotion of Best Practice

Promotion of excellent practices

In the previous year, there were key activities as follows:-

- Dissemination of information and good practices on Good Governance among board members and employees, including information and news of the company in relation to the board's and SET's resolution for the Group's employees through organizational intranet system.
- Report on the company's compliance based on Good Governance of SET, as well as other recommendations for Corporate Governance Committee's and the company board's reference.
- Organization of training on Good Governance, e.g. seminar and training on Good Governance for new employees recruited to the company.

Follow-up on Corporate Governance Policy Compliance

TTW's board, executives, and employees complied with Corporate Governance Policy, as well as strictly and regularly followed up on the implementation plan compliance performance. In 2014, there was no situation breaching the policy at all.

From such effort, in 2014 TTW received awards and certificates in relation to good governance principles as follows:-

Excellent Listed Company in Term of Shareholder Meeting Organization for quality assessment of ordinary meeting of shareholders in 2014, with the full score of 100 points, from the assessment conducted by the Thai Investors Association.

Very Good Corporate Governance from the survey conducted by the Thai Institute of Directors Association (IOD)

According to SET's recommendation for Listed Companies to comply with Good Governance Principles for Listed Companies of 2012 which was revised in accordance with ASEAN CG Scorecard whereas each company could individually adapt as appropriate, clarify obstacles impeding the compliance with such principles, use replacing reasons or measures implemented by the company, as well as disclose outcomes from Good Governance implemented with shareholders, investors, stakeholders, and relevant people, TTW complied with such Good Governance principles in 2014 whereas the outcomes can be summarized as following details.

Section 1: Shareholders' Rights

TTW recognizes the importance of shareholders as asset investors and company owners. As a result, the company encourages shareholders to exercise their basic rights permitted by laws, e.g. receiving share of business profit, purchasing or transferring of share, receiving sufficient news and information of business, participating in shareholders' meetings to exercise their voting rights to appoint or to withdraw any board member, to set board members' remuneration, to appoint auditor, and to set auditing fees and any matters possibly affecting to the company. Apart from encouraging shareholders to exercise their basic rights, TTW takes care and treat all shareholders equally, e.g. providing significant and updated information through website, opening opportunity for shareholders to nominate list of names to become board members, arranging shareholders' visit to the company, participating in CSR activities, and preventing any action which could violate or lessen shareholders' right in any circumstance.

Shareholder' Meeting Organization

The board of directors recognizes the importance of the organization of Annual Ordinary Meeting of Shareholders by arranging to organize it within 4 months from the end of the company's accounting term in order to involve shareholders in acknowledging the company's performance. In case of urgent necessity to consider any special matter which may affect or be related to shareholders' benefits which is required shareholders' approval, the committee may call for extraordinary meeting or shareholders on case by case basis. In 2014, TTW organized an ordinary meeting of shareholders on 14 March 2014 at Landmark Ballroom, Landmark Hotel, Bangkok, and organized an extraordinary meeting or shareholders no. 1/2014 on 22 December 2014 at Anoma Grand Room, Anoma Hotel, Bangkok. Such ordinary meeting of shareholders was held in accordance with AGM Checklist prepared by the Thai Investors Association, the Thai Listed Companies Association, and SEC, as follows:-

Pre-meeting day

TTW prepared meeting documents with complete information in term of substances for supporting the voting decision of shareholders by disseminating information among shareholders in advance, as well as encouraged shareholders to participate in Annual Ordinary Meeting of Shareholders and facilitated them in expressing their voting right in case that they could not attend a meeting by themselves as follows:-

- Inform of tentative programme and meeting agenda to shareholders in advances through informational

communication system of SET and TTW's website before sending out softcopy of documents on 11 February 2014, 31 days before such shareholders' meeting so shareholders could have enough time to plan to participate in such meeting.

- Circulate invitation letter together with details of each meeting agenda clearly separated agenda by agenda. Meeting agenda for Annual Ordinary Meeting of Shareholders 2557 include matters for consideration as determined in Section 4 of the company's regulation on shareholders' meeting whereas board member(s) appointment in replacement of board member(s) resigned due to the end of their term and the consideration of board members' remuneration are set as agenda separately. Each agenda shall include facts and reasons, committee's opinion, principles and approaches for meeting attendance, and 3 forms of power of attorney (Form A, B, and C) as set out by the Department of Business Development, Ministry of Commerce, attaching with annual report for shareholders from 21 February 2014, 21 before shareholders' meeting, and it is published in daily newspaper for 3 consecutive days to call for all shareholders to attend the meeting within sufficient period of time before deadline. In addition, all relevant information is also published on TTW's website to provide an opportunity for shareholders to have sufficient time to study in the relation of meeting in advance, as well as have contact

telephone number available for additional inquiries and present significant information in support of agenda consideration on complete appointment of board members in substances.

- Open an opportunity for shareholders to submit their inquiries requiring clarification related to proposed agenda in advance through electronic mail: cg@ttwplc.com, or facsimile no. to maximize shareholders' benefits gained from the meeting, and to fully reserve benefits or all shareholders.

Shareholders' meeting day

TTW encourages the exercise of right by participating in the meeting and expressing the voting right by facilitating shareholders to participate in the meeting and to organize a meeting with transparency and accountability mechanisms. There should be no action in breaching or lessening shareholders' rights, as well as opportunity available for shareholders to fully inquire and share their opinions as follows:-

- Board members, high-level executives, and auditor entirely participate in the meeting to answer questions and to acknowledge shareholders' opinions. In 2014, 11 board Chairman and board members, amounting to 91 percent of all board members participated in the meeting. Chairman of each sub-committees participated in the meeting. Chairman and board members of small committees having position in sub-committee(s) collaboratively clarified details in relation to regulations in each agenda, as well as answered inquiries from shareholders. In this regard, there was 1 board member absent due to significant business abroad.
- Organize exhibition and provide information related to the company's business performance by having executives, investors relation, accounting and finance unit, customers service unit, operational unit cooperatively in welcoming and answering shareholders' inquiries.
- Provide right for shareholders participating in the meeting after its commencement. They are entitled to express their voting rights or to vote for any agenda under consideration and which has not been

concluded with resolution yet.

- Organize shareholders' meeting based on meeting agenda informed in invitation letter to shareholders. The presentation of agenda will start from background, reason, necessity, and proposals made to the meeting in details which has been informed to shareholders also in the invitation letter to the meeting.
- Open opportunity for shareholders to express their opinions and to inquire the meeting on each agenda on equal basis. The Chairperson recognizes the importance of this and answers all inquiries as well as makes a complete record of such.
- Hire a law firm, The Legis Co., Ltd., to audit documents of shareholders or the principal entitled to attend a meeting, a quorum, the consistency of voting approach and vote counting with the company's regulation and the way that a chairperson informed of voting billets collecting approach from shareholders, as well as the recheck of resolution outcomes and voting outcomes. In this regard, the audit provides an opinion that shareholders' meeting and voting procedure were transparent and consistent with the company's regulations, relevant laws, and good practices in security market regarding Good Governance. In addition, the company also respects rights of shareholders in participating in the meeting and expressing their opinion to the meeting.
- Open an opportunity for 2 shareholders to represent all participating shareholders as witnesses for vote counting.

In this connection, at the end of the Annual Ordinary Meeting of Shareholders 2014, there were 636 shareholders attending the meeting by themselves, and 392 participants by power of attorney, including the total amount of shareholding at 3,432,642,859 shares, amounting to 86.0 of the total number of sold shares. This increased from that of 2013 in which there were 457 shareholders attending the meeting by themselves, and 363 participants by power of attorney, including the total amount of shareholding at 3,405,797,608 shares, amounting to 85.35 of the total number of shares sold.

Post-meeting day

- After ordinary meeting of shareholders, TTW prepared meeting report recording list of board members and executives, together with positions of participating board members and executives, voting and counting approach, voting billets use, the committee's proposal, inquiries and recommendations from shareholders, clarification points from executives as well as votes for agreeable, non-agreeable, or no vote, and meeting's resolution for each agenda. This information is published through the company's website www.ttwplc.com on 28 March 2014 in accordance with criteria determined by SET requiring within 14 days from the day of meeting.
- Arrange to have a record of meeting to report to non-participating shareholders on TTW's website.
- After the shareholders' meeting approved dividend payment, TTW will inform such meeting's resolution, including details of dividend payment, to shareholders through electronic media (SET Portal) of SET, and will coordinate with TSD Registrar, as well as will inform such dividend payment on newspaper to ensure that shareholders receive dividends completely and correctly.

Section 2: Equal Treatment to All Shareholders

The committee supervises structure framework of Corporate Governance on a regular basis to ensure equal and fair treatment to all shareholders, as well as uncomplicated shareholders' supervision approach. Shareholders are entitled to participate in making decision and to realize the company's decisions for any significant events determined by laws or under the company's regulations, as follows:-

- For shareholders' meeting, TTW has a policy to maintain all shareholders' right and will not add any meeting agenda without informing of such to any other shareholders in advance. This is to ensure that shareholders will have an opportunity to learn information of meeting agenda before placing their vote. In this regard, the company's shareholders are entitled to make votes based on the number of their holding shares. Each share is equal to one voting right and there will be no special share which can limit rights of other shareholders.
- The committee opens an opportunity for minor shareholders to propose new meeting agenda at the annual shareholders' meeting, as well as to nominate qualified persons as board members, by announcing through SET's channels and the company's website under clear and transparent processes and practices, in accordance with additional practices on entitlement grant for minor shareholders which allows shareholders to nominate qualified persons for the consideration of the company's board appointment between 1 October – 30 December 2014.

Protection of Internal Use of Information

TTW determines guidance to maintain and protect the use of internal information in writing within the company's code of conducts for board members and for employees to protect the illegal use of internal information for their or others' benefits which is the way taking advantage out of other shareholders or causing damages to shareholders as a whole as follows:-

Board of Directors

- The board shall not use information received on behalf of the company's board for any illegal purpose or to cause and damage to the company.
- The board shall not disclose confidential business information or any information affecting business performance to any third party.
- The board, their spouse, and their immature children shall not buy or sell stocks when there is any internal information belonging to the company that if being disclosed to the public there would be any effect to stock price.
- The board shall not inform any information which has not been disclosed to the public yet to others as it may lead to the reserve to buy or sell of such company's security.



Employees

- Employees shall strictly comply with SET's/SEC's regulations and relevant laws, including information disclosure to shareholders and/or the public on an equal basis.
- The disclosure of information which may affect to business and stock price shall have approval from a managing director who disclosed such information or who assigned other to be responsible in disclosing such information.
- Central unit providing information to the public and investors is the office of managing director, including investor relation, organizational communication unit, etc, with a support provided by the organization holding such information. In this regard, TTW prohibits the board, executives, and employees who involves in and knows information related to financial statements from buying and/or selling stocks for 45 days before information disclosure and 24 hours after information disclosure. And for information with other significant implications, executives and employees knowing information on stock selling are prohibited from the date of knowing information and 24 hours after information disclosure made to SET. In addition, TTW determines formal

internal control system to carefully and strictly prevent the leakage of information to outsiders before being published. It shall be considered that these controlling measures and systems is a part of risk controlling measures of the company and shall be part of duties and responsibilities of the supervisors to monitor the use of internal information in accordance with such measures. The employees' use of internal information which has not been published to the public or general shareholders for selling and purchasing securities for themselves or for others shall be deemed as breaching of the company's code of conducts.

Conflict of Interest

The committee has a policy to avoid conflict of interest between individual interest and TTW's interest by setting our principles in the company's code of conducts for both board members and employees with details in Section 5 Responsibilities of the Board of Directors.

In 2014, the board did not receive any claim regarding the respect of basic right of shareholders, or the wrongdoing committed by the board member and executive in terms of the use of internal information. This represents the efficiency of the committee in monitoring this matter.

Section 3: Roles of Stakeholders

Apart from monitoring and maintaining shareholders' rights, the committee also has policy to take care of all groups of stakeholders by recognizing the importance of matters directly affecting to business and matters which should be done for social benefits as a whole. Consequently, the committee clearly determines guidance to satisfy needs from each group of stakeholders in the company's Good Governance policy and business code of conducts for board members, executives, and employees to comply with in their work operations. It could be summarized as follows:-

Employees

Human Resources Development

Employee development is long-term investment which will result in both organizational and employee performance. The company attempts to continuously develop employees in all areas and at all levels with management system and position qualification determination in accordance with visions, business strategies of the company to ensure that the company will have qualified personnel and sufficient manpower to serve current business, including water supply production and distribution, water supply management, and waste water, as well as to smoothly expand water supply business into waste water management, electricity generation from renewable energy, or environmental-related business.

One important factor is the company's human resource development to enhance knowledge and capability as well as readiness to go into all areas of business. The company, therefore, has determined personnel development framework by position by determining development plan, preparation and implementation since 2010. The company has analyzed and developed core competency, managerial competency, and functional competency which will be used as development framework for the company.

In 2011, the company evaluated to find development gaps in order to develop Individual Development Plan (IDP) which has been used for the company's personnel development. For employees receiving opportunity to cooperate with TTW PLC., everyone will be able to attend an orientation to realize practices, organization policy, knowledge on Good Governance, and training on environment.

The promotion of effective use of resources, including the creation of good relationship between existing employees and newcomers are included. In addition, during their term of employment, employees will receive development and promotion to learn in various ways subject to type and level of work, including on-the-job training, internal and external training, rotation of employees to learn more about different kinds of work, etc. As for self-learning, the company arranges to have learning classroom "Edutainment", including full range of textbooks and entertainments. Once employees achieve a higher level of work, the company also prepares preparation course to transforming employees into leadership position. In 2012, there were 244 courses, including 3,799 hours of training, available for employees to join. In 2013, there were 208 courses, including 3,729 hours of training, available for employees to join. In 2014, there were 411 courses, including 10,781 hours of training, available for employees to join. This shows that the number of training hours of employees at all level has increased. In 2014, there was no dispute between the company and employees, as well as there was no accident happening to employees causing any absence or injury.

Customers

TTW complies with commitment to customers both as producer and distributor of water supply based on common treatment for all customers, including clean, sufficient, continuous product and service delivery on the basis of fairness and the creation of sustainable relationship.

In 2014, there was no dispute between TTW and customers. As for water supply production and distribution business, the company could produce water supply to serve all customers as promised. Overall, the company's readiness to generate water supply was higher than the level determined in water supply purchasing contract whereas water supply can be produced in accordance with the standard of the World Health Organization (WHO).

Creditors

TTW complies with commitments to all creditors by strictly complying with conditions under loan contract and does not hide real financial status of the company.

In 2014, TTW and its subsidiaries complied with all conditions committed to all creditors and there was no defaulting event at all.

Contractual Partners

TTW performs fair and equal treatments to all partners and does not illegally claim for any trade advantage from partners, as well as strictly complies with agreed contract or condition with clear objective in terms of product and service quality in accordance with money value and qualitative value. The company also attempts to develop and maintain sustainable relationship between partners and the company.

In 2014, there was no dispute between TTW/its subsidiaries and trading partners.

Communities and Society

TTW operates business under the consideration of communities and society, in particular for business location. In this regard, this is determined as the company's mission to be good member of the society and to care the communities. As a result, it is our executives' and employees' duties and responsibilities to comply with the mission,



including the provision of true and updated information, living together with care, respect to community customs, tradition, and culture, as well as participation in better life quality improvement for people in the communities. The company also cooperated with the communities to create peaceful town and society which will lead to sustainable development of the society as a whole. TTW has implemented projects and activities for communities and society on a continuous basis. Projects are divided into 3 types, including life quality improvement for communities around the area of Water Treatment Plant, in the areas of the promotion of learning on water preservation, as well as watershed forest and environmental preservation.

In 2014, there was no dispute between TTW/its subsidiaries and communities in business location and other social organizations. In this regard, TTW has performed projects for communities and society on a continuous basis, as well as started to prepare "TTW News" magazine quarterly to use as communication channels from people in the organization to communities around the Water Treatment Plant. The company also promotes the implementation of "Thai Youth Together to Preserves Water" project, in cooperation with the Institute for the Promotion of Teaching Science and Technology (IPST), in order to allow children to create water preservation innovation to attend global contest for the 4th year, and the promotion of "Sustainable Watershed Forest Planting" in cooperation with the Department of National Parks, Wildlife, and Plant Conservation for the 4th year as well.

Respect to Human Rights Principles

TTW requires board members, executives, and all employees to respect to human rights principles as follows:-

- The company treats all employees with respects in their honor and dignity.
- The company opens an opportunity for employees to use communication channels to suggest and file a petition on any concerns related to work. All suggestions will be considered seriously and the resolution will be settled for the benefits of all parties and for good relationship in collaboration.

- The company supports employees to exercise their right of legal citizen under the constitution and laws.
- The company keeps personal data of employees, such as biography, health background, and work background, etc. Disclosure or transfer of personal data of employees to the public shall not be performed otherwise receiving consent from such employee. In this regard, the violation of this provision is considered breaching of compliance policy unless it is done in accordance with the company's regulations or by laws.
- The company does not support any business violating human rights principles and anti-corruption.
- All employees shall not perform any actions to violate or threaten either by words or by action against others in term of race, gender, religion, age, physical and mental disability.

Intellectual Property or Copyright

TTW has a policy to comply with intellectual property or copyright-related laws by taking works or information belonging to any third party which were gained or used in the company must be audited to ensure that the company shall not violate others' intellectual property.

Anti-corruption and anti-bribery

TTW has a plan to announce anti-corruption and anti-bribery policy by determining principles in business code of conducts to prohibit our employees to ask for or to receive any benefits or properties motivating to perform or to omit to perform their duties with illegal purpose or which may cause the company to lose their benefits which could be fairly gain. In addition, the company requires all employees to omit proposing or giving benefits or properties to any third party to motivate such person to act or to omit acting any illegal or inappropriate action conflicting with their duties.

In 2015, TTW will express our intention to participate in the project of Collective Action Coalition for anti-corruption in private sector, in cooperation with IOD, Thai Chamber of Commerce, Foreign Chamber of Commerce, and Thai Listed Company Association. Such project is considered a national project supported by the government and the Office of the National Anti-Corruption Commission or NACC.



Section 4: Information Disclosure and Transparency

TTW recognizes the importance of disclosing financial information, general information, and key information on the basis of correctness, completion, timeliness, transparency, and consistence with regulations of SEC and SET for shareholders and stakeholders to widely receive information through the following channels.

1. Information Disclosure on Website Shareholders and investors can search public information on timely basis. The company presents key information which has been regularly updated on the website www.ttwplc.com in both Thai and English as follows:-

- Background, vision and mission, and organization chart
- Corporate Governance, including Corporate Governance principles, the committee, the sub-committees, and high-level executives

- Investor information, including financial information, shareholder structure, and investor calendar
- News and updates of the organization, including business news and community and social news
- Social responsibilities, including operation thoughts and direction, information related to ongoing community and social projects

2. Provide information to security investors or investors visiting or discussing with the company's executives
3. Business trip to provide information to investors both domestically and internationally
4. Organize a meeting of security analysts
5. Provide information through public media, including newspapers, magazines and journals, and televisions.

Section 5: The Board of Directors' Responsibilities

5.1 Board Structure

The board includes at least 5 members. The change of board members requires approval from shareholders by having 2/3 of shareholders participating in a meeting with right to vote.

As of December 2014, the board of directors included 11 members in which 10 of them were from third party and were not the company's executives, amounting to 91 percent of all members, covering 7 independent members, amounting to 36 percent of all member.

Recruitment and Remuneration Determination Committee shall consider people who will be appointed as the company board individually, either for members who represent shareholders or for independent members based on an appropriation of skills and experiences required to strengthen the Company's Supervision Commission, as well as transparent working background, morality and responsibility, mutuality and professionalism. The board structure will be regularly reviewed on an annual basis. The board views that the structure and composition of the current board includes 100 percent of male board members, including experts in the areas of engineering, economics, business administration, accounting and finance, and laws at the proportion of 45.5 percent, 27.3 percent, 18.1 percent, and 9.1 percent, consecutively. It is appropriate with great range of professional diversity and expertise required and beneficial for the company's business operation, as well as with provision of the board's balance of power appropriately.

Table Representing Positions of Sub-Committees

Board's List of Names	Sub-Committees					Note
	Steering Committee	Audit Committee	Recruitment and Remuneration Determination Committee	Corporate Governance Committee	Risk Management Committee	
1. Mr. Narong Sangsuriya	Chairman					Non-executive Board
2. Dr. Sombat Kitjalaksana	Board					Non-executive Board
3. Mr. Tomoaki Matsumoto	Board				Board	Non-executive Board
4. Mr. Suvich Pungchareon	Board					Non-executive Board
5. Mr. Chaiwat Utaiwan	Board			Board		Managing Director
6. Mr. Techapit Sangsingkeo		Chairman		Board	Chairman	Independent board
7. Mr. Phairuch Mekarporn		Board	Chairman	Board	Board	Independent board
8. Mr. Somnuk Chaidejsuriya		Board	Board	Chairman		Independent board
9. Mr. Ryotaro Sumi			Board			Non-executive Board

5.2 The meeting of the Board of Directors

The board organizes a meeting every 2 months on a regular basis and may have additional resolution as necessary by determining clear agenda in advance, including agenda for consideration on a regular basis. The Office of Managing Director has issued invitation letter to the meeting along with meeting agenda at least 10 days before meeting and meeting supporting documents must be sent out at least 7 days so the board can take time to sufficiently learn about it before attending a meeting. In 2014, there were 31 meetings for board of directors and sub-committees, as follows:-

Table Representing Number of Time Attending the Meeting

Board's List of Names	2014 Meeting Participation (Time)							
	Extraordinary Shareholders	Ordinary Shareholders	Company Board	Steering Committee	Audit Committee	Recruitment and Remuneration Determination Committee	Corporate Governance Committee	Risk Management Committee
1. Dr. Thanong Bidaya	1/1	1/1	5/6					
2. Mr. Plew Trivisvavet	1/1	1/1	6/6					
3. Mr. Narong Sangsuriya	1/1	1/1	6/6	6/6				
4. Dr. Sombat Kitjalaksana	1/1	-	5/6	6/6				
5. Mr. Tomonori Suzuki ⁽³⁾	-	1/1	3/6	2/6				2/5
6. Mr. Tomoaki Matsumoto ⁽⁴⁾	1/1	1/1	3/6	3/6				2/5
7. Mr. Suvich Pungchareon	1/1	1/1	6/6	6/6				
8. Mr. Sompho Sribhum ⁽¹⁾	-	1/1	1/6	1/6			1/2	1/5
9. Mr. Chaiwat Utaiwan ⁽²⁾	1/1	1/1	4/6	5/6			1/2	4/5
10. Mr. Techapit Sangsingkeo	1/1	1/1	6/6		6/6		2/2	5/5
11. Mr. Phairuch Mekarporn	1/1	1/1	5/6		6/6	4/4	2/2	
12. Mr. Somnuk Chaidejsuriya	1/1	1/1	5/6		6/6	4/4	2/2	

Board's List of Names	2014 Meeting Participation (Time)							
	Extraordinary Shareholders	Ordinary Shareholders	Company Board	Steering Committee	Audit Committee	Recruitment and Remuneration Determination Committee	Corporate Governance Committee	Risk Management Committee
13. Mrs. Payao Marittanaporn ⁽⁵⁾	-	1/1	3/6			2/4		2/5
14. Mr. Ryotaro Sumi	1/1	1/1	3/6			4/4		

Note

- (1) Mr. Sompodh Sripoom: Finish the term on 14 March 2014
- (2) Mr. Chaiwat Utaiwan: Take a position on 15 March 2014
- (3) Mr. Tomonori Suzuki: Quit a board position on 14 August 2014
- (4) Mr. Tomoaki Matsumoto: Take a position on 14 August 2014
- (5) Mrs. Payao Marittanaporn: Quit from the board on 28 August 2014

Self-evaluation of the company's Board of Directors

At the meeting of the Board of Directors No. 6/2014 on 12 November 2014, there was a resolution to acknowledge self-evaluation of the Board of Directors for 2014, including the following 5 areas:-

1. Understanding on duties of yourself and the company's business
2. Relationship with executives
3. Follow up on the administration unit's implementation
4. Board meeting and
5. Implementation outcomes of the committee

In conclusion, self-evaluation of all board members was rated good in general, amount to the average of 92.16 percent.

The Company's Secretary Work

The Board of Directors appointed Mrs. Sudarat Jiamjan, a director of the Office of Managing Director, as the company's secretary, with duties and authorities as determined in Security and Security Market Act (Vol. 4) B.E. 2551, as well as to become a secretary for the Board of Directors and sub-committees, such as Corporate Governance Committee, as well as to supervise activities conducted by the board and coordinate to ensure the compliance with the committee's resolution as follows:-

- Provide basic advice to a board member in relation to provisions, rules, regulations and restrictions of the company, and follow up on the correct and regular compliance with them, as well as report significant changes to the Board of Directors.
- Organize shareholders' meeting and Board of Directors' meeting in accordance with laws, the company's regulations, and practices.
- Record a report of shareholders' meeting and the Board of Directors' meeting, as well as follow up on the compliance with shareholders' resolution and the Board of Directors' provisions.
- Ensure information disclosure and information report for the part under responsibility in accordance with regulations and provisions set by SET and SEC.
- Contact and communicate with general shareholders to inform them of entitlements of shareholders and the company's news.
- Monitor and coordinate on the organization of events of the board, including the board members' orientation
- Take care of the company's significant documents, such as Board List, appointment letter for Board's meeting, Board's meeting Report, annual report, appointment letter for shareholders' meeting, Shareholders' meeting report, and Report on Conflict of Interest of the board or executives.



Compensation Paid to Directors, Management and all Employees

The company has defined Director's Compensation Policy in appropriate level and sufficient rate to maintain competent directors without paying excessive compensation. Consideration of director's compensation is made based on justice and reasonability when it is compared to other operating level in the same industrial sector or close industrial sector as well as experiences, authority, scope of roles and responsibility of each director including addition of roles and responsibility arisen from being member of other sub-committee too.

In 2014, the company paid compensation to directors totally 7,334,000 Baht which was divided into compensation was 5,857,500 Baht, meeting allowance was 1,476,500 Baht. and 2013 annual bonus was 18,421,000 Baht.

Compensation paid to directors in 2014

(Unit : Baht)

Name-Surname	Position	Remuneration	Meeting Allowance	Total	Bonus (2013)	Total
1. Dr. Thanong Bidaya	Director and Chairman of the Board Director	730,000	183,000	913,000	2,292,000	3,205,000
2. Mr. Plew Trivisvavet	Director	598,000	149,000	747,000	1,873,000	2,620,000
3. Mr. Narong Sangsuriya	Director and Chairman of Executive Committee	483,000	122,000	605,000	1,518,000	2,123,000
4. Mrs. Payao Marittanaporn	Director, Nomination and Remuneration Committee and Risk Management Committee	386,000	98,000	484,000	1,115,000	1,599,000
5. Dr. Sombat Kitjalaksana	Director and Executive Committee	372,000	94,000	466,000	1,171,000	1,637,000
6. Mr. Sompodh Sripoom	Director, Executive Committee, Risk Management Committee and Corporate Governance Committee	125,500	32,500	158,000	1,590,000	1,748,000
7. Mr. Ryotaro Sumi	Director and Nomination and Remuneration Committee	320,000	81,000	401,000	1,007,000	1,408,000
8. Mr. Tomonori Suzuki	Director, Executive Committee and Risk Management Committee	328,000	83,250	411,750	1,381,000	1,792,750
9. Mr. Techapit Sangsinkeo	Independent Director, Chairman of Audit Committee, Chairman of Risk Management Committee and Corporate Governance Committee	591,000	148,000	739,000	1,858,000	2,597,000

(Unit : Baht)

Name-Surname	Position	Remuneration	Meeting Allowance	Total	Bonus (2013)	Total
10. Mr. Phairuch Mekarporn	Independent Director, Chairman of Nomination and Remuneration Committee, Corporate Governance Committee and Audit Committee	532,000	134,000	666,000	1,672,000	2,338,000
11. Mr. Somnuk Chaidejsuriya	Independent Director, Chairman of Corporate Governance Committee and Audit Committee	532,000	134,000	666,000	1,672,000	2,338,000
12. Mr. Suvich Pungchareon	Director and Executive Committee	372,000	94,000	466,000	1,171,000	1,637,000
13. Mr. Chaiwat Utaiwan	Director, Executive Committee, Risk Management Committee and Corporate Governance Committee	378,000	96,000	474,000		474,000
14. Mr. Tomoaki Matsumoto	Director, Executive Committee and Risk Management Committee	109,500	27,750	137,250		137,250
15. Mr. Prasert Marittanaporn	Director, Nomination and Remuneration Committee and Risk Management Committee				101,000	101,000
Total		5,857,500	1,476,500	7,334,000	18,421,000	25,755,000

Remarks

- Mr. Sompodh Sripoom resigned from being director on 14 March, 2014, he received compensation totally 158,000 Baht and bonus 1,590,00 Baht
- Mr. Chaiwat Uthaiwan was appointed to be director on 14 March, 2014, he received compensation totally 474,000 Baht and bonus - Baht
- Mr. Tomonori Suzuki resigned from being director on 14 March, 2014, hereceived compensation totally 411,750 Baht and bonus 1,381,000 Baht
- Mr. Tomoaki Musumoto was appointed to be director on 14 August, 2014, he received compensation totally 137,250 Baht and bonus - Baht
- Mrs. Payao Marittanaporn resigned from being director on 28 August, 2014, she received compensation totally 484,000 Baht and bonus 1,115,000 Baht

Compensation Paid to Directors by Year

(Unit : Baht)

Description	2014		2013		2012	
	Persons	Baht	Persons	Baht	Persons	Baht
Remuneration	15	5,857,500	13	5,369,740	12	5,110,000
Meeting Allowance	15	1,476,500	13	1,336,478	12	1,208,000
Total Bonus	15	18,421,000	13	16,091,250	12	12,129,600
Total	-	25,755,000	-	22,797,468	-	18,447,600

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 2012-2014

Description	2014		2013		2012	
	Persons	Baht	Persons	Baht	Persons	Baht
Remuneration	7	19,044,840	9	18,309,080	10	18,338,167
Total Bonus	7	6,157,200	9	6,953,700	9	6,573,400
Provident Fund	7	1,155,378	9	1,279,261	10	1,266,193

Remuneration of Employee

TTW Public Company Limited is the organization that its wage and compensation is close to other companies in the same industrial group. In order to have appropriate management in according to wage situation, the company conducts comparative study and improves wage and compensation management of employee annually, wage management is considered based on justice, scope of responsibility of job position and capability in working performance significantly as well as giving recognition awards, promotion of employee who has good working performance in order to motivate excellent working performance.

Being aware of and emphasis on personnel development, the company defines working performance policy regarding personnel development as one specific policy as well as improving compensation level of employee is defined to increase from 50 percentile to be 75 percentile of compensation of listed companies operating in public utility sector within 5 years in order to enhance motivation and relation to the organization, therefore, the improvement of compensation level is conducted concurrently with development of potential and capability and knowledge of employee as well as to improve high efficiency of working performance too.

Therefore, the company shall pay total remuneration for company's employee, subsidiary company's employee in term of salary and bonus as follow:

(Unit : Million Baht)

Company/Susidiary	Year 2014	Year 2013	Year 2012
TTW Public Company Limited	71.02	67.7	61.8
Pathum Thani Water Company Limited (Susidiary)	9.71	14.3	21.6
Thai Water Operation Company Limited (Susidiary)	44.52	49.4	49.6

In 2014 TTW has adjusted management structure by transfer some employees in subsidiary company to be employees of the company.

Other compensations

The company prepares wellfares and other compensations excluded salary, bonus and provident fund is provided for executives and employees appropriately for economic situation, livelihood as well as standards of leading companies in the same industry.

Report on the Board of Director's Responsibility on the Financial Report

The Board of Directors is responsible for the financial statements of TTW 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 2014 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



(Mr. Chaiwat Utaiwan)

Managing Director

Auditing Committee Report to Shareholders

Auditing Committee of TTW Public Company Limited (the company) which appointed by Board of Directors of the company is consisted of 3 independent committees who are special experts and having experiences in various fields and Mr. Techapit Sangsingkaew is Chairman of Auditing Committee, Mr. Pairat Mek-arporn and Mr. Somnuek Chaidejsuriya are Inspection Committee and Internal Audit Manager is acting as Secretary of Auditing Committee.

Auditing Committee shall perform its duty under scope, roles and responsibility assigned by Board of Directors of the company independently which is consistent to regulation of The Securities Exchange of Thailand as well as providing suggestions in related matters. Auditing Committee holds meeting totally 6 times in 2014 which are attended by executives, internal auditor and auditor, its content is concluded as follow:

1. Revision of Financial Reports

To ensure that accounting system and financial reports are correct and reliable by asking and hearing explanation from executives and auditor regarding complete correction of financial reports and sufficiency of information revelation as well as revision of Related Parties Transaction between the company, subsidiary companies and related companies and it is confident that the company has implemented in respect of normal business conditions and compliance with criteria defined by The Securities Exchange of Thailand for benefits of shareholders. The Auditing Committee has consistent opinion with auditor that quarterly financial statement and annual financial statement of 2014 are correct in significant content according to accounting principle which is generally certified.

2. Revision of Internal Audit

Auditing Committee has considered scope of working performance, responsibilities, independence of internal audit which Auditing Committee has opinion that the company has internal control system appropriately and sufficiently as well as having

efficiency in accordance with international standard.

Auditing Committee considers to approve scope and 2014 annual internal audit plan and considering internal audit report which is submitted directly to Auditing Committee by internal audit section quarterly, it is found that internal control of work performing process and major working process are appropriate for business operation as well as compliance with Securities and Exchange Act, regulations of Securities Exchange of Thailand and/or other laws that related to business of the company which significant deficiency is not found.

3. Consideration of selection, appointment and compensation offer to auditor

Auditing Committee has considered selecting, appointing and offering compensation of auditor to Board of Directors by emphasis on reliability, capability in providing service, consultation of accounting standard, auditing and certification of financial statement on-time. In 2014, Auditing Committee has considered to appoint Miss Siraporn Ur-anunkul, Certified Public Accountant, License No. 3844 and/or Miss Sumalee Rewarabundit, Certified Public Accountant, License No. 3970 and/or Mr. Krisada Lertwana, Certified Public Accountant, License No. 4958 of Office EY Co., Ltd. to be the auditor of the company for 2014 which has reliable qualification and performing duty in accordance with Accounting Profession Standard on Auditing and compensation of auditor not exceeded 1,235,000 Baht is presented in the meeting of Board of Directors for consideration and approval prior presenting it in shareholders meeting for approval further.



(Mr. Techapit Sangsingkeo)
Chairman of Auditing Committee

Independent Auditor's Report

To the Shareholders of TTW Public Company Limited
(Formerly known as “Thai Tap Water Supply Public Company Limited”)

I have audited the accompanying consolidated financial statements of TTW Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, 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 TTW 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.

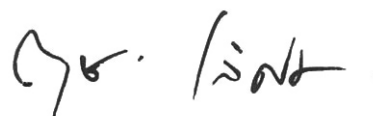
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TTW Public Company Limited and its subsidiaries and of TTW Public Company Limited as at 31 December 2014, 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 3 to the financial statements, regarding the adoption of new financial reporting standards relating to TFRIC 12 Service Concession Arrangements and TFRIC 4 Determining whether an Arrangement contains a lease. The management of the Company and its subsidiary used judgement in considering the arrangements and related agreements, and in disclosing the impact of the adoption of these accounting standard interpretations. My opinion is not qualified in respect of this matter.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 17 February 2015

Operation Result Analysis and Report

Income analysis of tap water sales

(Unit: Million Baht)

Incomes	2014	2013	Change	Percentage
Tap water– Company	3,616.5	3,409.0	207.5	6.1
Tap water – Pathum Thani Water Company Limited	1,655.8	1,667.1	(11.3)	(0.7)
Total	5,272.3	5,076.1	196.2	3.9

Income from Tap Water Sales

In 2013 and 2014, the company (TTW) and its subsidiaries had income from tap water sales of 5,076.1 Million Baht and 5,272.3 Million Baht respectively, an increase of 196.2 Million Baht or 3.9% from the last year figure. The reasons are as follows:

1) The increase on tap water income was at 207.5 Million Baht or 6.1% due to an increase of sales volume of 2.4 Million m³ or 1.8 % and also higher sales price.

2) Tap water income of Pathum Thani Water Company Limited (PTW) decreased 1.4 Million Baht or 0.7% due to higher sales prices.

5-year Sales price of tap water sold to Provincial Waterworks Authority (PWA) by TTW and PTW are summarized as follows.

Period	Sales Price of the company		Sales Price of PTW (Baht / m ³)
	1-300,000 m ³ early (Baht / m ³)	From 300,001 m ³ up (Baht / m ³)	
Jan – Dec 2010	24.461331	14.676799/10.75*	10.99
Jan – Dec 2011	25.110952	11.02	11.37
Jan – Dec 2012	26.016170	11.49	11.83
Jan – Dec 2013	26.858730	11.72	12.15
Jan – Dec 2014	28.269483	11.93	12.39

* Since 1 September 2010 – 31 December 2010

Expense analysis

(Unit: Million Baht)

Expenses	2014	2013	Change	Percentage
Cost of sales and services	1,535.1	1,550.3	(15.2)	(1.0)
Administrative expenses	246.4	341.7	(95.3)	(27.9)
Financial expenses	566.1	614.7	(48.6)	(7.9)
Corporate income tax	156.9	517.0	(360.1)	(69.7)
Total	2,504.5	3,023.7	(519.2)	(17.2)

Costs of sales and services

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

In 2013 and 2014, the company and its subsidiaries recorded costs of sales and services at 1,550.3 Million Baht and 1,535.1 Million baht respectively, decreased of 15.2 Million Baht or 1.0%.

The reasons are summarized as follows:

- 1) The chemical costs reduced by 36.7 million baht due to an improvement in raw water quality compared to that of last year.
- 2) The other costs decreased by 8.1 million baht.
- 3) The electricity costs increased by 27.7 million baht resulted from an increment of FT rate compared to that of year 2013.

Administrative Expenses

In 2013 and 2014, the company and its subsidiaries had administrative expenses of 341.7 Million Bah and 246.4 Million Baht respectively, a decline of 95.3 Million Baht or 27.9% because

- 1) In 2013, the company had no records on withholding income tax expenses and a penalty charge from late tax payment amounts of 60 million baht. This was included in administrative expenses since the extraordinary expenses only incurred in 2013.

- 2) Advertising expenses, legal consulting fees, and other expenses declined by 10.9 million baht, 9.2 million baht, and 10.2 million baht respectively.

Financial Expenses

Financial Expense in 2013 and 2014 were Baht 614.7 million and Baht 566.1 million, respectively with a decreased of Baht 48.6 million or 7.9%. This resulted from the smaller loan amounts and the smaller average financial costs compared to that of last year.

Corporate Income Tax

The corporate income tax decreased by Baht 360.2 million or representing a decrease of 69.7% On 27 May 2013, the company benefited from tax privileges from BOI due to the flood occurring in 2011.

Profit and Loss of Investment in associated companies Analysis

Sharing of profit from investment in associated company in year 2014 increased by Baht 48.1 million or 76.9% Because CKP gained more revenues from its subsidiary companies and associated companies. Bangpa-In Cogeneration Company Limited, one of CKP's subsidiary company, started to operate businesses since June 2013.

Net Profit

In 2013 and 2014, the company and its subsidiaries gained the net profit of 2,573.8 Million Baht or 44.5% and 2,973.9 Million Baht or 52.9%, respectively, an increase of 400.1 Million Baht or 15.6%.

Financial status report and analysis

(Unit: Million Baht)

Incomes	31 Dec 2014	31 Dec 2013	Change	Change
Total assets	24,627.3	24,525.2	102.1	0.4
Total liabilities	13,237.8	13,514.0	(276.2)	(2.0)
Shareholders' equity	11,389.5	11,011.2	378.3	3.4

Analysis of assets

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

As of 31 December 2014, the company and its subsidiary had total assets of Baht 24,627.3 Million, increasing from the last year by Baht 102.1 million as compared to that in 2013 due to the rise in other long term investments by Baht 106.8 million in the company and its subsidiary.



Analysis of liabilities

The liabilities of the company and its subsidiaries were mainly composed of the Long-term loans and current portion of the Long-term loans. As of 31 December 2014, the company and its subsidiaries had the total liabilities by Baht 13,237.8 million decreasing by Baht 276.2 million as compared to that in 2013. Given the repayment in long-term loan amounts of 750 million baht, the company's tax payable amounts decline by 93.1 million baht. While trade and others payables increased by 519.6 million baht from the construction costs of a new treatment plant.

Analysis of shareholders' equity

As of 31 December 2014, the shareholders' equity was recorded at 11,389.5 Million Baht, rising by Baht 378.3 Million from the last year. In 2014, the company gained the net profit of Baht 2,973.9 Million and paid dividend of 2,593.2 Million Baht.

Analysis of cash flows

Cash Flows from Operating Activities

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

In 2013, the company and its subsidiaries had the net cash flow for operating activities of Baht 3,279.2 million decreasing from the last year by Baht 105.1 million or 3.1%. This was because the company and its subsidiaries recorded the operating profit of Baht 451.1 million, the rise in the profit for investment in associated and the profit sharing for Baht 159.1 million, the increase in liabilities of Baht 363.5 million and the increasing income tax and interest expense of Baht 470.6 million.

In 2014, the company and subsidiaries had the net cash flow for operating activities of Baht 3,638.6 increasing from the last year by Baht 359.4 million or 11.0%. Because the company's tax payment decreased of Baht 340.6 million.

Cash Flows from Investment Activities

In 2012, the company and its subsidiaries had the cash flow from 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 long-term investment by (200.0) Million Baht.

In 2013, the company and its subsidiaries recorded the cash flow from 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 concession by increasingly Baht 187.1 million, advanced payment for land of increasingly Baht 90.4 million and the rise in its current investment of Baht 491.8 million.

In 2014, the company and its subsidiaries recorded the cash flow from investment activities of 1,306.0 million Baht, increased from the last year 204.6 million Baht or 18.6%. The company and subsidiary companies had an increment of 963.2 million baht from additional current investments, 18.3 million baht from operating assets in the contract with government, and 59.9 million baht from operating assets for tap water production that would be transferred at the end of concession. While there were declined amounts of 600 million baht from long-term investments, 90.4 million baht from land advanced payment, 151.4 million baht from property, plant and equipment

Cash Flows from Financing Activities

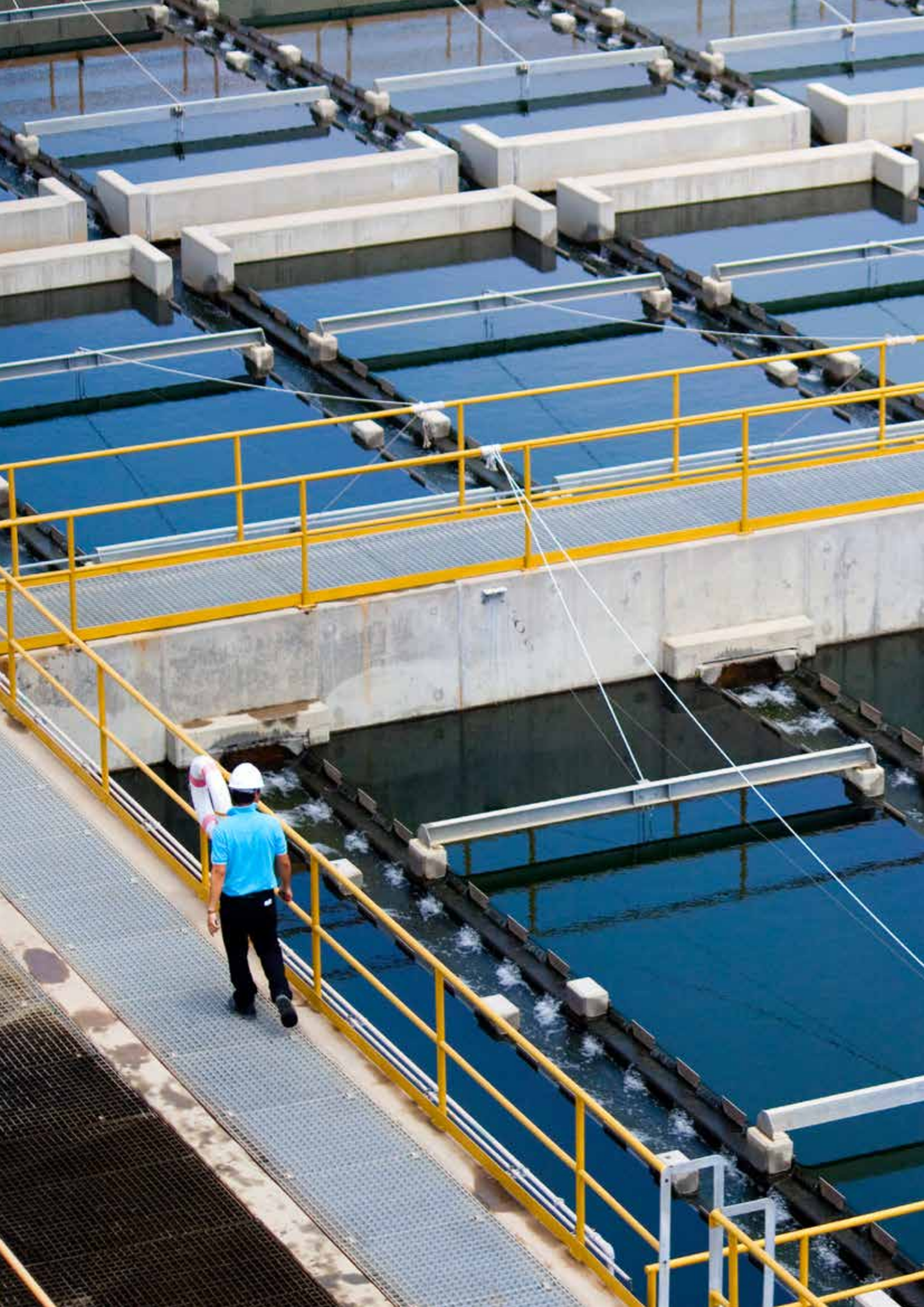
In 2012, the company and its subsidiaries had the cash flow from financing activities of (392.6) Million Baht due to bond redemption of (3,500) Million Baht and a new bond issue of 3,495.7 Million Baht., an increase of long-term loan from financial institution of 2,287.2 and dividend payment of (1,874.8) Million Baht.

In 2013, the company and its subsidiaries recorded the cash flow from financing activities of (2,706.7) Million Baht decreasing from the year of 2012. This was due to the dividend payment of (2,194.1) Million Baht in 2013 and the debenture issuing of Baht 490 million.

In 2014, the company and its subsidiaries recorded the cash flow from financing activities (3,282.8) million Baht, increasing from last of 2013. This was due to the dividend payment of (2,593.2) Million Baht in 2013 and the debenture issuing of Baht 675.0 million.

Audit Fee

In 2014, according to the resolution of the 2014 Annual Meeting of Shareholders on 14 March 2014, 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 2013.





Financial Statements

Statement of financial position

TTW Public Company Limited and its subsidiaries

(Formerly known as “Thai Tap Water Supply Public Company Limited”)

As at 31 December 2014

(Unit: Baht)

Consolidated financial statements					Separate financial statements		
Note	31 December 2014	31 December 2013	1 January 2013	31 December 2014	31 December 2013	1 January 2013	
Assets							
Current assets							
Cash and cash equivalents	8	1,197,907,493	2,148,024,596	2,676,865,367	904,357,402	1,642,676,136	2,098,390,696
Current investments	9	5,276,839,353	3,679,041,489	3,096,567,482	4,892,497,268	3,679,041,489	3,096,567,482
Trade and other receivables	10	528,975,171	539,933,986	452,063,407	372,801,284	380,457,320	295,968,223
Current portion of long-term loans to related party and interest receivable	7	-	-	-	310,389,110	311,208,091	311,163,219
Raw materials and supplies	12	21,368,950	22,189,628	23,643,137	11,106,616	12,112,412	15,007,441
Other current assets		56,206,693	28,007,158	57,362,109	47,484,637	15,035,547	49,046,961
Total current assets		7,081,297,660	6,417,196,857	6,306,501,502	6,538,636,317	6,040,530,995	5,866,144,022
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	-	-	-	1,162,500,000	1,472,500,000	1,782,500,000
Investments in subsidiaries	13	-	-	-	3,023,764,292	3,245,258,440	3,466,752,588
Investment in associate	14	3,011,759,111	2,904,995,995	2,771,312,856	2,756,080,010	2,756,080,010	2,766,100,000
Property, plant and equipment	15	678,469,535	709,125,363	585,551,168	613,412,779	640,974,484	515,785,131
Assets for production of treated water	16	520,549,043	-	-	520,549,043	-	-
Assets for production of treated water under agreements with public sector agency:							
Assets that are owned by the Company	17	7,617,869,564	7,931,142,885	8,284,314,846	7,617,869,564	7,931,142,885	8,284,314,846
Assets that must be transferred at end of concession of subsidiary	18	2,751,119,116	2,851,788,267	3,088,456,680	-	-	-
Rights to produce and sell treated water and treat waste water from private sector agency	19	1,224,160,260	1,267,117,647	1,304,160,808	1,224,160,260	1,267,117,647	1,304,160,808
Rights to produce and sell treated water from business acquisition	20	1,714,412,300	1,909,358,691	2,104,305,081	-	-	-
Intangible assets	21	8,028,701	9,687,544	11,346,387	-	-	-
Deferred tax assets	29	1,604,034	1,378,479	1,125,297	-	-	-
Advance for land		-	90,400,000	-	-	90,400,000	-
Advance payment for assets for production of treated water that must be transferred at end of concession		-	21,510,000	-	-	-	-
Other non-current assets		18,078,057	11,510,656	14,443,749	13,144,021	5,924,067	8,493,321
Total non-current assets		17,546,049,721	18,108,015,527	18,365,016,872	17,609,379,533	17,609,397,533	18,128,106,694
Total assets		24,627,347,381	24,525,212,384	24,671,518,374	23,649,928,528	23,649,928,528	23,994,250,716

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

Statement of financial position (continued)

TTW Public Company Limited and its subsidiaries

(Formerly known as “Thai Tap Water Supply Public Company Limited”)

As at 31 December 2014

(Unit: Baht)

Consolidated financial statements					Separate financial statements		
Note	31 December 2014	31 December 2013	1 January 2013	31 December 2014	31 December 2013	1 January 2013	
Liabilities and shareholders' equity							
Current liabilities							
Trade and other payables	22	652,577,474	133,023,726	110,122,682	544,675,801	74,888,175	81,740,220
Current portion of long-term loans							
from financial institutions	23	750,000,000	510,000,000	490,000,000	750,000,000	510,000,000	490,000,000
Current portion of debentures	24	-	1,700,000,000	-	-	1,700,000,000	-
Income tax payable		69,535,729	162,578,620	159,374,662	-	97,008,241	84,500,360
Accrued interest		107,299,587	138,343,585	139,717,275	107,299,586	138,343,586	139,717,275
Other current liabilities		61,182,068	63,389,342	82,844,671	41,666,905	42,919,182	53,972,316
Total current liabilities		1,640,594,858	2,707,335,273	982,059,290	1,443,642,292	2,563,159,184	849,930,171
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	23	6,215,000,000	5,430,000,000	5,940,000,000	6,215,000,000	5,430,000,000	5,940,000,000
Debentures, net of current portion	24	5,294,365,242	5,292,804,018	6,990,471,485	5,294,365,242	5,292,804,018	6,990,471,485
Provision for long-term employee							
benefits	25	22,354,466	18,490,920	14,780,026	12,230,187	8,384,186	6,577,096
Deferred tax liabilities	29	65,443,479	65,409,327	83,815,892	50,858,144	50,117,496	66,227,699
Total non-current liabilities		11,597,163,187	10,806,704,265	13,029,067,403	11,577,453,573	10,786,305,700	13,008,276,280
Total liabilities		13,237,758,045	13,514,039,538	14,011,126,693	13,021,095,865	13,349,464,884	13,858,206,451

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

Statement of financial position (continued)

TTW Public Company Limited and its subsidiaries

(Formerly known as “Thai Tap Water Supply Public Company Limited”)

As at 31 December 2014

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 December 2014	31 December 2013	1 January 2013	31 December 2014	31 December 2013	1 January 2013
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	26 399,000,000	399,000,000	399,000,000	399,000,000	399,000,000	399,000,000
Appropriated - other reserve	27 1,171,411,333	935,527,729	723,128,286	1,171,411,333	935,527,729	723,128,286
Unappropriated	3,786,648,430	3,642,111,050	3,475,162,362	2,250,839,487	2,338,166,314	2,386,146,378
Other components of shareholders' equity	(633,123,374)	(629,289,864)	(600,362,866)	-	-	-
Equity attributable to owners of the Company	11,351,705,990	10,975,118,516	10,624,697,383	10,449,020,421	10,300,463,644	10,136,044,265
Non-controlling interests of the subsidiaries	37,883,346	36,054,330	35,694,298	-	-	-
Total shareholders' equity	11,389,589,336	11,011,172,846	10,660,391,681	10,449,020,421	10,300,463,644	10,136,044,265
Total liabilities and shareholders' equity	24,627,347,381	24,525,212,384	24,671,518,374	23,470,116,286	23,649,928,528	23,994,250,716

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



Statement of comprehensive income

TTW Public Company Limited and its subsidiaries

(Formerly known as “Thai Tap Water Supply Public Company Limited”)

For the year ended 31 December 2014

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit or loss:				
Revenues				
Sales of treated water to public sector agency:				
Sale of treated water - minimum offtake quantities	4,757,743,229	4,532,867,595	3,265,367,728	3,069,400,095
Sale of treated water - above minimum offtake quantities	339,500,396	386,858,522	176,165,777	183,220,003
Sales of treated water to private sector agencies	175,010,139	156,352,392	175,010,139	156,352,392
Total sales of treated water	30 5,272,253,764	5,076,078,509	3,616,543,644	3,408,972,490
Service income	110,542,151	106,348,166	36,544,021	32,727,228
Interest income	92,820,312	107,557,886	162,035,630	189,637,780
Dividend income	13 -	-	714,756,572	1,105,414,902
Gain on sales of investment in associate	14 -	113,076,250	-	2,979,997
Other income	29 146,502,018	386,771,625	153,477,518	37,120,946
Total revenues	5,622,118,245	5,789,832,436	4,683,357,385	4,776,853,343
Expenses				
Cost of sales of treated water and service	1,535,081,715	1,550,261,485	911,516,358	899,672,348
Administrative expenses	246,426,806	341,668,353	199,115,130	273,706,615
Amortisation of investments in subsidiaries	13 -	-	221,494,148	221,494,148
Amortisation of rights to produce and sell treated water and treat waste water from private sector agency	19 42,957,387	37,043,161	42,957,387	37,043,161
Amortisation of rights to produce and sell treated water from business acquisition	20 194,946,391	194,946,391	-	-
Total expenses	2,019,412,299	2,123,919,390	1,375,083,023	1,431,916,272
Profit before share of profit from investment in associate, finance cost and income tax expenses	3,602,705,946	3,665,913,046	3,308,274,362	3,344,937,071
Share of profit from investment in associate	14 110,596,627	62,533,873	-	-
Profit before finance cost and income tax expenses	3,713,302,573	3,728,446,919	3,308,274,362	3,344,937,071
Finance cost	(566,107,802)	(614,748,724)	(565,484,323)	(613,800,039)
Profit before income tax expenses	3,147,194,771	3,113,698,195	2,742,790,039	2,731,137,032
Income tax expenses	29, 30 (156,864,956)	(316,530,710)	(740,647)	(171,818,331)
Income tax expenses of prior year	29 -	(200,482,662)	-	(200,482,662)
Profit for the year	2,990,329,815	2,596,684,823	2,742,049,392	2,358,836,039
Other comprehensive income:				
Unrealised loss from cash flow hedges	-3,833,510	-28,926,998	-	-
Other comprehensive income for the year	(3,833,510)	(28,926,998)	-	-
Total comprehensive income for the year	2,986,496,305	2,567,757,825	2,742,049,392	2,358,836,039
Profit attributable to:				
Equity holders of the Company	2,973,913,599	2,573,764,791	2,742,049,392	2,358,836,039
Non-controlling interests of the subsidiaries	16,416,216	22,920,032		
	2,990,329,815	2,596,684,823		
Total comprehensive income attributable to:				
Equity holders of the Company	2,970,080,089	2,544,837,793		
Non-controlling interests of the subsidiaries	16,416,216	22,920,032	2,742,049,392	2,358,836,039
	2,986,496,305	2,567,757,825		
Earnings per share	31			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.75	0.65	0.69	0.59

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

Cash flows statement

TTW Public Company Limited and its subsidiaries

(Formerly known as “Thai Tap Water Supply Public Company Limited”)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	3,147,194,771	3,113,698,195	2,742,790,039	2,731,137,032
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	652,148,340	659,262,038	369,186,235	371,872,727
Amortisation of investments in subsidiaries	-	-	221,494,148	221,494,148
Amortisation of rights to produce and sell treated water and treat waste water from private sector agency	42,957,387	37,043,161	42,957,387	37,043,161
Amortisation of rights to produce and sell treated water from business acquisition	194,946,391	194,946,391	-	-
Loss (gain) on sales/written off of equipment	(760,255)	9,539,863	151,719	9,345,795
Gain on sales of investment in associate	-	(113,076,250)	-	(2,979,997)
Share of profit from investment in associate	(110,596,627)	(62,533,873)	-	-
Dividend income from subsidiary	-	-	(714,756,572)	(1,105,414,902)
Withholding tax deducted at source written off	3,168,426	2,402,587	-	2,402,587
Provision for long-term employee benefits	6,992,546	3,710,894	6,950,001	1,807,090
Interest expenses	565,526,385	613,834,329	565,484,323	613,800,039
Profit from operating activities before changes in operating assets and liabilities	4,501,577,364	4,458,827,335	3,234,257,280	2,880,507,680
Operating assets (increase) decrease				
Trade and other receivables	(5,521,797)	(29,418,740)	(8,005,595)	(26,082,247)
Raw materials and supplies	820,678	1,453,509	1,005,796	2,895,029
Other current assets	402,311	3,247,694	1,088,109	1,361,412
Other non-current assets	(5,230,980)	90,066	(5,176,482)	166,667
Operating liabilities increase (decrease)				
Trade and other payables	(6,242,357)	16,235,656	2,911,071	1,332,570
Other current liabilities	(57,467,376)	(19,781,613)	(56,512,379)	(11,379,418)
Cash paid for long-term employee benefits	(3,129,000)	-	(3,104,000)	-
Cash from operating activities	4,425,208,843	4,430,653,907	3,166,463,800	2,848,801,693
Cash paid for interest expenses	(595,009,160)	(612,875,485)	(594,967,098)	(612,841,195)
Cash paid for corporate income tax	(197,969,077)	(338,088,922)	(44,796,489)	(175,420,653)
Cash paid for corporate income tax of prior year	-	(200,482,662)	-	(200,482,662)
Cash received from withholding tax receivable	6,410,109	-	-	-
Net cash from operating activities	3,638,640,715	3,279,206,838	2,526,700,213	1,860,057,183

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

Cash flows statement (continued)

TTW Public Company Limited and its subsidiaries

(Formerly known as “Thai Tap Water Supply Public Company Limited”)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Increase in current investments	(1,580,782,217)	(617,595,001)	(1,196,440,132)	(617,595,001)
Decrease (increase) in other long-term investment	400,000,000	(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 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 the end of concession of subsidiary	-	(6,660,000)	-	-
Increase in property, plant and equipment	(5,588,163)	(157,002,758)	(4,897,643)	(152,101,254)
Increase in assets for production of treated water	(4,342,205)	-	(4,342,205)	-
Increase in assets for production of treated water under agreements with public sector agency - assets that are owned by the Company	(18,269,753)	-	(18,269,753)	-
Increase in assets for production of treated water that must be transferred at the end of concession of subsidiary	(99,857,821)	(43,029,460)	-	-
Proceeds from sales of equipment	2,864,486	290,000	2,369,159	-
Cash receipt from sales of investment in associate	-	12,999,987	-	12,999,987
Dividend received from subsidiary	-	-	714,756,572	1,105,414,902
Net cash from (used in) investing activities	(1,305,975,673)	(1,101,397,232)	3,175,998	368,318,634
Cash flows from financing activities				
Cash receipt from long-term loans	1,700,000,000	-	1,700,000,000	-
Repayment of long-term loans	(675,000,000)	(490,000,000)	(675,000,000)	(490,000,000)
Repayment of debentures	(1,700,000,000)	-	(1,700,000,000)	-
Dividend payment	(2,593,194,945)	(2,194,090,377)	(2,593,194,945)	(2,194,090,377)
Dividend payment for non-controlling interests of the subsidiary	(14,587,200)	(22,560,000)	-	-
Net cash used in financing activities	(3,282,782,145)	(2,706,650,377)	(3,268,194,945)	(2,684,090,377)
Net decrease in cash and cash equivalents	(950,117,103)	(528,840,771)	(738,318,734)	(455,714,560)
Cash and cash equivalents at beginning of year	2,148,024,596	2,676,865,367	1,642,676,136	2,098,390,696
Cash and cash equivalents at end of year	1,197,907,493	2,148,024,596	904,357,402	1,642,676,136
Supplemental cash flows information				
Non-cash transactions				
Dividend payable	297,670	326,283	297,670	326,283
Accounts receivable from securities trading	16,480,612	25,722,292	16,480,612	25,722,292
Accounts payable from securities trading	535,035	9,398,702	535,035	9,398,702
Increase in property, plant and equipment from construction payable	-	1,134,660	-	1,134,660
Increase in assets for production of treated water from construction payable	435,555,000	-	435,555,000	-
Increase in assets for production of treated water that must be transferred at end of concession of subsidiary from construction payable	55,065,000	-	-	-
Transfer advance payment for assets for production of treated water that must be transferred at end of concession of subsidiary to assets for production of treated water that must be transferred at end of concession of subsidiary	21,510,000	-	-	-
Transfer advance for land to land	90,400,000	-	90,400,000	-
Transfer construction in progress to assets for production of treated water	80,651,838	-	80,651,838	-
Transfer construction in progress to assets for production of treated water under agreements with public sector agency that are owned by the Company	25,109,280	-	25,109,280	-
Transfer construction in progress to other non-current assets	2,043,472	-	2,043,472	-

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

Statement of changes in shareholders' equity

TTW Public Company Limited and its subsidiaries

(Formerly known as “Thai Tap Water Supply Public Company Limited”)

For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity			Total equity attributable to owners of the Company	Equity attributable to non-control-ling interests of the subsidiaries	Total shareholders' equity	
			Appropriated - statutory reserve		Appropriated - other reserve	Unappropriated	Other comprehensive income	Difference on reorganisa-tion of business of group of companies				Total other components of share-holders' equity
Balance as at 31 December 2012	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 34)	-	-	-	-	(2,194,416,660)	-	-	-	(2,194,416,660)	-	(2,194,416,660)	
Profit for the year	-	-	-	-	2,573,764,791	-	-	-	2,573,764,791	22,920,032	2,596,684,823	
Other comprehensive income for the year	-	-	-	-	-	(28,926,998)	-	(28,926,998)	(28,926,998)	-	(28,926,998)	
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 27)	-	-	-	212,399,443	(212,399,443)	-	-	-	-	-	-	
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	(22,560,000)	(22,560,000)	
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	
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	
Dividend paid (Note 34)	-	-	-	-	(2,593,492,615)	-	-	-	(2,593,492,615)	-	(2,593,492,615)	
Profit for the year	-	-	-	-	2,973,913,599	-	-	-	2,973,913,599	16,416,216	2,990,329,815	
Other comprehensive income for the year	-	-	-	-	-	(3,833,510)	-	(3,833,510)	(3,833,510)	-	(3,833,510)	
Total comprehensive income for the year	-	-	-	-	2,973,913,599	(3,833,510)	-	(3,833,510)	2,970,080,089	16,416,216	2,986,496,305	
Unappropriated retained earnings transferred to other reserve (Note 27)	-	-	-	235,883,604	(235,883,604)	-	-	-	-	-	-	
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	(14,587,200)	(14,587,200)	
Balance as at 31 December 2014	3,990,000,000	2,637,769,601	399,000,000	1,171,411,333	3,786,648,430	(32,760,508)	(600,362,866)	(633,123,374)	11,351,705,990	37,883,346	11,389,589,336	

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

Statement of changes in shareholders' equity (continued)

TTW Public Company Limited and its subsidiaries

(Formerly known as "Thai Tap Water Supply Public Company Limited")

For the year ended 31 December 2014

(Unit: Baht)

Separate financial statements						
	Retained earnings					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings			
			Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated	
Balance as at 31 December 2012	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 34)	-	-	-	-	(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 27)	-	-	-	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
Balance as at 31 December 2013	3,990,000,000	2,637,769,601	399,000,000	935,527,729	2,338,166,314	-
Dividend paid (Note 34)	-	-	-	-	(2,593,492,615)	(2,593,492,615)
Total comprehensive income for the year	-	-	-	-	2,742,049,392	2,742,049,392
Unappropriated retained earnings transferred to other reserve (Note 27)	-	-	-	235,883,604	(235,883,604)	-
Balance as at 31 December 2014	3,990,000,000	2,637,769,601	399,000,000	1,171,411,333	2,250,839,487	10,449,020,421

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

Notes to consolidated financial statements

TTW Public Company Limited and its subsidiaries

(Formerly known as “Thai Tap Water Supply Public Company Limited”)

For the year ended 31 December 2014

1. General information

TTW Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Mitsui Water Holdings (Thailand) Company Limited, which was 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.

On 18 March 2014, the Company registered the change of the Company’s name from “Thai Tap Water Supply Public Company Limited” to “TTW Public Company Limited” with the Ministry of Commerce.

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 TTW Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014 (%)	2013 (%)
Pathum Thani Water Company Limited	Production and sale of treated water in Pathumthani	Thailand	98.0	98.0
Thai Water Operations Company Limited (%31.5 held by Pathum Thani Water Company Limited)	Operating and maintenance of water supply project	Thailand	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 financial reporting standards

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

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements, except as follows.

TFRIC 12 Service Concession Arrangements

This TFRIC gives guidance on 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 as rights a financial asset or an intangible asset, depending on the conditions of the service concession arrangement. The interpretation applies to public-to-private service concession arrangements, particularly concessions that meet both of two criteria: (1) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and (2) the grantor controls-through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.



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. The interpretation requires an assessment of whether the arrangement meets both of two criteria: (1) fulfilment of the conditions of the arrangement depends on the use of a particular asset or assets; and (2) the arrangement conveys a right to use the asset(s).

Analysis

The Company's management analysed the conditions of the agreements and arrangements that the Company and its subsidiary, which are private entities, entered into with the public sector agencies regarding operation of treated water business. These are the concessions to operate treated water business granted by the Ministry of Natural Resources and Environment and Ministry of Interior, and the agreements with the Provincial Waterworks Authority (PWA), and management took into consideration that the relevant government agencies had only overall authority over the treated water business and assets of the treated water production plants, while the Company and its subsidiary retained rights and control over the utilisation of the assets of the treated water production plants. Furthermore, the management believes that the minimum offtake quantities, the expansion of production capacity, the negotiations concerning minimum offtake quantities and the price for buying and selling of water, and the sales of water to other customers, together with the minimum offtake quantities under the Water Purchase Agreement made with the PWA, are in substance the reservation of an amount of production capacity that varies with each period of the agreements. There remain uncertainties regarding the Company and its subsidiary's production of treated water, as it could be affected by several factors, such as the quantity of raw water available, natural disaster, and damage to machinery and electrical systems, which would result in the Company and its subsidiary being unable to produce the minimum offtake quantities of treated water stipulated.

Given the above conditions, the management concluded that the Company and its subsidiary retained rights and control over the utilisation of the assets of the treated water production plants. Moreover, the risks and rewards of ownership of such assets remain with the Company and its subsidiary. Thus, the arrangements into which the Company and its subsidiary entered with public sector agencies regarding operation of treated water business do not meet the criteria under, and are outside the scope of TFRIC 12. However, the arrangements under the Water Purchase Agreements are agreements having elements of an operating lease, in accordance with TFRIC 4.

Moreover, because the interpretation of the substance of the arrangements and related agreements requires management to use a considerable amount of judgement, the management of the Company and its subsidiary consulted with relevant parties, including the auditor of the Company and its subsidiary.

The impact of the adoption of these financial reporting standard interpretations by the Company and its subsidiary is disclosed in Note 4 to the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognise actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognising those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

4. Cumulative effect to the adoption of new financial reporting standard

(a) During the current year, the Company and its subsidiary have adopted new financial reporting standards relating to TFRIC 12 Service Concession Arrangements and TFRIC 4 Determining whether an Arrangement contains a Lease, as described in Note 3 (a) to the financial statements. These changes had no effect to previously reported profit or loss or shareholders' equity but resulted in the following reclassifications.

- Separate presentation of the assets used for production of treated water under agreements with public sector agency in the statement of financial position.



- Reclassification of sales of treated water to public sector agency into two types, presented separately in the statement of comprehensive income. These are sales of treated water - minimum offtake quantities (per the agreement with public sector agency that has element of operating leases) and sales of treated water - above minimum offtake quantities.

(Unit: Thousand Baht)

Consolidated financial statements				
	As at 31 December 2013		As at 1 January 2013	
	As reclassified	As previously reported	As reclassified	As previously reported
Statement of financial position				
Property, plant and equipment	709,125	8,640,268	585,551	8,869,866
Assets for production of treated water that must be transferred at end of concession	-	2,851,788	-	3,088,457
Assets for production of treated water under agreements with public sector agency:	7,931,143	-	8,284,315	-
Assets that are owned by the Company				
Assets that must be transferred at end of concession of subsidiary	2,851,788	-	3,088,457	-

(Unit: Thousand Baht)

Separate financial statements				
	As at 31 December 2013		As at 1 January 2013	
	As reclassified	As previously reported	As reclassified	As previously reported
Statement of financial position				
Property, plant and equipment	640,974	8,572,117	515,785	8,800,100
Assets for production of treated water under agreements with public sector agency:				
Assets that are owned by the Company	7,931,143	-	8,284,315	-

(Unit: Thousand Baht)

For the year ended 31 December 2013				
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Statement of comprehensive income				
Sales of treated water	-	5,076,079	-	3,408,972
Sales of treated water to public sector agency:				
Sales of treated water - minimum offtake quantities	4,532,868	-	3,069,400	-
Sales of treated water - above minimum offtake quantities	386,859	-	183,220	-
Sales of treated water to private sector agencies	156,352	-	156,352	-

(b) As described in Note 3 (a) regarding the effect of the adoption of the new financial reporting standards on the financial statements, which may cause issue as a result of the different interpretations under the new and existing accounting standards. Since the agreements contain condition regarding minimum offtake quantities, it could be interpreted that in substance the arrangements and agreements of the Company and its subsidiary are under the scope of TFRIC 12, that the minimum offtake quantities from PWA should be regarded as compensation that the Company and its subsidiary receive from PWA for their investment in construction, and such considerations received may be interpreted to be financial assets because the Company and its subsidiary have the right to receive cash compensation under the agreements. Nevertheless, the management's view is that there remains a risk that the Company and its subsidiary will not receive the cash compensation. Since the agreements with PWA contain a clause specifying minimum offtake quantities, the amount of compensation to be received by the Company and its subsidiary under the agreements should depend on their readiness and capacity to produce water in the future. Consequently, it is still uncertain whether the Company and its subsidiary will receive cash inflows from the minimum offtake quantities in accordance with the agreements, i.e. if the Company and its subsidiary were unable to produce the minimum offtake quantities of treated water stipulated in the agreements due to e.g. a raw water shortage or flooding, they would not receive the compensation.

An interpretation that these arrangements and agreements of the Company and its subsidiary are within the scope of TFRIC 12, and that the considerations to be received should be recognised as financial assets, would differ from the current interpretations of the Company and its subsidiary, and this would impact the financial statements. Specifically, the assets used in the production of treated water which are currently recorded at cost less accumulated depreciation would be restated as accounts receivable, i.e. financial assets, and valued at amortised cost. And the effect will be to increase the consolidated balance of retained earnings as at 31 December 2013 by Baht 8,936 million (Separate financial statements: Baht 4,750 million) and increase profit of the Company and its subsidiary for the year ended 31 December 2014 by Baht 81 million (Separate financial statements: Baht 230 million).

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

$$\begin{array}{lcl} \text{Net assets for production} & = & \text{Total assets for production of treated water that must be} \\ \text{of treated water that must be} & & \text{transferred at end of concession - Accumulated} \\ \text{transferred at end of concession} & & \text{amortisation as at the beginning of the period} \\ \text{as at the beginning of the period} & & \end{array}$$

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:

$$\begin{array}{lcl} \text{Amortisation for the period} & = & \text{Net rights to produce and sell treated water as at the} \\ & & \text{beginning of period x Percentage of treated water} \\ & & \text{produced in the period} \end{array}$$

$$\begin{array}{lcl} \text{Percentage of treated water} & = & \text{Current period's actual production of treated water} \\ \text{produced in the period} & & \frac{\text{(Actual production of treated water for the period +}} \\ & & \text{Projected total production of treated water over}} \\ & & \text{the remaining term of operation rights)} \end{array}$$

$$\begin{array}{lcl} \text{Net rights to produce and sell} & = & \text{Total rights to treated water - Accumulated amortisation} \\ \text{treated water as at} & & \text{as at the beginning of the period} \\ \text{beginning of the period} & & \end{array}$$

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:

$$\text{Amortisation for the period} = \text{Net rights to treat waste water as at the beginning of period} \times \text{Percentage of waste water treated in the period}$$

$$\text{Percentage of waste water treated in the period} = \frac{\text{Current period's actual treatment of waste water}}{(\text{Actual treatment of wasted water for the period} + \text{Projected total treatment of waste water over the remaining term of operation rights})}$$

$$\text{Net rights to treat waste water as at beginning of the period} = \text{Total rights to treat waste water} - \text{Accumulated amortisation as at the beginning of the period}$$

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 10 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 are 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 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.17 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.

5.18 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
	2014	2013	2014	2013	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Cost of sales and services	-	-	33	31	Contract price
Interest income	-	-	81	100	Minimum Loan Rate minus stipulated margin per annum
Management income	-	-	11	-	Based on contract
Rental income	-	-	-	1	Based on contract
Dividend income	-	-	715	1,105	As declared
Transactions with related parties					
Sales of treated water	25	-	25	-	Based on contract
Service income	2	-	2	-	Based on contract
Others income	-	2	-	-	Based on contract
Construction in progress	491	-	436	-	Based on contract

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other receivables - related parties (Note 10)				
Subsidiaries	-	-	963	-
Related companies (related by shareholders or committees)	5,077	5,779	5,077	5,779
	5,077	5,779	6,040	5,779
Trade and other payables - related parties (Note 22)				
Subsidiary	-	-	3,048	2,983
Related companies (related by shareholders or committees)	525,029	66	466,109	66
Total trade and other payables - related parties	525,029	66	469,157	3,049
Retention payable - subsidiary	-	-	5,000	5,000
	-	-	5,000	5,000

Long-term loans to related party

As at 31 December 2014 and 2013, the balance of long-term loans between the Company and a related party and the movement are as follows:

(Unit: Thousand Baht)

Company's name	Related by	Separate financial statements			
		Balance as at 1 January 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2014
Pathum Thani Water Company Limited	Subsidiary				
Loan		1,782,500	-	(310,000)	1,472,500
Interest receivable		1,208	80,717	(81,536)	389
Total		1,783,708	80,717	(391,536)	1,472,889

(Unit: Thousand Baht)

	Separate financial statements	
	2014	2013
Long-term loans to related party and interest receivable		
Pathum Thani Water Company Limited		
Loan	1,472,500	1,782,500
Interest receivable	389	1,208
Total	1,472,889	1,783,708
<u>Less:</u> Current portion and interest receivable	(310,389)	(311,208)
Long-term loans to related party, net of current portion	1,162,500	1,472,500

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 2014 and 2013, 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	
	2014	2013	2014	2013
Short-term employee benefits	53	73	39	52
Post-employment benefits	5	2	4	1
Termination benefits	-	6	-	5
Total	58	81	43	58

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	455	515	105	105
Bank deposits	1,197,452	2,147,510	904,252	1,642,571
Total	1,197,907	2,148,025	904,357	1,642,676

As at 31 December 2014, bank deposits in saving accounts and fixed deposits carried interests between 0.10% and 2.80% per annum (2013: between 0.125% and 4.000% per annum).

9. Current investments

The balances of current investments represent investments in trading securities and the 4 - 12 month fixed deposits, carrying interest between 1.550% and 5.625% per annum (2013: between 1.85% and 4.68% per annum).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Fixed deposits	3,633,409	2,325,796	3,249,067	2,325,796
	3,633,409	2,325,796	3,249,067	2,325,796
Investments in trading securities at fair value				
Government and state enterprise bonds	1,018,989	556,958	1,018,989	556,958
State enterprise securities	-	497,914	-	497,914
Private sector debt securities	413,336	193,623	413,336	193,623
Marketable equity securities	211,105	104,750	211,105	104,750
	1,643,430	1,353,245	1,643,430	1,353,245
Total current investments	5,276,839	3,679,041	4,892,497	3,679,041

10. Trade and other receivables

As at 31 December 2014 and 2013, 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 as at 31 December 2013 represented 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	
	2014	2013	2014	2013
Raw materials	5,746	5,565	3,175	2,811
Spare parts	15,623	16,625	7,932	9,301
Total	21,369	22,190	11,107	12,112

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	
	2014	2013	2014 (%)	2013 (%)	2014	2013	2014	2013
Thai Water Operations Company Limited	60,000	60,000	68.5	68.5	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	714,757	1,105,415
					4,698,310	4,698,310	714,757	1,105,415
<u>Less</u> : Accumulated amortisation of investments in subsidiaries					(1,654,546)	(1,433,051)	-	-
<u>Less</u> : Dividend received from income before purchase of shares					(20,000)	(20,000)	-	-
Total					3,023,764	3,245,259	714,757	1,105,415

During the first quarter of the year 2014, the Company received dividend from Pathum Thani Water Company Limited amounting to Baht 351 million, in accordance with a resolution of the Annual General Meeting of Pathum Thani Water Company Limited held on 7 March 2014.

During the third quarter of the year 2014, the Company received dividend from Pathum Thani Water Company Limited amounting to Baht 364 million, in accordance with a resolution of Board of Directors' meeting of Pathum Thani Water Company Limited held on 6 August 2014.

14. Investment in associate

14.1 Details of associate

(Unit: Thousand Baht)

Consolidated financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014 (%)	2013 (%)	2014	2013	2014	2013
CK Power Public Company Limited	Making investment in other companies	Thailand	25	25	2,756,080	2,756,080	3,011,759	2,904,996
Total					2,756,080	2,756,080	3,011,759	2,904,996

(Unit: Thousand Baht)

Separate financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on cost method	
			2014 (%)	2013 (%)	2014	2013	2014	2013
CK Power Public Company Limited	Making investment in other companies	Thailand	25	25	2,756,080	2,756,080	2,756,080	2,756,080
Total					2,756,080	2,756,080	2,756,080	2,756,080

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)

Consolidated financial statements		
Company's name	Share of profit from investment in associate during the year	
	2014	2013
CK Power Public Company Limited	110,597	62,534
Total	110,597	62,534

14.3 Fair value investment in listed associate

In respect of investment 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	
	2014	2013
CK Power Public Company Limited	4,895,000	3,245,000
Total	4,895,000	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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
CK Power Public Company Limited	5,500	5,500	49,325	50,526	23,222	25,054	7,025	5,679	472	249

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 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 Stock Exchange of Thailand, 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.

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Construction in progress	Building and building improvement	Furniture and office equipment	Motor vehicles	Tools
(Reclassified)						
Cost:						
1 January 2013	480,681	13,689	53,052	108,084	52,935	22,120
Additions	44,740	105,553	-	6,169	1,139	441
Disposals/ written off	-	(9,346)	-	(4,257)	(666)	(754)
Transfer in (out)	-	(92)	183	(2)	-	-
31 December 2013	525,421	109,804	53,235	109,994	53,408	21,807
Additions	90,400	-	884	4,246	5	453
Disposals/ written off	-	(2,000)	-	-	(9,760)	-
Transfer in (out)	-	(107,804)	-	-	-	-
31 December 2014	615,821	-	54,119	114,240	43,653	22,260
Accumulated depreciation:						
1 January 2013	-	-	10,971	81,423	32,442	20,174
Depreciation for the year	-	-	2,485	13,486	7,845	917
Depreciation on disposals/ written off	-	-	-	(3,802)	(666)	(731)
31 December 2013	-	-	13,456	91,107	39,621	20,360
Depreciation for the year	-	-	2,201	6,850	7,082	602
Depreciation on disposals/ written off	-	-	-	(417)	(9,239)	-
31 December 2014	-	-	15,657	97,540	37,464	20,962
Net book value:						
1 January 2013	480,681	13,689	42,081	26,661	20,493	1,946
31 December 2013	525,421	109,804	39,779	18,887	13,787	1,447
31 December 2014	615,821	-	38,462	16,700	6,189	1,298
Depreciation for the year						
2013 (Baht 10 million included in cost of sales of treated water and service, and the balance in administrative expenses)						
2014 (Baht 5 million included in cost of sales of treated water and service, and the balance in administrative expenses)						
						24,733
						16,735

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Construction in progress	Building and building improvement	Furniture and office equipment	Motor vehicles	Tools	Total
(Reclassified)							
Cost:							
1 January 2013	425,949	13,689	53,052	60,276	30,265	9,837	593,068
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	109,804	53,235	63,122	30,265	9,843	736,958
Additions	90,400	-	884	3,870	-	144	95,298
Disposals/ written off	-	(2,000)	-	-	(8,030)	-	(10,030)
Transfer in (out)	-	(107,804)	-	-	-	-	(107,804)
31 December 2014	561,089	-	54,119	66,992	22,235	9,987	714,422
Accumulated depreciation:							
1 January 2013	-	-	10,971	39,820	17,574	8,918	77,283
Depreciation for the year	-	-	2,485	10,766	4,934	516	18,701
31 December 2013	-	-	13,456	50,586	22,508	9,434	95,984
Depreciation for the year	-	-	2,201	5,773	4,341	219	12,534
Depreciation on disposals/ written off	-	-	-	-	(7,509)	-	(7,509)
31 December 2014	-	-	15,657	56,359	19,340	9,653	101,009
Net book value:							
1 January 2013	425,949	13,689	42,081	20,456	12,691	919	515,785
31 December 2013	470,689	109,804	39,779	12,536	7,757	409	640,974
31 December 2014	561,089	-	38,462	10,633	2,895	334	613,413
Depreciation for the year							
2013 (Baht 7 million included in cost of sales of treated water and service, and the balance in administrative expenses)							18,701
2014 (Baht 2 million included in cost of sales of treated water and service, and the balance in administrative expenses)							12,534

As at 31 December 2014, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 119 million (2013: Baht 84 million) (Separate financial statements: Baht 62 million, 2013: Baht 32 million).

16. Assets for production of treated water

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
	Construction in progress
Cost:	
1 January 2013	-
31 December 2013	-
Additions	439,897
Transfer in	80,652
31 December 2014	520,549

17. Assets for production of treated water under agreements with public sector agency - assets that are owned by the Company

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Water treatment plant and distribution treated water system	Construction in progress	Total
Cost:			
1 January 2013	10,799,223	-	10,799,223
31 December 2013	10,799,223	-	10,799,223
Additions	-	18,270	18,270
Transfer in	-	25,109	25,109
31 December 2014	10,799,223	43,379	10,842,602
Accumulated amortisation:			
1 January 2013	2,514,908	-	2,514,908
Amortisation for the year	353,172	-	353,172
31 December 2013	2,868,080	-	2,868,080
Amortisation for the year	356,652	-	356,652
31 December 2013	3,224,732	-	3,224,732
Net book value:			
1 January 2013	8,284,315	-	8,284,315
31 December 2013	7,931,143	-	7,931,143
31 December 2014	7,574,491	43,379	7,617,870
Amortisation for the year			
2013			353,172
2014			356,652

18. Assets for production of treated water under agreements with public sector agency - assets that must be transferred at end of concession of subsidiary

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land	Water treatment plant and distribution treated water system	Construction in progress	Total
Cost:				
1 January 2013	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
Additions	-	29,554	146,879	176,433
31 December 2014	418,088	6,001,215	189,908	6,609,211
Accumulated amortisation:				
1 January 2013	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
Amortisation for the year	17,117	259,985	-	277,102
31 December 2014	266,910	3,591,182	-	3,858,092
Net book value:				
1 January 2013	185,442	2,903,015	-	3,088,457
31 December 2013	168,295	2,640,464	43,029	2,851,788
31 December 2014	151,178	2,410,033	189,908	2,751,119
Amortisation for the year				
2013				279,698
2014				277,102

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.

19. Rights to produce and sell treated water and treat waste water from private sector agency

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2014	2013
Rights to produce and sell treated water and treat waste water from private sector agency	1,410,075	1,410,075
<u>Less:</u> : Accumulated amortisation of rights to produce and sell treated water and treat waste water from private sector agency	(185,915)	(142,957)
Rights to produce and sell treated water and treat waste water from private sector agency, net	1,224,160	1,267,118

20. Rights to produce and sell treated water from business acquisition

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Rights to produce and sell treated water from business acquisition	3,169,109	3,169,109
Less: : Accumulated amortisation of rights to produce and sell treated water from business acquisition	(1,454,697)	(1,259,750)
Rights to produce and sell treated water from business acquisition, net	1,714,412	1,909,359

21. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cost:	
1 January 2013	14,104
31 December 2013	14,104
31 December 2014	14,104
Accumulated amortisation:	
1 January 2013	2,758
Amortisation for the year	1,659
31 December 2013	4,417
Amortisation for the year	1,658
31 December 2014	6,075
Net book value:	
31 December 2013	9,687
31 December 2014	8,029

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - related party	-	-	2,966	2,901
Trade payables - unrelated parties	18,695	26,550	10,874	15,347
Amounts due to related parties	65	66	147	148
Amounts due to unrelated parties	21,655	3,818	6,678	2,116
Construction payable - related parties	524,964	-	466,044	-
Construction payable - unrelated parties	565	17,305	565	1,416
Retention payable for contract work - unrelated parties	2,170	3,640	1,850	3,175
Accounts payable from securities trading	1,911	1,376	1,911	1,376
Accrued expenses	82,552	80,269	53,641	48,409
Total trade and other payables	652,577	133,024	544,676	74,888

23. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated/ Separate financial statements	
			2014	2013
1.	MLR - a stipulated margin	Quarterly installments as from March 2010 to June 2019	960,000	1,110,000
2.	MLR - a stipulated margin	Quarterly installments as from December 2009 to September 2019	1,710,000	2,070,000
3.	The 6 - month fixed deposit rate + a stipulated margin	Repayment in full by 9 May 2020	2,760,000	2,760,000
4.	MLR - a stipulated margin	Quarterly installments as from June 2014 to December 2021	1,535,000	-
Total			6,965,000	5,940,000
<u>Less:</u> Current portion			(750,000)	(510,000)
Long-term loans, net of current portion			6,215,000	5,430,000

In February 2014, the Company entered into a loan agreement with a financial institution under which it borrowed Baht 1,700 million. This loan carries interest at the Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum and is to be repaid in quarterly installments from June 2014 to December 2021.

The loan agreements contain several covenants which, among other things, require the Company to maintain certain debt to equity ratio, net debt to EBITDA and EBITDA to interest ratio at the rate prescribed in the agreements.

24. Debentures

(Unit: Thousand Baht)

Debentures	Life	Date of issue	Maturity date	Interest rate (% per annum)	Consolidated/Separate financial statements	
					2014	2013
1.	5 years	26 February 2009	26 February 2014	4.75	-	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					5,300,000	7,000,000
<u>Less:</u> Current portion of debentures					-	(1,700,000)
<u>Less:</u> Deferred debenture issuing costs					(5,635)	(7,196)
Debentures, net of current portion					5,294,365	5,292,804

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 i.e. debt to equity ratio, net debt to EBITDA and EBITDA to interest ratio at the rate prescribed.

25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	18,491	14,780	8,384	6,577
Current service cost	3,845	3,099	2,570	1,544
Interest cost	705	612	369	263
Benefits paid during the year	(3,129)	-	(3,104)	-
Actuarial (gain) loss	(2,647)	-	790	-
Past service costs	5,090	-	3,221	-
Provision for long-term employee benefits at end of year	22,355	18,491	12,230	8,384

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	3,845	3,099	2,570	1,544
Interest cost	705	612	369	263
Actuarial (gain) loss recognised during the year	(2,647)	-	790	-
Past service costs recognised during the year	5,090	-	3,221	-
Total expense recognised in profit or loss	6,993	3,711	6,950	1,807
Line items in profit or loss under which such expenses are included				
Cost of sales of treated water and service	1,549	1,444	322	174
Administrative expenses	5,444	2,267	6,628	1,633

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014 (% per annum)	2013 (% per annum)	2014 (% per annum)	2013 (% per annum)
Discount rate	3.88 - 4.21	4.00	3.97	4.00
Future salary increase rate	5.0	1.5 - 7.0	5.0	5.0
Staff turnover rate (depending on age of employees)	0 - 18.0	0 - 14.0	0 - 9.0	0 - 14.0

The amounts of defined benefit obligation and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligations		Experience adjustments on the obligations	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	22,355	12,230	(3,487)	457
Year 2013	18,491	8,384	-	-
Year 2012	14,780	6,577	-	-
Year 2011	12,065	4,999	-	-
Year 2010	9,259	3,623	-	-

26. 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.

27. 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.

28. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Salaries, wages and other employee benefits	153,937	156,493	72,417	72,417
Depreciation and amortisation	375,046	379,564	371,873	371,873
Amortisation of assets for production				
of treated water that must be transferred at end of concession	277,102	279,698	-	-
Amortisation of investments in subsidiaries	-	-	221,494	221,494
Operating and maintenance expenses	-	-	33,162	31,462
Production and maintenance cost	771,008	762,515	470,892	458,181

29. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	157,057	335,191	-	187,929
Deferred tax:				
Relating to origination and reversal of temporary differences	(192)	(18,676)	741	(16,111)
Effects of the change in tax rate	-	16	-	-
Income tax expenses reported in the statement of comprehensive income	156,865	316,531	741	171,818

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before tax	3,147,195	3,113,698	2,742,790	2,731,137
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	629,439	622,740	548,558	546,227
Effects of the change in tax rate	-	16	-	-
Effects of:				
Promotional privileges (Note 30)	(491,345)	(238,632)	(450,174)	(191,576)
Non-deductible expenses	51,404	53,554	47,421	46,865
Additional expense deductions allowed	(11,185)	(8,893)	(11,076)	(8,615)
Exemption of income	-	(290,557)	(142,951)	(221,083)
Effect of elimination entry on the consolidated financial statements	(30,411)	178,303	-	-
Others	8,963	-	8,963	-
Total	(472,574)	(306,225)	(547,817)	(374,409)
Income tax expenses reported in the statement of comprehensive income	156,865	316,531	741	171,818

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

(Unit: Thousand Baht)

	Statements of financial position as at 31 December			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Provision for long-term employee benefits	4,471	3,698	2,446	1,677
Total	4,471	3,698	2,446	1,677
Deferred tax liabilities				
Accumulated amortisation - assets for production of treated water	(38,772)	(37,815)	(38,772)	(37,815)
Accumulated amortisation of rights to produce and sell treated water and treat waste water	(13,533)	(12,796)	(13,533)	(12,796)
Accumulated amortisation - assets for production of treated water that must be transferred at end of concession of subsidiary	(7,297)	(7,340)	-	-
Deferred debenture issuing costs	(999)	(1,183)	(999)	(1,183)
Fair value adjustment of assets for production of treated water that must be transferred at end of concession regarding business combination	(7,709)	(8,595)	-	-
Total	(68,310)	(67,729)	(53,304)	(51,794)

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.

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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 year 2013.

30. Promotional privileges

The Company received promotional privileges from the Board of Investment for production of treated water, pursuant to the investment 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 begin 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 begin generating revenues (30 June 2013).

The Company's operating revenues for the years ended 31 December 2014 and 2013, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
Sales of treated water	3,441,534	2,000,525	175,010	1,408,447	3,616,544	3,408,972

31. 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:

(Unit: Thousand Baht)

	Consolidated financial statements		Consolidated financial statements	
	2014	2013	2014	2013
Basic earnings per share				
Profit for the year (Thousand Baht)	2,973,914	2,573,765	2,742,049	2,358,836
Weighted average number of ordinary shares (Thousand shares)	3,990,000	3,990,000	3,990,00	3,990,000
Profit attributable to equity holders of the Company (Baht per share)	0.75	0.65	0.69	0.59

32. 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.

33. 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 at the rates of 5 - 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 2014, the Company and the subsidiaries contributed Baht 6 million (Separate financial statements: Baht 3 million) (2013: Baht 6 million, Separate financial statements: Baht 3 million) to the funds.

34. Dividend paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends from the earnings of the promoted operations for January to July 2012	Annual General Meeting of the shareholders 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 on 22 March 2013	957,536	0.24
Dividends from unappropriated retained earnings	Annual General Meeting of the shareholders 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
Dividends from the earnings of the promoted operations for July to December 2013	Annual General Meeting of the shareholders on 14 March 2014	877,796	0.220
Dividends from the earnings of the non-promoted operations for July to December 2013	Annual General Meeting of the shareholders on 14 March 2014	239,399	0.060
Dividends from unappropriated retained earnings	Annual General Meeting of the shareholders on 14 March 2014	279,298	0.070
Interim dividends from the earnings of the promoted operations for January to June 2014	Board of Directors Meeting on 14 August 2014	1,193,010	0.299
Interim dividends from the earnings of the non-promoted operations for January to June 2014	Board of Directors Meeting on 14 August 2014	3,990	0.001
Total dividends for 2014		2,593,493	0.650

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2014, the Company and its subsidiaries had capital commitments of Baht 3,022 million (Separate financial statements: Baht 2,645 million) relating to the construction of a water tank and area water supply capacity expansion project (2013: Baht 125 million (Separate financial statements: 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, the procurement and installation of water meter and electric transformers, and related engineering design works).

35.2 Service commitments

- a) The Company has entered into operation and maintenance agreements 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 agreements, the Company is to pay service fees at a rate stipulated in the agreements, which have an initial term of 1 year from 8 January 2010 and thereafter automatically renews each year for a further 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, which has an initial term of 1 year from 8 January 2010 and thereafter automatically renews each year for a further period of 1 year.
- c) Two subsidiaries have entered into management agreements with the Company, whereby the Company manages various functions of the subsidiaries, such as accounting, human resources and information technology. Under the conditions of the agreements, the subsidiaries are to pay service fees at a rate stipulated in the agreements, which have an initial term of 1 year from 1 January 2014 and thereafter automatically renews each year for a further period of 1 year.
- d) As at 31 December 2014, its subsidiaries had commitments totaling Baht 6 million (2013: Baht 7 million) under other service agreements.

35.3 Operating lease commitments

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

Future minimum lease payments required under this non-cancellable operating lease contract were as follows:

(Unit: Million Baht)

	Separate financial statements	
	2014	2013
Payable:		
In up to 1 year	1	-
In over 1 and up to 5 years	3	2
In over 5 years	10	10

35.4 Bank guarantees

As at 31 December 2014, there were outstanding bank guarantees of Baht 281 million (Separate financial statements: Baht 101 million) (2013: Baht 275 million (Separate financial statements: Baht 97 million)) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Guarantee under the Water Purchase Agreement with the Provincial Waterworks Authority	220	220	60	60
Guarantee electricity use	61	55	41	37
Total	281	275	101	97

35.5 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 Waterworks 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.

36. Financial instruments

36.1 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 2014

	Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	309	-	-	871	18	1,198	0.10 - 2.80
Current investments	5,066	-	-	-	211	5,277	1.550 - 5.625
Trade and other receivables	-	-	-	-	529	529	-
	5,375	-	-	871	758	7,004	
Financial liabilities							
Trade and other payables	-	-	-	-	653	653	-
Long-term loans	-	-	-	6,965	-	6,965	3.2125 - 4.8750
Debentures	-	3,297	1,997	-	-	5,294	4.40 - 5.35
	-	3,297	1,997	6,965	653	12,912	

(Unit: Million Baht)

As at 31 December 2013

	Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
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 2014							
	Separate financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	59	-	-	827	18	904	0.10 - 2.80
Current investments	4,681	-	-	-	211	4,892	1.550 - 5.625
Trade and other receivables	-	-	-	-	373	373	
Long-term loans to related party	-	-	-	1,473	-	1,473	-
	4,740	-	-	2,300	602	7,642	4.75 - 5.00
Financial liabilities							
Trade and other payables	-	-	-	-	545	545	-
Long-term loans	-	-	-	6,965	-	6,965	3.2125 - 4.8750
Debentures	-	3,297	1,997	-	-	5,294	4.40 - 5.35
	-	3,297	1,997	6,965	545	12,804	

(Unit: Million Baht)

As at 31 December 2013							
	Separate financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
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	

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.

36.2 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.

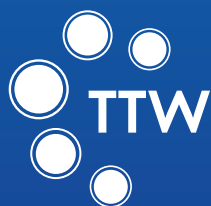
As at 31 December 2014, fair value of significant financial instruments are estimated to be close to the carrying amounts in the statements of financial position, with no material differences.

37. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 1.16:1 (2013: 1.23:1) and the Company's was 1.25:1 (2013: 1.30:1).

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2015.



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