

TTW Public Company Limited and its subsidiaries
Review report and interim consolidated financial statements
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TTW Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TTW Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TTW Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 8 November 2018

TTW Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		122,239	316,808	110,758	280,915
Current investments	4	2,566,250	2,359,470	2,162,174	1,744,712
Trade and other receivables	5	549,483	553,314	379,328	380,288
Current portion of long-term loans to related party and interest receivable	3	-	-	367,335	367,433
Raw materials and supplies		24,758	23,055	13,486	12,696
Other current assets		38,602	26,903	31,126	22,501
Total current assets		3,301,332	3,279,550	3,064,207	2,808,545
Non-current assets					
Long-term loans to related party, net of current portion	3	-	-	185,725	461,080
Investments in subsidiaries	6	-	-	2,193,010	2,358,675
Investment in associate	7	4,635,243	4,508,502	4,228,013	4,228,013
Other long-term investments		29,000	29,000	-	-
Property, plant and equipment	8	785,585	775,910	723,824	714,865
Assets for production of treated water with public sector agency:					
Assets that are owned by the Company	9	9,646,319	9,993,246	9,646,319	9,993,246
Assets that must be transferred at end of concession of subsidiary	10	2,018,939	2,270,108	-	-
Rights to produce and sell treated water and treat waste water from private sector agency	11	1,201,896	1,238,008	1,201,896	1,238,008
Rights to produce and sell treated water from business acquisition	12	982,257	1,128,553	-	-
Intangible assets		3,177	4,045	-	-
Deferred tax assets		4,524	3,615	-	-
Advance payment to subcontractor - related party	3	7,606	-	7,606	-
Other non-current assets		47,015	46,504	43,167	43,043
Total non-current assets		19,361,561	19,997,491	18,229,560	19,036,930
Total assets		22,662,893	23,277,041	21,293,767	21,845,475

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

TTW Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	13	171,759	127,841	118,542	88,315
Current portion of long-term loans	14	480,000	480,000	480,000	480,000
Current portion of debentures	15	1,500,000	1,000,000	1,500,000	1,000,000
Income tax payable		142,463	269,785	102,974	208,301
Accrued interest		80,602	100,018	80,602	100,018
Other current liabilities		90,295	68,680	68,588	46,507
Total current liabilities		2,465,119	2,046,324	2,350,706	1,923,141
Non-current liabilities					
Retention payable - subsidiary	3	-	-	5,000	5,000
Long-term loans, net of current portion	14	3,435,000	3,795,000	3,435,000	3,795,000
Debentures, net of current portion	15	4,895,456	5,395,118	4,895,456	5,395,118
Provision for long-term employee benefits		45,667	40,253	24,311	21,319
Deferred tax liabilities		126,139	122,440	97,289	90,586
Total non-current liabilities		8,502,262	9,352,811	8,457,056	9,307,023
Total liabilities		10,967,381	11,399,135	10,807,762	11,230,164

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

TTW Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
		3,990,000	3,990,000	3,990,000	3,990,000
3,990,000,000 ordinary shares of Baht 1 each					
Issued and fully paid-up					
		3,990,000	3,990,000	3,990,000	3,990,000
3,990,000,000 ordinary shares of Baht 1 each					
		2,637,770	2,637,770	2,637,770	2,637,770
Share premium					
Retained earnings					
		399,000	399,000	399,000	399,000
Appropriated - statutory reserve					
	16	1,691,231	1,691,231	1,691,231	1,691,231
Appropriated - other reserve					
		3,473,323	3,699,629	1,768,004	1,897,310
Unappropriated					
		(534,273)	(582,131)	-	-
Other components of shareholders' equity					
		11,657,051	11,835,499	10,486,005	10,615,311
Equity attributable to owners of the Company					
		38,461	42,407	-	-
Non-controlling interests of the subsidiaries					
		11,695,512	11,877,906	10,486,005	10,615,311
Total shareholders' equity					
		22,662,893	23,277,041	21,293,767	21,845,475
Total liabilities and shareholders' equity					
		-	-	-	-

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

.....
Directors
.....

(Unaudited but reviewed)

TTW Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2018

(Unit: Thousand Baht, except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit or loss:				
Revenues				
Sales of treated water to public sector agency:				
	1,272,804	1,261,120	859,128	848,103
	147,143	84,882	93,551	65,519
Sales of treated water to private sector agencies				
	53,611	54,942	53,611	54,942
Total sales of treated water				
	1,473,558	1,400,944	1,006,290	968,564
Service income				
	29,456	32,154	10,635	11,256
Interest income				
	2,495	3,661	8,578	13,551
Dividend income				
3	-	-	449,775	403,712
Other income				
	15,794	46,736	18,405	49,001
Total revenues				
	1,521,303	1,483,495	1,493,683	1,446,084
Expenses				
Cost of sales of treated water and services				
9, 10	439,028	400,779	253,483	233,634
Administrative expenses				
	57,514	60,796	47,120	47,875
Amortisation of investments in subsidiaries				
	-	-	55,828	55,828
Amortisation of rights to produce and sell treated water and treat waste water from private sector agency				
	13,621	14,046	13,621	14,046
Amortisation of rights to produce and sell treated water from business acquisition				
	49,137	47,657	-	-
Total expenses				
	559,300	523,278	370,052	351,383
Profit before share of profit from investment in associate, finance cost and income tax expenses				
	962,003	960,217	1,123,631	1,094,701
Share of profit from investment in associate				
	100,938	41,481	-	-
Profit before finance cost and income tax expenses				
	1,062,941	1,001,698	1,123,631	1,094,701
Finance cost				
	(92,461)	(112,298)	(92,461)	(112,298)
Profit before income tax expenses				
	970,480	889,400	1,031,170	982,403
Income tax expenses				
17	(158,549)	(150,095)	(116,447)	(117,037)
Profit for the period				
	811,931	739,305	914,723	865,366

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

(Unaudited but reviewed)

TTW Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the three-month period ended 30 September 2018

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Unrealised gain from cash flow hedges - net of income tax		8,509	17,516	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax		1,322	(978)	-	-
Other comprehensive income for the period		9,831	16,538	-	-
Total comprehensive income for the period		821,762	755,843	914,723	865,366
Profit attributable to:					
Equity holders of the Company		807,132	734,770	914,723	865,366
Non-controlling interests of the subsidiaries		4,799	4,535	-	-
		811,931	739,305		
Total comprehensive income attributable to:					
Equity holders of the Company		816,963	751,308	914,723	865,366
Non-controlling interests of the subsidiaries		4,799	4,535	-	-
		821,762	755,843		
Basic earnings per share	18				
Profit attributable to equity holders of the Company		0.20	0.18	0.23	0.22

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

(Unaudited but reviewed)

TTW Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht, except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit or loss:				
Revenues				
Sales of treated water to public sector agency:				
	3,776,907	3,742,239	2,549,368	2,516,655
	401,439	170,833	258,262	134,364
Sales of treated water to private sector agencies				
	157,206	153,489	157,206	153,489
Total sales of treated water				
	4,335,552	4,066,561	2,964,836	2,804,508
Service income				
	88,521	90,446	31,258	32,029
Interest income				
	8,004	10,581	29,012	43,087
Dividend income				
3, 6, 7	-	-	929,014	962,109
Other income				
	15,944	96,355	23,322	97,179
Total revenues				
	4,448,021	4,263,943	3,977,442	3,938,912
Expenses				
Cost of sales of treated water and services				
9, 10	1,288,485	1,155,811	757,052	682,491
Administrative expenses				
	180,452	180,759	142,216	142,972
Amortisation of investments in subsidiaries				
6	-	-	165,665	165,665
Amortisation of rights to produce and sell treated water and treat waste water from private sector agency				
11	39,713	37,017	39,713	37,017
Amortisation of rights to produce and sell treated water from business acquisition				
12	146,296	146,295	-	-
Total expenses				
	1,654,946	1,519,882	1,104,646	1,028,145
Profit before share of profit from investment in associate, finance cost and income tax expenses				
	2,793,075	2,744,061	2,872,796	2,910,767
Share of profit from investment in associate				
7	120,860	32,635	-	-
Profit before finance cost and income tax expenses				
	2,913,935	2,776,696	2,872,796	2,910,767
Finance cost				
	(279,700)	(297,144)	(279,700)	(297,144)
Profit before income tax expenses				
	2,634,235	2,479,552	2,593,096	2,613,623
Income tax expenses				
17	(452,384)	(480,436)	(328,402)	(356,401)
Profit for the period				
	2,181,851	1,999,116	2,264,694	2,257,222

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

(Unaudited but reviewed)

TTW Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the nine-month period ended 30 September 2018

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Unrealised gain from cash flow hedges - net of income tax		46,402	46,560	-	-
Gain on change in value of available-for-sale investments - net of income tax		1,456	2,908	-	-
Other comprehensive income for the period		47,858	49,468	-	-
Total comprehensive income for the period		2,229,709	2,048,584	2,264,694	2,257,222
Profit attributable to:					
Equity holders of the Company		2,167,694	1,986,154	2,264,694	2,257,222
Non-controlling interests of the subsidiaries		14,157	12,962		
		2,181,851	1,999,116		
Total comprehensive income attributable to:					
Equity holders of the Company		2,215,552	2,035,622	2,264,694	2,257,222
Non-controlling interests of the subsidiaries		14,157	12,962		
		2,229,709	2,048,584		
Basic earnings per share	18				
Profit attributable to equity holders of the Company		0.54	0.50	0.57	0.57

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

(Unaudited but reviewed)

TTW Public Company Limited and its subsidiaries**Cash flows statement****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	2,634,235	2,479,552	2,593,096	2,613,623
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	606,737	543,257	351,752	325,436
Allowance for doubtful accounts	7,917	-	4,033	-
Amortisation of investments in subsidiaries	-	-	165,665	165,665
Amortisation of rights to produce and sell treated water from business acquisition	146,296	146,295	-	-
Amortisation of rights to produce and sell treated water and treat waste water from private sector agency	39,713	37,017	39,713	37,017
Loss (gain) on sales/written-off of equipment	(788)	8	(795)	-
Share of profit from investment in associate	(120,860)	(32,635)	-	-
Dividend income	-	-	(929,014)	(962,109)
Written-off of withholding tax deducted at source	1,570	647	-	-
Provision for long-term employee benefits	5,414	5,701	2,992	3,919
Interest expenses	279,700	297,144	279,700	297,144
Profit from operating activities before changes in operating assets and liabilities	3,599,934	3,476,986	2,507,142	2,480,695
Operating assets (increase) decrease				
Trade and other receivables	(3,635)	(49,448)	(2,524)	(32,098)
Raw materials and supplies	(1,703)	(1,621)	(790)	(806)
Other current assets	(11,699)	2,849	(8,625)	5,301
Other non-current assets	(517)	1,165	(124)	1,178
Operating liabilities increase (decrease)				
Trade and other payables	27,378	(183,565)	13,687	(198,799)
Other current liabilities	21,615	34,442	22,081	34,340
Cash from operating activities	3,631,373	3,280,808	2,530,847	2,289,811
Cash paid for interest expenses	(297,675)	(313,769)	(297,675)	(313,769)
Cash paid for income tax	(578,480)	(601,881)	(427,026)	(433,892)
Net cash from operating activities	2,755,218	2,365,158	1,806,146	1,542,150

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

(Unaudited but reviewed)

TTW Public Company Limited and its subsidiaries**Cash flows statement (continued)**

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease (increase) in current investments	(190,783)	1,200,548	(401,465)	890,084
Decrease in long-term loans to related party	-	-	275,355	275,355
Increase in property, plant and equipment	(16,014)	(7,627)	(13,707)	(6,045)
Cash paid for capitalised interest	-	(45,656)	-	(45,656)
Increase in assets for production of treated water				
with public sector agency - assets that are owned by the Company	(93)	(400,193)	(93)	(400,193)
Increase in assets for production of treated water that must be transferred at the end of concession of subsidiary	(1,370)	-	-	-
Increase in rights to produce and sell treated water and treat waste water from private sector agency	(3,601)	(15,944)	(3,601)	(15,944)
Proceeds from sales of equipment	817	-	811	-
Dividend received from associate and subsidiary	41,977	111,939	929,014	962,109
Increase in advance payment to subcontractor - related party	(7,606)	-	(7,606)	-
Net cash from (used in) investing activities	(176,673)	843,067	778,708	1,659,710
Cash flows from financing activities				
Repayment of long-term loans	(360,000)	(817,500)	(360,000)	(817,500)
Cash received from debentures	998,897	-	998,897	-
Repayment of debentures	(1,000,000)	-	(1,000,000)	-
Dividend paid	(2,393,908)	(2,393,629)	(2,393,908)	(2,393,629)
Dividend paid for non-controlling interests of the subsidiary	(18,103)	(17,350)	-	-
Net cash used in financing activities	(2,773,114)	(3,228,479)	(2,755,011)	(3,211,129)
Net decrease in cash and cash equivalents	(194,569)	(20,254)	(170,157)	(9,269)
Cash and cash equivalents at beginning of period	316,808	246,287	280,915	196,870
Cash and cash equivalents at end of period	122,239	226,033	110,758	187,601
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Increase in dividend payable	92	249	92	249
Increase in accounts receivable from securities trading	(451)	(66,260)	(451)	(66,260)
Increase in accounts payable from securities trading	16,448	44,143	16,448	44,143
Portion of advance payment to subcontractor deducted from payment for equipment	-	1,244	-	1,244
Portion of advance payment to subcontractor deducted from payment for assets production of treated water with public sector agency	-	7,704	-	7,704
Transfer property, plant and equipment to (from) assets for production of treated water with public sector agency	(4,296)	7,700	(4,296)	7,700
Transfer property, plant and equipment to rights to produce and sell treated water and treat waste water from private sector agency	-	134,711	-	134,711
Transfer assets for production of treated water with public sector agency to rights to produce and sell treated water and treat waste water from private sector agency	-	(94)	-	(94)
Transfer assets for production of treated water with public sector agency to other non-current assets	-	(502)	-	(502)

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

(Unaudited but reviewed)

TTW Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Note	Issued and paid-up			Retained earnings			Other components of equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
		share capital	Share premium	Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated	Other comprehensive income						
							changes in value of available-for-sale investments	Unrealised gain (loss) from cash flow hedges	Difference on reorganisation of business of group companies	Total other components of shareholders' equity			
Balance as at 1 January 2017		3,990,000	2,637,770	399,000	1,691,231	3,432,943	4,974	(62,419)	(600,363)	(657,808)	11,493,136	42,254	11,535,390
Profit for the period		-	-	-	-	1,986,154	-	-	-	-	1,986,154	12,962	1,999,116
Other comprehensive income for the period		-	-	-	-	-	2,908	46,560	-	49,468	49,468	-	49,468
Total comprehensive income for the period		-	-	-	-	1,986,154	2,908	46,560	-	49,468	2,035,622	12,962	2,048,584
Dividend paid	20	-	-	-	-	(2,393,878)	-	-	-	-	(2,393,878)	-	(2,393,878)
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary		-	-	-	-	-	-	-	-	-	-	(17,350)	(17,350)
Balance as at 30 September 2017		3,990,000	2,637,770	399,000	1,691,231	3,025,219	7,882	(15,859)	(600,363)	(608,340)	11,134,880	37,866	11,172,746
Balance as at 1 January 2018		3,990,000	2,637,770	399,000	1,691,231	3,699,629	8,974	9,258	(600,363)	(582,131)	11,835,499	42,407	11,877,906
Profit for the period		-	-	-	-	2,167,694	-	-	-	-	2,167,694	14,157	2,181,851
Other comprehensive income for the period		-	-	-	-	-	1,456	46,402	-	47,858	47,858	-	47,858
Total comprehensive income for the period		-	-	-	-	2,167,694	1,456	46,402	-	47,858	2,215,552	14,157	2,229,709
Dividend paid	20	-	-	-	-	(2,394,000)	-	-	-	-	(2,394,000)	-	(2,394,000)
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary		-	-	-	-	-	-	-	-	-	-	(18,103)	(18,103)
Balance as at 30 September 2018		3,990,000	2,637,770	399,000	1,691,231	3,473,323	10,430	55,660	(600,363)	(534,273)	11,657,051	38,461	11,695,512

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

(Unaudited but reviewed)

TTW Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Separate financial statements							
	Note	Issued and		Retained earnings			Total shareholders' equity
		paid-up share capital	Share premium	Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated	
Balance as at 1 January 2017		3,990,000	2,637,770	399,000	1,691,231	1,590,866	10,308,867
Profit for the period		-	-	-	-	2,257,222	2,257,222
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	2,257,222	2,257,222
Dividend paid	20	-	-	-	-	(2,393,878)	(2,393,878)
Balance as at 30 September 2017		<u>3,990,000</u>	<u>2,637,770</u>	<u>399,000</u>	<u>1,691,231</u>	<u>1,454,210</u>	<u>10,172,211</u>
Balance as at 1 January 2018		3,990,000	2,637,770	399,000	1,691,231	1,897,310	10,615,311
Profit for the period		-	-	-	-	2,264,694	2,264,694
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	2,264,694	2,264,694
Dividend paid	20	-	-	-	-	(2,394,000)	(2,394,000)
Balance as at 30 September 2018		<u>3,990,000</u>	<u>2,637,770</u>	<u>399,000</u>	<u>1,691,231</u>	<u>1,768,004</u>	<u>10,486,005</u>

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

TTW Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2018

1. General information

1.1 The Company's 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.

The Company's registered office is at 30/130 Moo 12, Buddha Monthon 5 Road, Rai Khing, Sam Pran, Nakhon Pathom.

On 3 July 2018, a meeting of the Company's Board of Directors resolved to give the rectification to establishment of Myanmar Tap Water Company Limited ("MTW") by Thai Water Operations Company Limited ("TWO"), a subsidiary of the Company, and Z Corporation Company Limited ("Z Corp"), which was a legal entity established in the Republic of the Union of Myanmar and which was not a related party of the Company. The registered share capital of Myanmar Tap Water Company Limited was USD 12 million in which Thai Water Operations Company Limited, holds a 70 percent interest and Z Corporation Company Limited holds a 30 percent interest. Myanmar Tap Water Company Limited invested in the Tap Water Project in Mawlamyine, the Republic of the Union of Myanmar. The value of investment in the Project was approximately USD 15 million (equivalent to approximately Baht 486 million). At present, the project is in the process of being considered by relevant agencies.

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These consolidated interim financial statements include the financial statements of TTW Public Company Limited and its subsidiaries and are prepared on the same basis as the consolidated financial statements for the year ended 31 December 2017, with no structural changes related to subsidiaries occurring during the current period.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

3. Related party transactions

During the periods, 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: Thousand Baht)
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 30 September				
2018	2017	2018	2017		
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	6,959	10,992	Minimum Loan Rate minus stipulated margin per annum
Management income	-	-	3,900	3,900	Based on contract
Dividend income	-	-	449,775	403,712	As declared
Cost of sales and services	-	-	9,143	9,037	Based on contract
<u>Transactions with related parties</u>					
Sales of treated water	11,745	11,043	11,745	11,043	Based on contract
Service income	808	767	808	767	Based on contract
Cost of sales and services	837	228	837	228	Based on contract

					(Unit: Thousand Baht)
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the nine-month periods ended 30 September				
2018	2017	2018	2017		
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	23,615	35,541	Minimum Loan Rate minus stipulated margin per annum
Management income	-	-	11,700	11,700	Based on contract
Dividend income	-	-	887,037	850,170	As declared
Cost of sales and services	-	-	27,263	26,640	Based on contract
<u>Transaction with associate</u>					
Dividend income	-	-	41,977	111,939	As declared

(Unaudited but reviewed)

					(Unit: Thousand Baht)
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the nine-month periods ended 30 September				
2018	2017	2018	2017		
Transactions with related parties					
Sales of treated water	34,745	27,642	34,745	27,642	Based on contract
Service income	2,389	1,952	2,389	1,952	Based on contract
Construction in progress	-	362,545	-	362,545	Based on contract
Cost of sales and services	2,995	2,246	2,995	2,246	Based on contract

As at 30 September 2018 and 31 December 2017, the balances of the account between the Company and those related parties are as follows:

					(Unit: Thousand Baht)
	Consolidated		Separate		
	financial statements		financial statements		
	30 September	31 December	30 September	31 December	
2018	2017	2018	2017		
Trade and other receivables - related parties					
(Note 5)					
Subsidiaries	-	-	1,391	1,391	
Related companies (related by shareholders or committees)	4,508	8,194	4,508	8,194	
Total trade and other receivables - related parties	4,508	8,194	5,899	9,585	
Advance payment to subcontractor - related party					
Related company (related by committees)	7,606	-	7,606	-	
Total advance payment to subcontractor - related party	7,606	-	7,606	-	
Trade and other payables - related parties					
(Note 13)					
Subsidiary	-	-	3,270	3,157	
Related company (related by shareholders or committees)	522	241	522	241	
Total trade and other payables - related parties	522	241	3,792	3,398	
Retention payable - subsidiary					
	-	-	5,000	5,000	
	-	-	5,000	5,000	

(Unaudited but reviewed)

Long-term loans to related party

As at 30 September 2018 and 31 December 2017, the balance of long-term loans between the Company and a related party and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at			Balance as at
		1 January	During the period		30 September
Company's name	Related by	2018	Increase	Decrease	2018
Pathum Thani Water Company Limited	Subsidiary				
Loans		828,220	-	(275,355)	552,865
Interest receivable		293	23,614	(23,712)	195
Total		828,513	23,614	(299,067)	553,060

(Unit: Thousand Baht)

		Separate financial statements	
		30 September 2018	31 December 2017
<u>Long-term loans to related party and interest receivable</u>			
Pathum Thani Water Company Limited			
Loans		552,865	828,220
Interest receivable		195	293
Total		553,060	828,513
<u>Less:</u> Current portion and interest receivable		(367,335)	(367,433)
Long-term loans to related party, net of current portion		185,725	461,080

Long-term loans to subsidiary were subject to interest at the Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum. Repayment is to be made in quarterly installments and due in full within December 2022.

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	2018	2017	2018	2017
Short-term employee benefits	17,502	16,514	13,931	12,997
Post-employment benefits	421	859	347	798
Total	17,923	17,373	14,278	13,795

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2018	2017	2018	2017
Short-term employee benefits	48,329	52,522	37,627	42,035
Post-employment benefits	1,370	2,578	1,147	2,395
Total	49,699	55,100	38,774	44,430

4. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Fixed deposits over 3 months but less than 1 year	565,216	535,176	405,216	405,176
	565,216	535,176	405,216	405,176
Investments in trading securities at fair value				
Government and state enterprise bonds	486,853	522,967	486,853	522,967
Private sector debt securities	1,467,411	1,065,478	1,223,335	580,720
Marketable equity securities	46,770	235,849	46,770	235,849
	2,001,034	1,824,294	1,756,958	1,339,536
Total current investments	2,566,250	2,359,470	2,162,174	1,744,712

(Unaudited but reviewed)

The balances of current investments represent investments in trading securities and the 4 - 12 month fixed deposits, carrying interests and return on investments between 0.65% and 4.80% per annum (31 December 2017: between 0.65% and 4.38% per annum). The Company had maintained the fixed deposits according to the addition amendment of the agreement to the concession to operate treated water as described in Note 16.

5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	4,469	3,896	4,469	3,896
Past due				
Up to 3 months	39	4,298	39	4,298
Total trade receivables - related parties	4,508	8,194	4,508	8,194
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	520,824	510,411	352,022	340,827
Past due				
Up to 3 months	1,930	11,121	1,930	11,121
Total trade receivables - unrelated parties	522,754	521,532	353,952	351,948
Total trade receivables	527,262	529,726	358,460	360,142
<u>Other receivables</u>				
Other receivables - related parties	-	-	1,391	1,391
Other receivables - unrelated parties	20,139	20,139	11,221	11,221
Interest receivables - unrelated parties	10,065	3,966	7,901	3,597
Other receivables from securities trading	9,998	9,547	9,998	9,547
Total other receivables	40,202	33,652	30,511	25,756
Less: Allowance for doubtful debts	(17,981)	(10,064)	(9,643)	(5,610)
Total other receivables - net	22,221	23,588	20,868	20,146
Total trade and other receivables - net	549,483	553,314	379,328	380,288

6. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the nine-month periods ended 30 September	
	30 September	31 December	30 September	31 December	30 September	31 December	2018	2017
	2018	2017	2018	2017	2018	2017		
			(%)	(%)				
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	887,037	850,170
					4,698,310	4,698,310	887,037	850,170
<u>Less:</u> Accumulated amortisation of investments in subsidiaries					(2,485,300)	(2,319,635)	-	-
<u>Less:</u> Dividend received from income before purchase of shares					(20,000)	(20,000)	-	-
Total					2,193,010	2,358,675	887,037	850,170

(Unaudited but reviewed)

7. Investment in associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(%)	(%)				
CK Power Public Company Limited	Making investment in other companies	Thailand	25.31	25.31	4,228,013	4,228,013	4,635,243	4,508,502
Total					<u>4,228,013</u>	<u>4,228,013</u>	<u>4,635,243</u>	<u>4,508,502</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on cost method	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(%)	(%)				
CK Power Public Company Limited	Making investment in other companies	Thailand	25.31	25.31	4,228,013	4,228,013	4,228,013	4,228,013
Total					<u>4,228,013</u>	<u>4,228,013</u>	<u>4,228,013</u>	<u>4,228,013</u>

(Unaudited but reviewed)

In May 2015, the Company received, at no cost, 490.64 million warrants to purchase 490.64 million newly issued ordinary shares (at a ratio of 1 warrant to 1 ordinary share), with an exercise price of Baht 6 per share. The warrants have a term of 5 years from the date they were issued and offered and can be exercised every 3 months, beginning on 30 September 2015 and with the final exercise date on 28 May 2020.

In addition, during the second quarter of the year 2018, the Company received dividend from the associate amounting to Baht 42 million (during the second quarter of the year 2017: Baht 112 million), in accordance with a resolution of the Annual General Meeting of the associate's shareholders held on 10 April 2018.

8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	775,910	714,865
Acquisitions during period - at cost	16,014	13,707
Depreciation for the period	(10,606)	(9,028)
Transfer from assets for production of treated water with public sector agency - assets that are owned by the Company	4,296	4,296
Disposals/write-off during period - Net book value at disposal/ write-off date	(29)	(16)
Net book value as at 30 September 2018	785,585	723,824

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

Movements of assets for production of treated water that are owned by the Company account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht) Consolidated/Separate financial statements
Net book value as at 1 January 2018	9,993,246
Acquisitions during period - at cost	93
Amortisation for the period	(342,724)
Transfer to property, plant and equipment	(4,296)
Net book value as at 30 September 2018	9,646,319

Amortisation of such assets for production of treated water has been included as part of cost of sales of treated water.

(Unaudited but reviewed)

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

Movements of assets for production of treated water that must be transferred at end of concession of subsidiary account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2018	2,270,108
Acquisition during period - at cost	1,370
Amortisation for the period	(252,539)
Net book value as at 30 September 2018	2,018,939

Amortisation of such assets for production of treated water has been included as part of cost of sales of treated water.

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

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

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	Rights	Machinery and equipment	Assets in progress	Total
Net book value as at 1 January 2018	1,091,138	143,042	3,828	1,238,008
Acquisitions during period - at cost	-	3,601	-	3,601
Transfers in (out)	-	3,828	(3,828)	-
Amortisation for the period	(34,896)	(4,817)	-	(39,713)
Net book value as at 30 September 2018	1,056,242	145,654	-	1,201,896

During the period, the Company had construction in progress to produce and sell additional treated water and treat waste water from private sector. These assets must be transferred to the owner of the rights after the end of the 30-year concession.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September	31 December
	2018	2017
Rights to produce and sell treated water from business acquisition	3,169,109	3,169,109
<u>Less:</u> Accumulated amortisation of rights to produce and sell treated water from business acquisition	<u>(2,186,852)</u>	<u>(2,040,556)</u>
Rights to produce and sell treated water from business acquisition, net	<u>982,257</u>	<u>1,128,553</u>

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Trade payables - related party	-	-	3,270	3,157
Trade payables - unrelated parties	19,552	18,431	8,061	9,510
Amounts due to related parties	522	241	522	241
Amounts due to unrelated parties	15,315	14,788	12,932	12,268
Construction payable - unrelated parties	143	143	143	143
Retention payable for contract work - unrelated parties	4,550	4,004	3,918	3,593
Accounts payable from securities trading	24,984	8,536	24,984	8,536
Accrued expenses	106,693	81,698	64,712	50,867
Total trade and other payables	<u>171,759</u>	<u>127,841</u>	<u>118,542</u>	<u>88,315</u>

(Unaudited but reviewed)

14. Long-term loans

(Unit: Thousand Baht)

Consolidated / Separate
financial statements

	30 September 2018	31 December 2017
Long-term loans	3,915,000	4,275,000
<u>Less:</u> Current portion	(480,000)	(480,000)
Long-term loans, net of current portion	<u>3,435,000</u>	<u>3,795,000</u>

Movements in the long-term loans account during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

Consolidated /
Separate financial
statements

Balance as at 1 January 2018	<u>4,275,000</u>
<u>Less:</u> Repayment	(360,000)
Balance as at 30 September 2018	<u>3,915,000</u>

Such loans carry interest at the fixed rate per annum and the 6-month and 12-month fixed deposit rate plus a stipulated margin per annum.

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 expense ratio at the rate prescribed in the agreements.

15. Debentures

Movements in the debentures account during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

Consolidated /
Separate financial
statements

Balance as at 1 January 2018	<u>6,395,118</u>
<u>Less:</u> Repayment	(1,000,000)
<u>Add:</u> Debenture issuing during period	1,000,000
<u>Less:</u> Deferred debenture issuing costs	(1,103)
<u>Add:</u> Amortisation of deferred debentures issuing cost	1,441
<u>Less:</u> Current portion of debentures	(1,500,000)
Balance as at 30 September 2018	<u>4,895,456</u>

(Unaudited but reviewed)

All debentures of the Company are unsecured senior debentures, with no 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 expense ratio at the rate prescribed.

16. 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.

However, according to the additional amendment of the agreement to the concession to operate treated water dated 28 October 2016, amendment the articles above to prior to paying a dividend from net profit the Company is required to set aside 10% of its full registered share capital to the legal reserve.

Retained earnings set aside as the legal reserve are to be retained in cash and deposited at a bank or financial institution licensed by the Bank of Thailand.

17. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax	154,928	143,540	111,705	114,274
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>3,621</u>	<u>6,555</u>	<u>4,742</u>	<u>2,763</u>
Income tax expenses reported in the statements of comprehensive income	<u><u>158,549</u></u>	<u><u>150,095</u></u>	<u><u>116,447</u></u>	<u><u>117,037</u></u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax	449,594	453,149	321,699	339,016
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>2,790</u>	<u>27,287</u>	<u>6,703</u>	<u>17,385</u>
Income tax expenses reported in the statements of comprehensive income	<u>452,384</u>	<u>480,436</u>	<u>328,402</u>	<u>356,401</u>

18. Basic earnings per share

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

19. 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 exclusively to the aforementioned reportable operating segment and geographic area.

(Unaudited but reviewed)

20. Dividend paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends from the earnings of the promoted operations for July to December 2016	Annual General Meeting of the shareholders on 18 April 2017	51,865	0.013
Dividends from the earnings of the non-promoted operations for July to December 2016	Annual General Meeting of the shareholders on 18 April 2017	1,145,015	0.287
Interim dividends from the earnings of the promoted operations for January to June 2017	Board of Directors' Meeting on 14 August 2017	63,840	0.016
Interim dividends from the earnings of the non-promoted operations for January to June 2017	Board of Directors' Meeting on 14 August 2017	1,133,158	0.284
Total dividends for 2017		2,393,878	0.600
Dividends from the earnings of the promoted operations for July to December 2017	Annual General Meeting of the shareholders on 19 April 2018	91,770	0.023
Dividends from the earnings of the non-promoted operations for July to December 2017	Annual General Meeting of the shareholders on 19 April 2018	1,105,230	0.277
Interim dividends from the earnings of the promoted operations for January to June 2018	Board of Directors' Meeting on 16 August 2018	107,730	0.027
Interim dividends from the earnings of the non-promoted operations for January to June 2018	Board of Directors' Meeting on 16 August 2018	1,089,270	0.273
Total dividends for 2018		2,394,000	0.600

21. Commitments and contingent liabilities

21.1 Capital commitments

As at 30 September 2018, the Company had capital commitments of Baht 33 million relating to the improvement project on water supply systems at Bang Len water supply plant. (31 December 2017: Baht 6 million relating to magnetic flow chamber construction in Mahachai pumping station and installation of fire protection system at Bang Len water supply plant).

21.2 Service commitments and other commitments

- a) The Company and its subsidiary have entered into operation and maintenance agreements with Thai Water Operations Company Limited (“the subsidiary of the Company”), 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 and its subsidiary are 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) As at 30 September 2018, the Company and its subsidiaries had commitments totaling Baht 34 million (Separate financial statement: Baht 27 million) (31 December 2017: Baht 12 million (Separate financial statements: Baht 3 million)) under other service agreements.

21.3 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 31 August 2039.

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

	(Unit: Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>30 September 2018</u>	<u>31 December 2017</u>
Payable:		
In up to 1 year	8,691	7,637
In over 1 and up to 5 years	18,756	17,087
In over 5 years	32,245	33,679

(Unaudited but reviewed)

21.4 Bank guarantees

As at 30 September 2018, there were outstanding bank guarantees of Baht 311 million (Separate financial statements: Baht 122 million) (31 December 2017: Baht 307 million (Separate financial statements: Baht 120 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: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Guarantee under the Water Purchase Agreement				
with the Provincial Waterworks Authority	230,400	228,300	62,900	62,000
Guarantee electricity use	67,733	65,732	46,048	44,984
Guarantee for others	13,101	13,101	13,101	13,101
Total	<u>311,234</u>	<u>307,133</u>	<u>122,049</u>	<u>120,085</u>

22. Fair value hierarchy

As of 30 September 2018 and 31 December 2017, the Company and its subsidiaries had the assets and liability that were measured at fair value or assets and liability for which fair value are disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 30 September 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in trading securities				
Equity instruments	46,770	-	-	46,770
Debt instruments	-	1,954,264	-	1,954,264
Other long-term investment - real estate				
investment trust	4,875	-	-	4,875
Asset for which fair value are disclosed				
Investment in associate	9,981,198	-	-	9,981,198
Other long-term investment - debentures	-	23,920	-	23,920
Liability for which fair value are disclosed				
Debentures	-	6,615,320	-	6,615,320

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements			
As at 31 December 2017			
Level 1	Level 2	Level 3	Total
Financial assets measured at fair value			
Investments in trading securities			
Equity instruments	235,849	-	235,849
Debt instruments	-	1,588,445	1,588,445
Other long-term investment - real estate			
investment trust	5,000	-	5,000
Asset for which fair value are disclosed			
Investment in associate	7,537,203	-	7,537,203
Other long-term investment - debentures	-	24,128	24,128
Liability for which fair value are disclosed			
Debentures	-	6,787,405	6,787,405

(Unit: Thousand Baht)

Separate financial statements			
As at 30 September 2018			
Level 1	Level 2	Level 3	Total
Financial assets measured at fair value			
Investments in trading securities			
Equity instruments	46,770	-	46,770
Debt instruments	-	1,710,188	1,710,188
Asset for which fair value are disclosed			
Investment in associate	9,981,198	-	9,981,198
Liability for which fair value are disclosed			
Debentures	-	6,615,320	6,615,320

(Unit: Thousand Baht)

Separate financial statements			
As at 31 December 2017			
Level 1	Level 2	Level 3	Total
Financial assets measured at fair value			
Investments in trading securities			
Equity instruments	235,849	-	235,849
Debt instruments	-	1,103,687	1,103,687
Asset for which fair value are disclosed			
Investment in associate	7,537,203	-	7,537,203
Liability for which fair value are disclosed			
Debentures	-	6,787,405	6,787,405

Valuation techniques and inputs to Level 2 valuation

The fair value of investments in debt instruments and debentures have been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies determined by using the yield curve of government bonds, adjusted with an appropriate risk premium, or, calculated using the yield curve announced by the Thai Bond Market Association, adjusted with an appropriate risk premium.

During the current period, there were no transfers within the fair value hierarchy.

23. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Audit Committee on 8 November 2018.