

# 3W

# WATER IS LIFE.

Because water changes everything.



Annual Report

# 2015





**For over 2 decades, East Water has been determined and dedicated to be the leader in water resource management with far-sighted vision**

With 24 years of experience in water management, East Water or Eastern Water Resources Development and Management Public Company Limited has developed the 3W model, a model for complete and integrated water management, beginning with the Water Grid which was expanded to the Water Network and followed by the Water Complex. The 3W model aims to solve the repeated drought and flood problems and deteriorating water quality; to be the foundation for sufficient water supply in the future; and to create security and sustainability for the country's water system.

# Successful Adoption of Innovation





# Service areas

Water Volume by Area (as of 31 December 2015)  
Total Water Volume 296.44 million cubic meters

# 59.06%





32.95%



7.99%

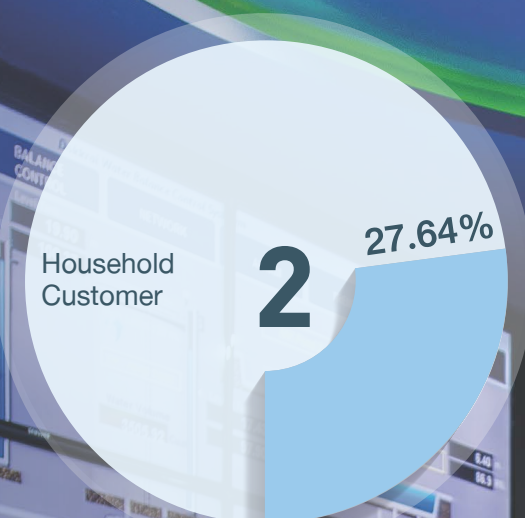


Unit : Million. Cu.M.





# East Water's Customer Chart









# 1

The most complete and well-built water distribution pipeline network in ASEAN

in Thailand

Distributing water in three service areas

# 3

provinces



Current authorized capitals

# 1,663.73

million Baht



Water supply pipeline networks

# 394.5

kilometers



## The success in 2015

The Company won two awards from the Stock Exchange of Philippines

# 2

awards

TOP 50 ASEAN PLCs and  
TOP 2 Outstanding  
Achievement Awards

TRIS Rating  
the organizational  
credit of 2015

at

# A+

Stable

The Company  
got the score of

# 100

points

in assessing the quality of arrangement  
of shareholder's ordinary meeting of  
2015 form Thai Promotion  
Investor Association.





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Nature of Business  
and Shareholding  
Proportion in Subsidiaries



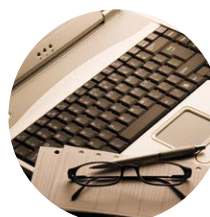
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Good Corporate  
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Financial Statement Report



# WATER CHANGES EVERYTHING

Water is Life.







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## Vision

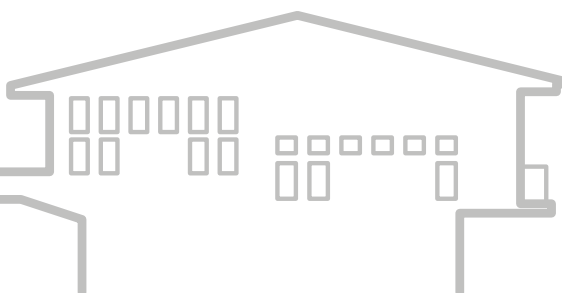
Being the leader in sustainable water management that grows in accordance with the country's economy and expands to the ASEAN region

## Missions

1. To expand investment and develop the water business and related businesses for continuous and sustainable growth
2. To increase competitiveness with the right and up-to-date technology and innovation
3. To develop the competency of employees and to improve the management structure to be better
4. To manage the business with efficiency and transparency according to the principles of good corporate governance
5. To be responsible to communities, society and the environment and to maintain good relations with stakeholders

## Strategies

1. Managing the business to grow appropriately and add value to the product
  2. Developing new businesses to support continuous growth in the medium and long term
  3. Having an efficient framework for financial management and business investment
  4. Developing employees and managing knowledge, technology and innovations
  5. Having good corporate governance with care for communities, society and the environment
- 



## Highlights of the Year

Statement of income	(Million Baht)	2011	2012	2013	2014	2015
Raw water revenue		2,261.02	2,612.22	2,694.30	2,768.38	2,898.67
Tap water revenue		765.85	841.60	876.38	988.74	1,160.24
Total revenue		3,310.04	3,725.95	3,816.14 <sup>1</sup>	4,035.84 <sup>1</sup>	4,563.14 <sup>1</sup>
EBITDA		1,868.57	2,079.04	2,196.13	2,288.42	2,444.71
Net profit (loss)		1,008.02	1,240.17	1,312.85	1,334.45	1,591.24
Net profit attributable to owners of the parent		1,007.55	1,239.74	1,312.94	1,334.21	1,584.94

Statement of financial position	(Million Baht)	2011	2012	2013	2014	2015
Total assets		10,784.47	12,440.09	13,480.45	15,243.45	19,627.46
Total liabilities		3,848.27	5,119.62	5,578.52	6,726.37	10,127.90
Total equity		6,936.20	7,320.46	7,901.93	8,517.07	9,499.56
Equity attributable to owners of the parent		6,933.08	7,316.94	7,872.13	8,487.56	9,294.69

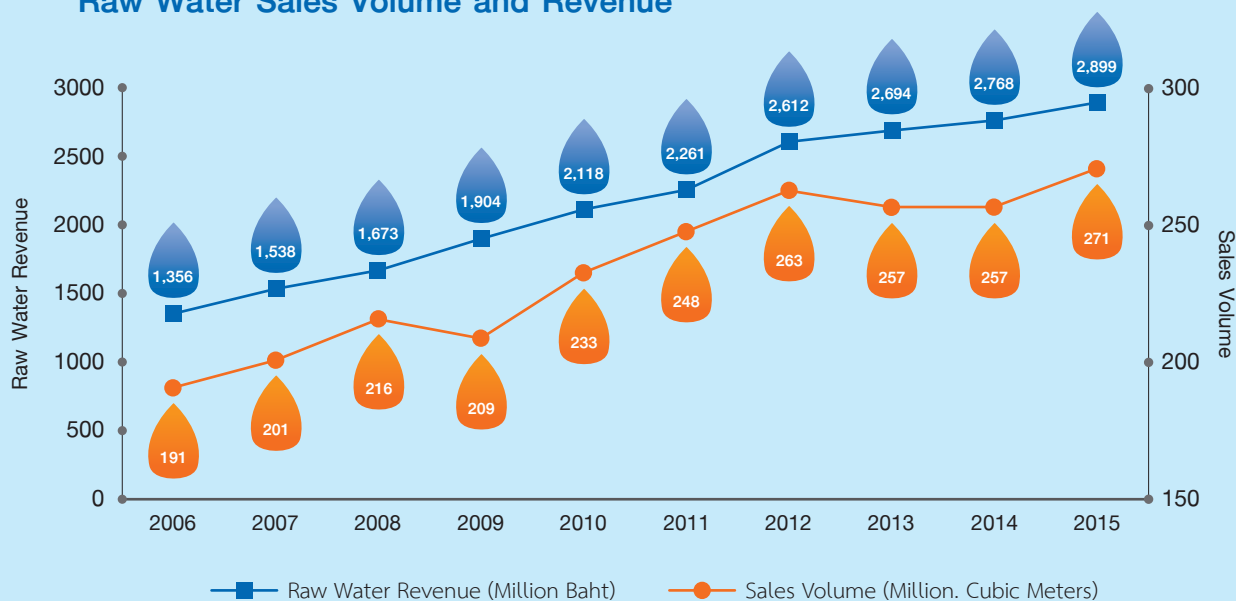
Financial ratios		2011	2012	2013	2014	2015
Book value per share	(Baht)	4.17	4.40	4.73	5.10	5.59
Earning per share	(Baht)	0.61	0.75	0.79	0.80	0.95
Dividend per share	(Baht)	0.42	0.44	0.42	0.45	0.22 <sup>2</sup>
Net profit margin	(%)	30.44	33.27	34.40	33.06	34.73
Return on Equity (ROE)	(%)	14.91	17.40	17.31	16.31	17.83
Return on Assets (ROA)	(%)	9.75	10.68	10.13	9.29	9.09
Debt to Equity ratio (D/E)	(Times)	0.56	0.70	0.71	0.79	1.09

Notes: <sup>1</sup> Total Revenues in 2013 - 2015 exclude "construction revenue under concession agreement", which is a newly classified revenue as a result of a new interpretation of financial reporting standards TFRIC12 (revised 2014) under the topic of "Service concession arrangements".

<sup>2</sup> In 2015, interim dividends approved by the Board of Directors Meeting No. 12/2015 held on 21 August 2015 was 0.22 Baht per share. On 25 April 2016, the Board of Directors will propose to shareholders at the 2015 Annual General Meeting to approve a dividend of 0.25 baht per share based on the operating result for the six months ended December 2015

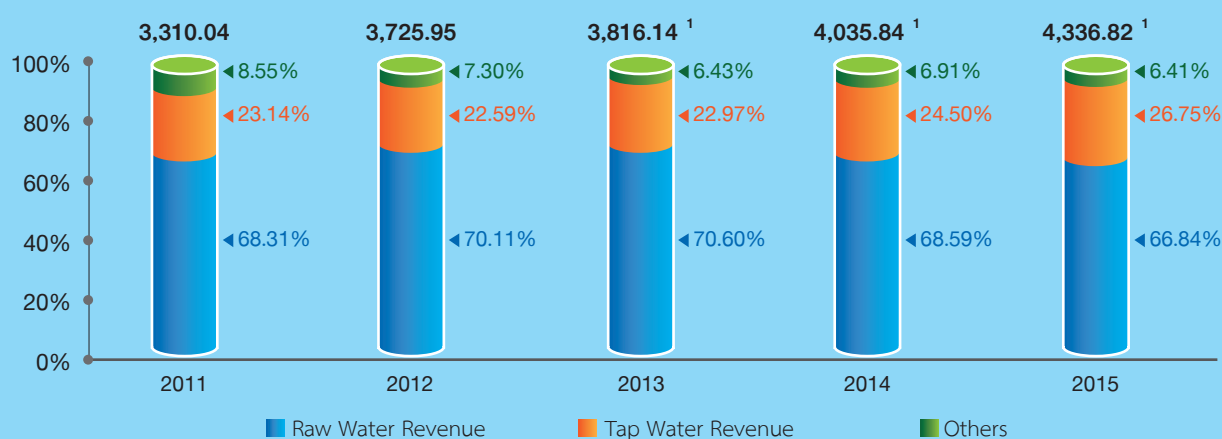


## Raw Water Sales Volume and Revenue



Notes: Excluding the amount of raw water distributed to the company and its subsidiaries for tap water production.

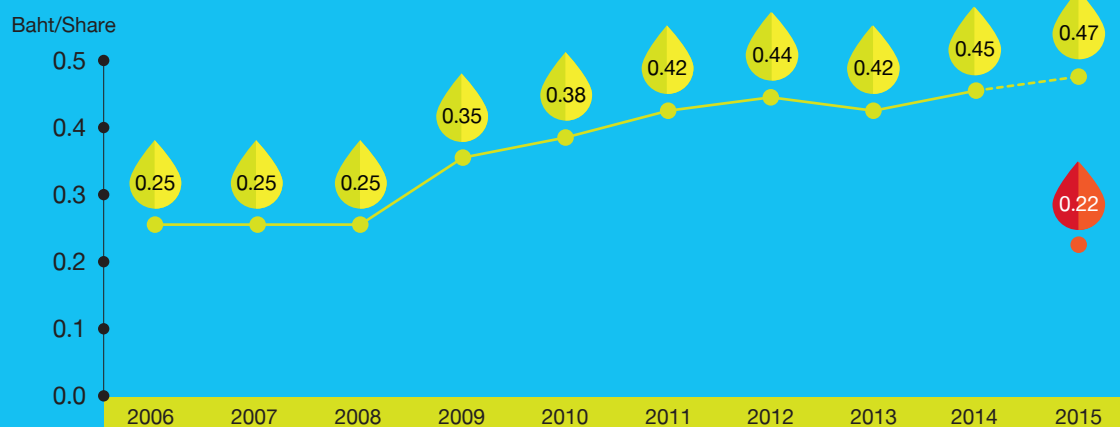
## Sources of Income (Million Baht)



Notes: <sup>1</sup> Total Revenues in 2013 and 2014 exclude "construction revenue under concession agreement", which is a newly classified revenue as a result of a new interpretation of financial reporting standards TFRIC12 (revised 2014) under the topic of "Service concession arrangements".

<sup>2</sup> In 2015, other income excludes the gain of 226.32 million baht from measuring fair value of 15.88% equity interest in EGCOT Tara Company Limited held before business combination.

## Dividend Payment History (Baht/Share)



Notes: <sup>2</sup> In 2015, interim dividends approved by the Board of Directors Meeting No. 12/2015 held on 21 August 2015 was 0.22 Baht per share. On 25 April 2016, the Board of Directors will propose to shareholders at the 2015 Annual General Meeting to approve a dividend of 0.25 baht per share based on the operating result for the six months ended December 2015.





# Message from the Chairman

## Dear Shareholders,

In 2015, Thailand experienced severe drought in many areas due to climate change which has been intensifying. The Board of Directors visited in the service area to survey preparedness and met with business operators and government agencies regarding measures to solve the drought problem. Consequently, East Water was able to secure sufficient additional raw water reserves, which created customer confidence in East Water's stable water distribution throughout the year.

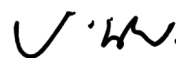
From the Government's investment promotion measures following the policy on special economic zones in the form of clusters, it is expected that water demand will increase in many areas, such as the extension of the Map Ta Phut Industrial Estate, special border economic zones, and new industrial estates. Thus, the Company has plans to develop water supply sources in the long term and improve the Water Grid into the Water Network. The prototype area under construction is the Nong Pla Lai Reservoir - Nong Khor Reservoir pipeline No. 2 and Klong Luang Reservoir - Nong Khor Reservoir pipeline, which will be able to support the water demands of all sectors in the next 10 years. In addition, the Company has developed its business plan following the sustainable development concept together with business management focusing on worthwhile use of every drop of water and environmental friendliness, through the Water Complex Project. This project aims to solve the water pollution problem, improve the water quality, increase the amount of water supply for the industrial sector, and reduce problems regarding competing for water with the agricultural sector and domestic consumption sector in the long term.

With regard to its financial performance, the Company's profitability increased approximately 18% from 2014. This can be attributed to business expansion from Universal Utilities Company Limited (UU), a subsidiary company, purchasing shares of Egcom Tara Company Limited which operates tap water business in Ratchaburi Province, in order to increase its income base in the long term. Control of various costs, especially interest expense of over 40 million Baht from refinance of long-term loans, and adding the option of short-term loans also contributed to profitability. As a result, the Company was able to maintain its strong

financial position with an "A+" rating and "Stable" outlook from TRIS Rating in 2015.

These successes reflect the Company's effective business strategies, which are constantly reviewed and adjusted by the Board of Directors. In addition, Employees throughout the organization are also provided opportunities to present projects through the "Rolling Corporate Plan" and "Inno Wave Project", which aims to improve the efficiency and effectiveness of work systems and create a culture of driving the organization forward in a sustainable manner. East Water is highly committed to following the principles of good corporate governance, operate with responsibility to stakeholders and give stress the importance to communities, society and the environment. As a result, in 2015, the Company was awarded TOP 50 ASEAN PLCs and Top 2 Outstanding Achievement Awards from the ASEAN CG Scorecard 2015 developed by the ASEAN Capital Markets Forum at the Philippines. Furthermore, East Water was selected to be included in Thailand Sustainability Investment 2015, or list of "sustainable stocks" by the Stock Exchange of Thailand, this is a result of the Company's strict compliance with the principles of good corporate governance and cooperation with the government in fighting corruption. The Company was also certified as a member of Thailand's Collective Action Coalition of the Private Sector Against Corruption (CAC) on 3 April 2015.

On behalf of the Board of Directors, I would like to express my sincere gratitude to all customers, shareholders, business partners, and all private and governmental institutional stakeholders for their continuous support of the Company's business operations. The Board of Directors and all employees will continue to work with dedication to make East Water a leading organization in sustainable water management, growing with the country's economy and expanding into the ASEAN region as stated in the Company's goal.



Mr. Wittaya Chaisuwan  
Chairman



## Audit Committee's Corporate Governance Report

### Dear Shareholders,

The Board of Directors of Eastern Water Resources Development and Management Public Company Limited appointed the Audit Committee which consists of 3 independent directors whose qualifications meet the Stock Exchange of Thailand's requirements. The Board of Directors determined the required qualifications, directorship term, and duties of the Audit Committee in the charter of the Audit Committee. Currently, the Audit Committee includes Mr. Amorn Laohamontri as the chairperson, and Mr. Chanin Thinnachote and Mrs. Tatchada Jitmahawong as committee members.

In 2015, the Audit Committee held 19 meetings, including a consultation meeting with internal auditors, executives, and auditors. The Audit Committee submitted a report on meeting results and its operation to the meeting of the Board of Directors on a quarterly basis. The Audit Committee was required to act in accordance with the charter of the Audit Committee. This charter was established to be consistent with the regulations set by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee performed the following duties:

### 1. Verifying financial reports

The Audit Committee, together with auditors and internal auditors, examined the Company's annual and quarterly financial statements and the consolidated financial statements. The Audit Committee also listened to the administrative department's explanation. The audit results indicated that these financial statements are accurate, credible, and sufficient and timely with regard to their information disclosure. The Audit Committee also made additional recommendations on issues believed to be beneficial to the Company. In addition, the Audit Committee held a meeting with the auditors without any involvement from the Company's administrative department to acknowledge independency and audit scope of the auditors.

### 2. Verifying the effectiveness of the internal control system

The Audit Committee considered the 2015 internal audit plan, including the audit scope by looking at the Risk Based Internal Audit Plan and the overall operations of the Company and its subsidiaries. The data was gathered from the 2015 enterprise risk assessment report, executive interview about requirements and concerns, financial statement analysis, and auditor's comments.

The Audit Committee verified the results of the efficiency and effectiveness of the Company's internal control system tested by the Audit Department and the internal audit consulting firm. The test was carried out in accordance with international standards and on a quarterly basis. Emphasis was placed on every working procedure of the Company and its subsidiaries. The Audit Committee provided further recommendations that would be helpful for making the Company's operations more efficient and effective. A follow-up was also conducted on the administrative department's corrective actions suggested by the Audit Committee. In this regard, the administrative department was required to submit a progress report on its corrective actions to every meeting of the Audit Committee. In addition, relevant internal control departments assessed the internal control according to the Stock Exchange of Thailand's assessment form relating to the adequacy of internal control. The assessment results indicated that the Company's internal control system is excellent and adequate.



### 3. Verifying regulatory compliance

The Audit Committee supervised the transparency of the information disclosure and conducted a review to ensure compliance with related business operation laws, the Securities and Exchange Act, and the regulations of the Stock Exchange of Thailand. The Audit Committee also required the Audit Department to conduct an annual report on the results of the Company's regulatory compliance.

### 4. Supervising internal audit work

The Audit Committee considered and approved the action plan, annual budget, and manpower framework of the Audit Department, as well as provided support for the Audit Department to work independently. To enable the Audit Department to work more efficiently, the Audit Department is under the direct supervision of the Audit Committee.

The Audit Committee reviewed the manual and the charter of the Audit Department to ensure that they were on par with international standards and consistent with changing situations.

### 5. Verifying auditor's operation and appointing the auditor

The Audit Committee held a confidential meeting with auditors to ensure their independency and to understand their work plan and scope of work.

The Audit Committee considered the appointment criteria of the auditor in order to select the auditor for the Company and its subsidiaries for the year 2016. The Audit Committee then submitted a proposal to the Board of Directors for approval before submitting to the 2015 general meeting of shareholders for approval.



## 6. Self-assessing and reviewing manual and charter of the Audit Committee

The Audit Committee conducted a self-assessment of its performance by adhering to the principles of good corporate governance, and then submitted a report to be considered by the Board of Directors. The self-assessment results indicated “very good performance”. In addition, it conducted a review on the charter and the manual of the Audit Committee in order to make them consistent with changing situations and ensure completion of the committee’s assigned duties and consistency with good practices set by the Stock Exchange of Thailand. A report was then submitted to the Board of Directors for approval.

In summary, the Audit Committee completed its duties that were stated in the charter of the Audit Committee approved by the Board of Directors. Its performance was also in compliance with regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee and the auditor agreed that the Company’s financial reports were accurate and in accordance with the Generally Accepted Accounting Standards of Thailand. In addition, the Company set up the internal control system and the internal audit system that were appropriate and effective. Its operations throughout 2015 showed no significant issues or mistakes. Finally, the Company attempted to constantly improve its operations in order to make it consistent with and appropriate for the current context of business operations.

On behalf of the Audit Committee



**Mr. Amorn Laohamontri**

Chairman of the Audit Committee





## Report of the Executive and Investment Committee

Dear Shareholders,

The Executive and Investment Committee performs its duties under the assigned authority from the Board of Directors in order to meet the Company's objectives. The Executive and Investment Committee also seeks and evaluates investment opportunities in new businesses to continuously increase the growth of the Company's net profit. The Executive and Investment Committee has liaised with the Chairman of the Provincial Waterworks Authority to visit the Company's operations and discuss about future joint operations. In addition, the Executive and Investment Committee has coordinated with the Securities and Exchange Commission (SEC) with regard to listing Universal Utilities Public Company Limited in the Stock Exchange of Thailand. A summary of the Executive and Investment Committee's important works in 2015 is as follows:

1. Scrutinized and proposed the 2015 - 2017 strategic plan to the Board of Directors for review and adjustment, emphasizing business expansion both domestically and abroad to increase revenues for the Company, and controlling expenses through appropriate financial management to support the decline in deposit protection guarantee
2. Followed up on the performance of executives; considered policies, strategies, business direction and investment projects; allocated profits from operating results in line with economic conditions and competition; and provided recommendations and suggestions before proposing to the Board of Directors for consideration
3. Reviewed the Master Plan plan for development of water sources and pipeline transmission systems in the Eastern Seaboard in order to support economic growth in the region in line with the Government policy, and approved the project to solve the urgent drought problem in Chonburi Province
4. Considered and proposed to the Board of Directors to lower the cost of funds in order to manage long-term loans and add the option of short-term borrowing in order to manage the Company's liquidity for effective financial management and investment
5. Considered and proposed to the Board of Directors to approve the sale of Egcom Tara Company Limited's shares to Universal Utilities Public Company Limited to separate the management of the tap water business from the Company for clarity and to support the transformation of Universal Utilities Company Limited into a public company
6. Monitored the Company's financial status and operating results, including the water situation, progress of important investment projects, and the Company's business development project on a monthly basis

The Executive and Investment Committee will improve its policy formation in management and investment that is beneficial to its business expansion in various areas, in line with government policies, in order to increase the Company's business strength and promote sustainable financial stability.

Mr. Phaiboon Siripanoosatien  
Chairman of Executive and Investment Committee



## Report of the Corporate Governance and Nomination Committee

### Dear Shareholders,

The Board of Directors has assigned the Corporate Governance and Nomination Committee which consists of 4 independent directors to oversee the performance of directors and executives to ensure compliance with the principles of good corporate governance, The Principles of Good Corporate Governance of Listed Companies of the Stock Exchange of Thailand, as well as the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The Committee also presents guidelines for policies and practices relating to good corporate governance covering 5 sections including rights of shareholders, equitable treatment of shareholders, role of stakeholders, information disclosure and transparency, and responsibilities of the Board of Directors.

In 2015, the Corporate Governance and Nomination Committee held a total of 9 meetings, with director attendance of 97.22%. A summary of the Corporate Governance and Nomination Committee's important work is as follows:

### 1. Corporate Governance

- 💧 Prepared the annual registration statement (Form 56-1) and annual report (Form 56-2). From the assessment of sustainability development related to Anti-Corruption Progress Indicators of Thai Listed Companies in 2015 by the Thaipat Institute, the Company was ranked Certified 4<sup>th</sup> level (out of 5 levels). The Company's operating results were disclosed quarterly to shareholders, investors, and the general public to ensure they receive material information that is timely through various communication channels such as Opportunity Day organized by the Stock Exchange of Thailand, the Company's website, etc.
- 💧 Prepared the Sustainability Report 2015 following the reporting guidelines of the Global Reporting Initiative (GRI - G4), with the aim of applying for certification from GRI (Core option).
- 💧 Conducted performance assessment of every committee (self-assessment of the committee as a whole and individually). The assessment form was improved to be more comprehensive and clear according to the Stock Exchange of Thailand guidelines.
- 💧 Organized the 2014 annual general meeting of shareholders and provided all information to shareholders in advance. The information was timely and sufficient according to the principles of good corporate governance. As a result, the Company received an evaluation score of "100%" from the Thai Investors Association.
- 💧 Carried out a self-evaluation for countering bribery and was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). This reinforces the Company's mission to fight against corruption in every form in the organization with emphasis on concrete and effective action.
- 💧 Passed the sustainability assessment and was selected to be in the list of "sustainable stocks" or Thailand Sustainability Investment 2015 by the Stock Exchange of Thailand. The award is given to listed companies which operate their business with consideration to environmental, social and governance aspects.



- Received a score of 94 out of 100 from the Corporate Governance Report of Thai Listed Companies 2015 conducted by the Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand. This is testament that the Company places importance on following the policy on corporate governance in a concrete manner and emphasizes business operations with responsibility to society for sustainable growth.
- Evaluated by the Philippine Securities and Exchange Commission to be one of “Top 50 ASEAN PLCs” and received the “Top 2 Outstanding Achievement Awards”, an award for outstanding development in corporate governance. This testifies the Company’s commitment to continuously implement the principles of good corporate governance in its operations in a concrete manner.



## 2. Nomination

- Submitted a proposal to the Board of Directors to provide the opportunity for minority shareholders to nominate appropriate candidates to be appointed as the Company’s director at the 2015 annual general meeting of shareholders.
- Submitted a proposal to the Board of Directors on the selection of qualified candidates to be part of the Board of Directors of the Company, the Board of Directors of subsidiaries, all committees, and to replace directors who completed their directorship term or directors who resigned. These candidates must have complete qualifications according to the law, related rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. In addition, these candidates must have appropriate knowledge and capabilities that will be beneficial to the Company, must be able to provide independent opinion, and must not have prohibiting characteristics according to public law.
- Submitted a proposal to the Board of Directors regarding adjustment of the selection criteria, qualifications, and the evaluation of the nomination of the CEO. The Committee also suggested additional channels for the job announcement as well as extending the duration of the job announcement to be able to find persons with knowledge, capabilities and experience appropriate for the Company’s CEO position.

The Corporate Governance and Nomination Committee strives to continuously improve the quality of control and corporate governance, together with business operations with responsibility to society and the environment. The Committee is also committed to anti-corruption and strict ethical business conduct for the organization’s sustainable growth. Details have been disclosed for transparency in auditing in this annual report.

**Police Major General Vichai Sangparpai**

Chairman of the Corporate Governance & Nomination Committee



## Report of the Risk Management Committee

**Dear Shareholders,**

The Risk Management Committee follows risk management guidelines of the Stock Exchange of Thailand (SET) to support management in 3 areas, that is, 1) good corporate governance, 2) Rule of Law, and 3) Integrity. The Risk Management Committee has reviewed and improved the Company's risk management policy and criteria in accordance with business direction and international standard.

In 2015, the Risk Management Committee submitted a proposal to the Board of Directors to adjust the level of operational risk with regard to insufficient amount of water supply, from average level in 2014 to high level, due to the drought problem in Chonburi and Chachoengsao Province. The Committee also accelerated the risk management plan in the construction of large projects to solve the drought problem as well as procured additional sources of water according to the plan. The Committee emphasized conducting business according to government rules and regulations, and prevent causing damage to the lives and assets of the Company and related business partners during construction.

In addition, there is strategic risk that the growth of raw water usage which may decline. As a result, East Water needs to expand its business through its subsidiaries. The Risk Management Committee has monitored and evaluated the results of the Company's risk management, which will be used to further develop its risk management system to be more effective in order to control and lower risks to be at acceptable levels. Furthermore, the Risk Management Committee conducts annual self assessment of its performance and the results are used to improve its risk management in supporting missions, strategic plans, business targets, and Risk Based Audit, which will ultimately add value to the Company, shareholders and all stakeholders.

This report conveys the Risk Management Committee's commitment to lower risk in every area so that the Company's drive to fulfill its missions goes smoothly, achieving continued success and sustainable development.

**Mr. Maitri Inthusut**

Chairman of Risk Management Committee





## Report of the Evaluation and Remuneration Committee

**Dear Shareholders,**

The Board of Directors of Eastern Water Resources Development and Management Public Company Limited appointed the Evaluation and Remuneration Committee according to the Principles of Good Corporate Governance for Listed Companies. The Board of Directors approved the charter of the Evaluation and Remuneration Committee that has been used as a framework for clearly determining the qualifications and duties of the Evaluation and Remuneration Committee.

In 2015, the Evaluation and Remuneration Committee performed important duties as summarized below:

1. Considered the 2015 Corporate KPIs of the Company and the CEO in accordance with the Company's business policies, to be used by the executives and employees as a guideline in assessing performance at various levels
2. Monitored and evaluated the Corporate KPIs every quarter, and provided recommendations and guidelines for improvement of performance to be more effective to ensure that objectives and targets are met
3. Considered the remuneration of directors and committee members before submitting for approval by the shareholders' meeting. The remuneration was comparable to the Directors Compensation Survey published by the Thai Institute of Directors Association (IOD)
4. Considered the salary structure and position of employees at every level, which has not been adjusted for over 8 years, to be standardized and comparable to other businesses of the same industry; as well as determined the guidelines for transfer of employees to work in subsidiary or affiliate. It was a part of human resources development to increase knowledge in work processes and provide career path opportunities

The Evaluation and Remuneration Committee performed its duties with consideration to the Company's operating results in 2015 and comparison to other similar businesses to ensure appropriate and fair remuneration that can motivate directors and employees at all levels to perform their duties to achieve targets according to the business direction set by the Board of Directors. This will ultimately create long-term benefits for the Company.

**Mr. Sahust Pratuknukul**

Chairman of Evaluation and Remuneration committee

# Board of Directors Profile



**Mr. Wittaya Chaisuwan**

**Age 61 Years**

## Position

- Chairman (Independent Director)

## Education

- Master of Arts (Social Development)  
National Institute of Development Administration (NIDA)
- Bachelor of Science (Agronomy)  
Kasetsart University

## Special Course

- NDC2007
- TEPCOT 6
- BYP 4
- RCP 36/2015

## Work Experiences

October 2015 - Present

- Chairman, EGCOT TARA Company Limited (B)

June 2015 - Present

- Director, Amanah Leasing Public Company Limited (A)

May 2015 - Present

- Director, Islamic Bank of Thailand (B)

March 2015 - Present

- Director, Metropolitan Electricity Authority (MEA) (B)

January 2015 - Present

- Chairman, Universal Utilities Public Company Limited (B)

1 December 2014 - Present

- Chairman, Eastern Water Resources Development and Management Public Company Limited (A)

2014 - Present

- Member of The National legislative Assembly

2009 - 2014

- Inspector - General Ministry of Agricultural and Cooperative

2007 - 2009

- Deputy Director - General Rice Department

2006 - 2007

- Director of the Bureau of Rice Policy and Strategy

Acting of Deputy Director - General Rice Department

**Summary** Being a director in company and other companies

(A) Listed companies 2 companies

(B) Non-listed companies 4 state enterprise





**Mr. Amorn Laohamontri**

**Age 65 Years**

**Position**

- Chairman of Audit Committee
- Director of Corporate Governance and Nomination Committee
- Director (Independent Director)

**Education**

- Master of Public Administration  
Pennsylvania State University
- Bachelor of Laws  
Chulalongkorn University

**Special Course**

- DCP 208/2015
- DAP 114/2015
- AACP 18/2015
- FSD 27/2015

**Work Experiences**

1 December 2014 - Present

- Director, Eastern Water Resources Development and Management Public Company Limited (A)

2014 - Present

- Working Group of Deputy Minister for Ministry of Interior

2007 - 2010

- Legal Advisor, Office of the Permanent Secretary for Ministry of Interior

2005 - 2007

- Senior Expert in Local Legal Affairs, Department of Local Administration Ministry of Interior

2002 - 2005

- Director Bureau of Local Legal Affairs, Department of Local Administration Ministry of Interior

2000 - 2002

- Director Division of Structure and System Development, Bureau of Local Administration, Department of Provincial Administration Ministry of Interior

**Summary** Being a director in company and other companies

- |                          |           |
|--------------------------|-----------|
| (A) Listed companies     | 1 company |
| (B) Non-listed companies | none      |



**Mr. Phaiboon Siripanoosatie**

**Age 53 Years**

**Position**

- Chairman of Executive and Investment Committee
- Director of Evaluation and Remuneration Committee
- Director (Independent Director)

**Education**

- Master of Arts Program in Political Science  
Sukhothai Thammathirat
- Bachelor Degree (Faculty of Engineering)  
Chulalongkorn University

**Special Course**

- HRP 4/2013
- SFE 13/2011
- ACP 28/2009
- DCP 105/2008

**Work Experiences**

1 December 2014 - Present

- Director, Eastern Water Resources Development and Management Public Company Limited (A)

2014 - Present

- Director, Provincial Electricity Authority (PEA) (B)

2014 - Present

- Director, Amanah Leasing Public Company Limited (A)

2009 - 2010

- Director, Government Saving Bank

2008 - Present

- Director, Finansia Syrus Securities Public Company Limited (A)

2008 - 2014

- Independent Director, The Electricity Generating Public Company Limited

**Summary** Being a director in company and other companies

- |                          |                    |
|--------------------------|--------------------|
| (A) Listed companies     | 3 companies        |
| (B) Non-listed companies | 1 state enterprise |



### Assoc. Prof. Dr. Chanin Tinnachote | Age 53 Years

#### Position

- Director of Audit Committee
- Director of Corporate Governance and Nomination Committee
- Director (Independent Director)

#### Education

- Doctor of Engineering (Remote Sensing & Geographic Information System)  
Asian Institute of Technology (AIT)
- Master of Sciences (Integrated Map and Geo-Information Production)  
International Institute for Aerospace Survey and Earth Science (ITC), The Netherlands
- Bachelor of Engineering (Survey)  
Chulalongkorn University
- Post-Graduate Diploma (Cartography)  
International Institute for Aerospace Survey and Earth Science (ITC) , The Netherlands

#### Special Course

- DCP 201/2015
- DAP 114/2015
- AACP 18/2015
- RCL 1/2015
- PDI 13/2015

#### Work Experiences

- 9 December 2014 - Present
- Director, Metropolitan Waterworks Authority (MWA) (B)
- 1 December 2014 - Present
- Director, Eastern Water Resources Development and Management Public Company Limited (A)
- 2014 - Present
- Head of Department of Survey Engineering  
Faculty of Engineering, Chulalongkorn University
- 2013 - Present
- Board Director, Geo-Informatics and Space Technology Development Agency (Public Organization) (B)
- 2007 - Present
- Associate Professor, Department of Survey Engineering  
Faculty of Engineering, Chulalongkorn University
- 2000 - 2006
- Assistant Professor, Department of Survey Engineering  
Faculty of Engineering, Chulalongkorn University
- Summary** Being a director in company and other companies
- (A) Listed companies                      1 company
- (B) Non-listed companies                2 state enterprises



### Pol.Maj.Gen Vichai Sangparpai | Age 61 Years

#### Position

- Chairman of Corporate Governance and Nomination Committee
- Director of Risk Management Committee
- Director (Independent Director)

#### Education

- Master of Public Administration in Social Development  
National Institute of Development Administration (NIDA)
- Bachelor of Laws  
Sripatum University

#### Special Course

- KPI 6
- URB-GREEN 2
- Superintendent training course class 35
- Senior Command course class 25
- RMP 6/2015

#### Work Experiences

- 8 December 2014 - Present
- Director, Eastern Water Resources Development and Management Public Company Limited (A)
- 23 June 2014
- Deputy Senior Inspector General, Office of Inspector General
- 27 December 2011
- Deputy Commissioner
- 16 February 2009
- Metropolitan Police Commander Division 1
- 1 October 2008
- Metropolitan Police Commander Division 3
- 18 December 2003
- Metropolitan Police Commander Division 2

**Summary** Being a director in company and other companies

(A) Listed companies                      1 company

(B) Non-listed companies                none



**Col. Premjiras Tanathaipakdee** | Age 42 Years

**Position**

- Director of Evaluation and Remuneration Committee
- Director of Executive and Investment Committee
- Director of Risk Management Committee
- Director (Independent Director)

**Education**

- Bachelor of Engineering (Industrial Engineering)  
Chulachomklao Royal Military Academy

**Work Experiences**

2015 - Present

- Director, Universal Utilities Public Company Limited (B)  
8 December 2014 - Present
- Director, Eastern Water Resources Development and  
Management Public Company Limited (A)

2014

- Staff Sub-Division, Royal Thai Army Headquarter

2010

- Infantry Battalion Commander 3 Division 1 Guard  
(Queen's guard)

2009

- Assistant Chief of Operations staff Officer, military operations,  
1<sup>st</sup> Corps

2006

- Assistant Chief of Operations, Division 6

2003

- Company commander, 1<sup>st</sup> Army Area

**Summary** Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies 1 state enterprise



**Mrs. Tatchada Jitmahawong** | Age 58 Years

**Position**

- Director of Audit Committee
- Director of Corporate Governance and Nomination  
Committee
- Director (Independent Director)

**Education**

- Master of Business Administration  
Kasetsart University
- Bachelor of Arts (Accounting), second-class Honors  
Chiang Mai University

**Special Course**

- DCP 208/2015
- DAP 114/2015
- AACP 18/2015
- FSD 27/2015

**Work Experiences**

24 December 2014 - Present

- Director, Eastern Water Resources Development and  
Management Public Company Limited (A)

28 November 2011 - Present

- Director of Office of Government Fiscal Management  
Information System, The Comptroller General's Department

2007 - 2011

- Specialist of Development Fiscal Management System,  
The Comptroller General's Department

2005 - 2007

- Head of Office of Secretary, The Comptroller General's  
Department

1999 - 2005

- Provincial Treasury, The Comptroller General's Department

1997 - 1998

- Head of Planning Division, The Comptroller General's  
Department

1996 - 1997

- Head of Internal Audit Group, The Comptroller General's  
Department

**Summary** Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies none



**Dr. Verapong Chaiperm****Age 49 Years****Position**

- Director

**Education**

- Doctor of Engineering in Environmental Engineering (Water and Wastewater Engineering)  
Asian Institute of Technology (AIT)
- Master of Science in Civil Engineering (Environmental Engineering)  
University of Missouri-Rolla, U.S.A.
- Bachelor of Science in Engineering (Civil Engineering)  
Chulalongkorn University

**Special Course**

- IBID 1
- TEA 3
- DCP 161/2012
- KPI 15

**Work Experiences**

25 April 2012 - Present

- Director, Eastern Water Resources Development and Management Public Company Limited (A)

23 March 2011 - Present

- Governor of Industrial Estate Authority of Thailand (IEAT)

July 2011 - March 2012

- Deputy Governor (Corporate Strategy and Finance)  
The Industrial Estate Authority of Thailand (IEAT)

October 2008 - June 2011

- Deputy Governor (Industrial Port), The Industrial Estate Authority of Thailand (IEAT)

January - September 2008

- Acting Deputy Governor (Industrial Port), The Industrial Estate Authority of Thailand (IEAT)

October 2004 - September 2008

- Director, Industrial Estate and Port Directing Department  
The Industrial Estate Authority of Thailand (IEAT)

November 2003 - October 2004

- Director, Strategy and Business Development Department  
The Industrial Estate Authority of Thailand (IEAT)

**Summary** Being a director in company and other companies

(A) Listed companies 1 company

(B) Non-listed companies none

**Mr. Chanin Chaonirattisai****Age 59 Years****Position**

- Director

**Education**

- Master of Engineering (Electrical engineering)  
University of Missouri-Rolla, U.S.A.
- Bachelor of Engineering (Electrical engineering)  
University of Missouri-Rolla, U.S.A.

**Special Course**

- DCP 192/2014
- KPI

**Work Experiences**

1 October 2015 - Present

- Director, Eastern Water Resources Development and Management Public Company Limited (A)

1 October 2015 - Present

- President, Electricity Generating Public Company Limited (A)  
2014

- Deputy Governor-Policy and Planning, Electricity Generating Authority of Thailand

2013

- Director, EGAT International Company Limited

2012

- Assistant Governor-System Control, Electricity Generating Authority of Thailand

2011

- Director - Power System Control and Operation Division, Electricity Generating Authority of Thailand

2010

- Director - Control and Protection System Division, Electricity Generating Authority of Thailand

**Summary** Being a director in company and other companies

(A) Listed companies 2 companies

(B) Non-listed companies none



## Mr. Eakachai Attakanna

Age 54 Years

### Position

- Director

### Education

- Master of Public Administration  
National Institute of Development Administration (NIDA)
- Bachelor of Engineering (Civil Engineering)  
Chiang Mai University

### Work Experiences

1 December 2015 - Present

- Director, Eastern Water Resources Development and Management Public Company Limited (A)

27 November 2015 - Present

- Deputy Governor (Operation 3), Provincial Waterworks Authority (PWA)

1 October 2013 - 26 November 2015

- Director, Regional 1, Provincial Waterworks Authority (PWA)  
2011 - 2013

- Director, Regional 3, Provincial Waterworks Authority (PWA)  
2008 - 2011

- Director, Regional 8, Provincial Waterworks Authority (PWA)  
2006 - 2008

- Director of Planning and Evaluation 3, Provincial Waterworks Authority (PWA)

2001 - 2006

- Director of the Academic Division, Provincial Waterworks Authority (PWA)

### Summary Being a director in company and other companies

(A) Listed companies	1 company
(B) Non-listed companies	none

### Remark

CST	: Civil Service Training Institute, Office of the Civil Service Commission
BYP	: Training Course on Administrative Justice for Executives , The Administrative Court
KPI	: Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute
KPI	: Advanced Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute
JSP	: National Defence College, The Joint State - Private Sector Course
PSB	: Administrative Relationship Development, RTARF
URB-GREEN	: Urban Green Development Institute Bangkok
CMA	: Capital Market Academy
IBID	: Executive Management with Business Development and Investment Course Institute of Business and Industrial Development
NDC	: National Defence College , The National Defence Course
TEA	: Energy Literacy for A Sustainable Future, Thailand Energy Academy
AACP	: Advanced Audit Committee Program
ACP	: Audit Committee Program
DAP	: Director Accreditation Program
DCP	: Director Certification Program
FND	: Finance for Non-Finance Director
HRP	: How to Develop a Risk Management Plan
PDI	: Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization
RCL	: Risk Management Program for Corporate Leaders
RCP	: Role of the Chairman Program
RMP	: Risk Management Committee Program
SFE	: Successful Formulation & Execution the Strategy
TEPCOT	: Top Executive Program in Commerce and Trade

# Advisory to the Board Profile



## Gen. Thanadol Paojinda

Age 64 Years

### Position

- Advisory to the board
- Advisory to Executive and Investment Committee
- Advisory to Evaluation and Remuneration Committee

### Education

- Bachelor of Science (ARMY)  
Chulachomklao Royal Military Academy

### Special Course

- Army War College 2000
- Army Command and General Staff College 1985
- DAP 119/2015

### Work Experiences

2015 - Present

- Director, Universal Utilities Public Company Limited

24 December 2014 - Present

- Advisory to the board
- Advisory to Executive and Investment Committee
- Advisory to Evaluation and Remuneration Committee  
Eastern Water Resources Development and Management  
Public Company Limited

2011

- Senior Army Advisor

2009 - 2011

- Commandant, Territorial Defense Command

1983

- Company Commander, Chulachomklao Royal Military  
Academy

## Adm. Amorntep Na Bangchang

Age 61 Years

### Position

- Advisory to the board
- Advisory to Executive and Investment Committee

### Education

- Master of Public and Private Management, (Honour)  
National Institute of Development Administration (NIDA)
- Bachelor of Business Administration  
Sukothai Thammathirat
- JSP20
- Naval War College Class 30
- Naval Staff College Class 48
- Operations Officer Course Class 22
- International Surface Warfare Officers, US Navy
- German Naval Academy
- Royal Thai Naval Academy Class 70
- Pre-Cadet School Class 13

### Special Course

- CMA11
- TEA Class 1
- DAP 98/2012

### Work Experiences

2015 - Present

- Director, Universal Utilities Public Company Limited

24 December 2014 - Present

- Advisory to the board
- Advisory to Executive and Investment Committee  
Eastern Water Resources Development and Management  
Public Company Limited

2014 - Present

- Member of the National Legislative Assembly (NLA)





## Mr. Lertviroj Kowattana

Age 58 Years

### Position

- Advisory to the board
- Advisory to Executive and Investment Committee

### Education

- Master of Business Administration  
Florida Institute of Technology U.S.A.
- Bachelor of Science (Civil Engineering)  
Central New England College of Technology U.S.A.
- Bachelor of Laws  
Ramkhamhaeng University

### Special Course

- BYP 6
- PSB 5
- CMA 12
- NDC 2003
- HPL1 class 43
- Chief 44

### Work Experiences

1 October 2015 - Present

- Deputy Permanent Secretary Ministry of Agricultural and Cooperative

24 December 2014 - Present

- Advisory to the board
- Advisory to Executive and Investment Committee  
Eastern Water Resources Development and Management  
Public Company Limited

2012 - 2015

- Director-General, Royal Irrigation Department

2011

- Deputy Permanent Secretary, Ministry of Agricultural and Cooperative

2009

- Secretary of Agricultural Land Reform Office, Ministry of  
Agricultural and Cooperative

2008

- Inspector - General, Ministry of Agricultural and Cooperative

2006

- Deputy Director-General, Royal Irrigation Department

# Executives Corporate Profile



**Mr. Jaroensuk Worapansopak**

**Age 52 Years**

## Position

- Executive Vice President, Operations and Acting President and CEO

## Education

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

## Special Course

- Successful Formulation & Execution of Strategy (SEF) 2015, Thai Institute of Directors
- Advanced Certificate Course in Public Administration and Law for Executives Class 14/2015, King Prajadhipok's Institute
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Director Certification Program - DCP 146/2011, Thai Institute of Directors
- Senior Executive Program - SEP 2010
- Executive Development Program - EDP Class 3/2009, Thai Listed Companies Association

## Work Experiences

### Eastern Water Resources Development and Management Public Company Limited

December 2015 - Present

- Executive Vice President, Operations and Acting President and CEO

January 2011 - November 2015

- Executive Vice President, Operations

March - December 2010

- Acting Executive Vice President, Operations

January 2009 - February 2010

- Vice President, Customer Service Department and Acting Executive Vice President, Project Planning and Customer Service

August 2008 - May 2009

- Director, Egcom Thara Company Limited

November 2002 - December 2008

- Vice President, Project Planning Department



**Mr. Namsak Wannavisute**

**Age 50 Years**

**Position**

- Executive Vice President, Finance and Accounting

**Education**

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

**Special Course**

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Director Certification Program - DCP 155/2012
- Advance Senior Executive Program - ASEP 2010

**Work Experiences**

**Eastern Water Resources Development and Management Public Company Limited**

December 2015 - Present

- Executive Vice President, Finance and Accounting

May - November 2015

- Executive Vice President, Finance and Accounting and Acting President and CEO

January 2011 - Present

- Executive Vice President, Finance and Accounting

January 2009 - December 2010

- Vice President, Finance and Accounting Department

June 2007 - December 2008

- Vice President, Corporate Affairs Department and Acting Vice President, Human Resources Department

November 2002 - June 2007

- Vice President, Business Development Department

November 2001 - October 2002

- Acting Vice President, Business Development Department

March - October 2001

- Manager, Business Development Division



**Mrs. Namphon Rassadanukul**

**Age 53 Years**

**Position**

- Senior Vice President, Business Development Department

**Education**

- M. Pol. Sc. (Politics and Government)  
Sukhothai Thammathirat
- M.A. in Public Administration  
Glasgow College of Technology, UK
- Certificate in Computer Programming and Information Processing  
London School, UK
- B.A. in Political Science (Public Administration)  
Thammasat University

**Special Course**

- Sustainable Brands '15 Bangkok (TMA), 2015
- The Management of administrative for Executive class 5
- The Management of Sustainable Development Administrative class 1
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Senior Executive Program - SEP 2011
- Advanced Certificate, Politics and Governance in Democratic Systems for Executives, Class 11, KP
- Advanced Certificate, Public Administration and Law for Executives, Class 1, KPI
- Director Certification Program - DCP 4/2000

**Work Experiences**

**Eastern Water Resources Development and Management Public Company Limited**

July 2015 - Present

- Senior Vice President, Business Development Department

February - July 2015

- Senior Vice President, Human Resources Department

June 2007 - February 2015

- Senior Vice President, President and CEO Office and Corporate Secretary

February 2004 - June 2007

- Senior Vice President, Audit Department and Corporate Secretary

November 2001 - February 2004

- Vice President, Audit Department

March - October 2001

- Vice President, President and CEO Office

1994 - 2001

- Vice President, Administration Department



**Mrs. Thidarut Kraiprasit****Age 52 Years****Position**

- Senior Vice President, Finance and Accounting Department

**Education**

- MBA  
Kasetsart University
- B.B.A (Accounting)  
Thammasat University
- Certified Public Accountant (CPA)

**Special Course**

- Strategic CFO in Capital Markets Program, 2015
- Chief Financial Officer Certification Program Class 19/2015
- Director Certification Program - DCP 197/2014
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Audit Committee Program (ACP) Class 26/2009
- Executive Development Program (EDP) Class 4
- Advanced Certificate Course in Public Economics Management for Executives, Class 5

**Work Experiences****Eastern Water Resources Development and Management Public Company Limited**

July 2015 - Present

- Senior Vice President, Finance and Accounting Department

January 2009 - July 2015

- Senior Vice President, Audit Department

June 2007 - December 2008

- Senior Vice President, Finance and Accounting Department

October 2004 - June 2007

- Senior Vice President, Finance and Human Resources Department

2001 - October 2004

- Vice President, Finance and Human Resources Department

1997 - 2001

- Vice President, Finance and Procurement Department

**Mr. Cherdchai Pitiwacharakul****Age 51 Years****Position**

- Senior Vice President, President and CEO Office and Acting Managing Director, Universal Utilities Public Company Limited

**Education**

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

**Special Course**

- Strategic Marketing, Brand Building and Customer Relationship Management for Public & Private Enterprise Executives (SMART MARKETING) Class 4/2015
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Executive Development Program (EDP) Class3
- Integration Water Resources Management for Executives, Class 2
- Director Certification Program - DCP132 /2010
- Mini MBA Kasetsart University Class 21 (2002)
- Mini MIS Kasetsart University Class 2 (1997)

**Work Experiences**

October 2015 - Present

- Senior Vice President, President and CEO Office  
Eastern Water Resources Development and Management Public Company Limited
- Acting Managing Director  
Universal Utilities Public Company Limited

**Eastern Water Resources Development and Management Public Company Limited**

September 2013 - September 2015

- Senior Vice President, Operations and Customer Service Department

March 2010 - September 2013

- Vice President, Operations and Customer Service Department

January 2009 - March 2010

- Vice President, Business Development Department

August 2008 - January 2009

- Acting Managing Director  
Universal Utilities Company Limited

November 2007 - January 2009

- Vice President, Special Project Department  
Eastern Water Resources Development and Management Public Company Limited

November 2001 - November 2007

- Vice President, Chachoengsao Operation Center and Acting Vice President, Rayong Operation Center  
Eastern Water Resources Development and Management Public Company Limited



**Mrs. Wirawan Tharanont**

**Age 57 Years**

**Position**

- Vice President, President and CEO Office and Corporate Secretary

**Education**

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

**Special Course**

- Company Secretary Program (IOD), 2015
- Director Certificate Program – DCP 192/2014
- Anti-Corruption : The Practical Guide, Thai Institute of Directors (IOD) ACPG 8/2014
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Public Service Provider Law, King Prajadhipok's Institute
- The Committee of Safety, Occupational Health and Work Environment
- Organizational Risk Management Program, Listed Companies Association

**Work Experiences**

**Eastern Water Resources Development and Management Public Company Limited**

February 2015 - Present

- Vice President, President and CEO Office and Corporate Secretary

September 2013 - February 2015

- Vice President, Human Resource Department

January 2009 - September 2013

- Vice President, Corporate Affairs Department

June 2007 - December 2008

- Vice President, Audit Department

October 2006 - June 2007

- Vice President, President and CEO Office

October 2005 - September 2006

- Manager, President and CEO Office

2004 - 2005

- Manager, Corporate Risk Department



**Ms. Kanyanart Viraphandu**

**Age 46 Years**

**Position**

- Vice President, Corporate Communications Department

**Education**

- B.B.A (Accounting) Assumption University

**Special Course**

- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Executive Development Program (EDP) Class 5, 2010

**Work Experiences**

**Eastern Water Resources Development and Management Public Company Limited**

February 2011 - Present

- Vice President, Corporate Communications Department

August 2007 - January 2011

- Assistant Vice President, Corporate Communications Department

October 2006 - July 2007

- Public Relations Manager, President and CEO Office

October 2002 - September 2006

- Administrative and General Cooperation Manager, (Secondment - EHP)

December 2001 - September 2002

- Corporate Relations Manager, Corporate Affairs Department

March - November 2001

- Corporate Relations Manager, President and CEO Office

**Mr. Sokul Chuepakdee****Age 51 Years****Position**

- Vice President, Engineering Department

**Education**

- MBA  
Thammasat University
- Bachelor of Civil Engineering  
Chulalongkorn University

**Special Course**

- Safety Officer: Management Level
- Anti-Corruption: The Practical Guide, Thai Institute of Directors (IOD) ACPG 13/2014

**Work Experiences****Eastern Water Resources Development and Management Public Company Limited**

July 2015 - Present

- Vice President, Engineering Department
- January 2014 - July 2015
- Vice President, Project Planning Department

2011 - 2013

- Vice President, Engineering Department  
Wastewater Management Authority

2009 - 2011

- Executive Vice President  
General Engineering Public Company Limited

1999 - 2009

- Senior Manager, Business Development Department  
Eastern Water Resources Development and Management Public Company Limited

**Ms. Chinda Mahaisawariya****Age 53 Years****Position**

- Vice President, Corporate Affairs Department

**Education**

- M.A. (Social Development)  
National Institute of Development Administration (NIDA)
- B.A. (General Management)  
Suan Dusit Rajabhat University

**Special Course**

- Modern Executive Micro MBA, 2015
- Train the Trainer
- Anti-Corruption: The Practical Guide, Thai Institute of Directors (IOD) ACPG 13/2014
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Executive Development Program (EDP) 2011

**Work Experiences****Eastern Water Resources Development and Management Public Company Limited**

July 2015 - Present

- Vice President, Corporate Affairs Department
- February - June 2015
- Acting Vice President, Corporate Affairs Department
- 2011 - February 2015
- Assistant Vice President, Corporate Affairs Department
- 2009 - 2011
- Procurement Manager, Corporate Affairs Department
- 2006 - 2009
- Corporate Relations Manager, Corporate Communications Department
- 2004 - 2006
- Procurement Manager, Corporate Affairs Department





**Ms. Doungrat Pitak**

**Age 50 Years**

**Position**

- Assistant Vice President, Human Resources Department and Acting Vice President, Human Resources Department

**Education**

- M.Sc. (Industrial and Organizational Psychology)  
Kasetsart University
- B.A. (Sociology and Anthropology)  
Thammasat University

**Special Course**

- Intermediate Certificate Course in Good Governance for Middle Level Executives (17/2015), King Prajadhipok's Institute
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- Executive Development Program (EDP) Class 12/2013

**Work Experiences**

**Eastern Water Resources Development and Management Public Company Limited**

July 2015 - Present

- Assistant Vice President, Human Resources Department and Acting Vice President, Human Resources Department

April 2013 - July 2015

- Assistant Vice President, Human Resources Department

2012 - 2013

- Procurement Manager

2011 - 2012

- Human Resource Development Manager

2009 - 2011

- Human Resources Manager



**Ms. Tharntip Photisoron**

**Age 44 Years**

**Position**

- Network Systems Manager, Information Technology Department and Acting Vice President, Information Technology Department

**Education**

- M.Sc. (Information Technology)  
King Mongkut's Institute of Technology Ladkrabang
- B.Sc. (Mathematics)  
King Mongkut's University of Technology Thonburi

**Special Course**

- Thailand ICT Management Forum & Thailand ICT Excellence Award 2016
- The Manager
- Train the Trainer
- ICT Management for ICT Manager Class 3
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- CIO In Digital Marketing
- IBM Leadership
- Strategic Thinking

**Work Experiences**

**Eastern Water Resources Development and Management Public Company Limited**

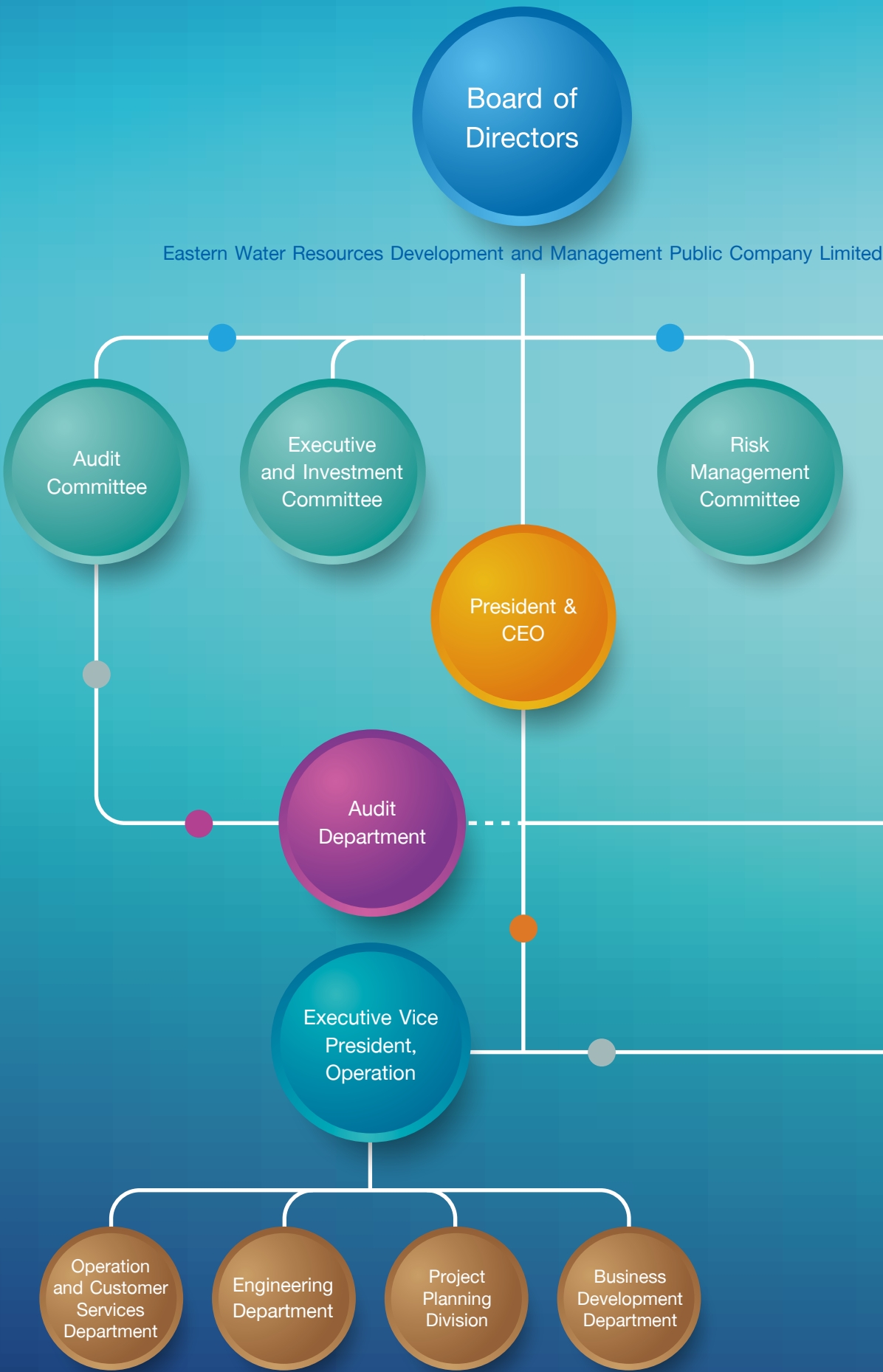
October 2015 - Present

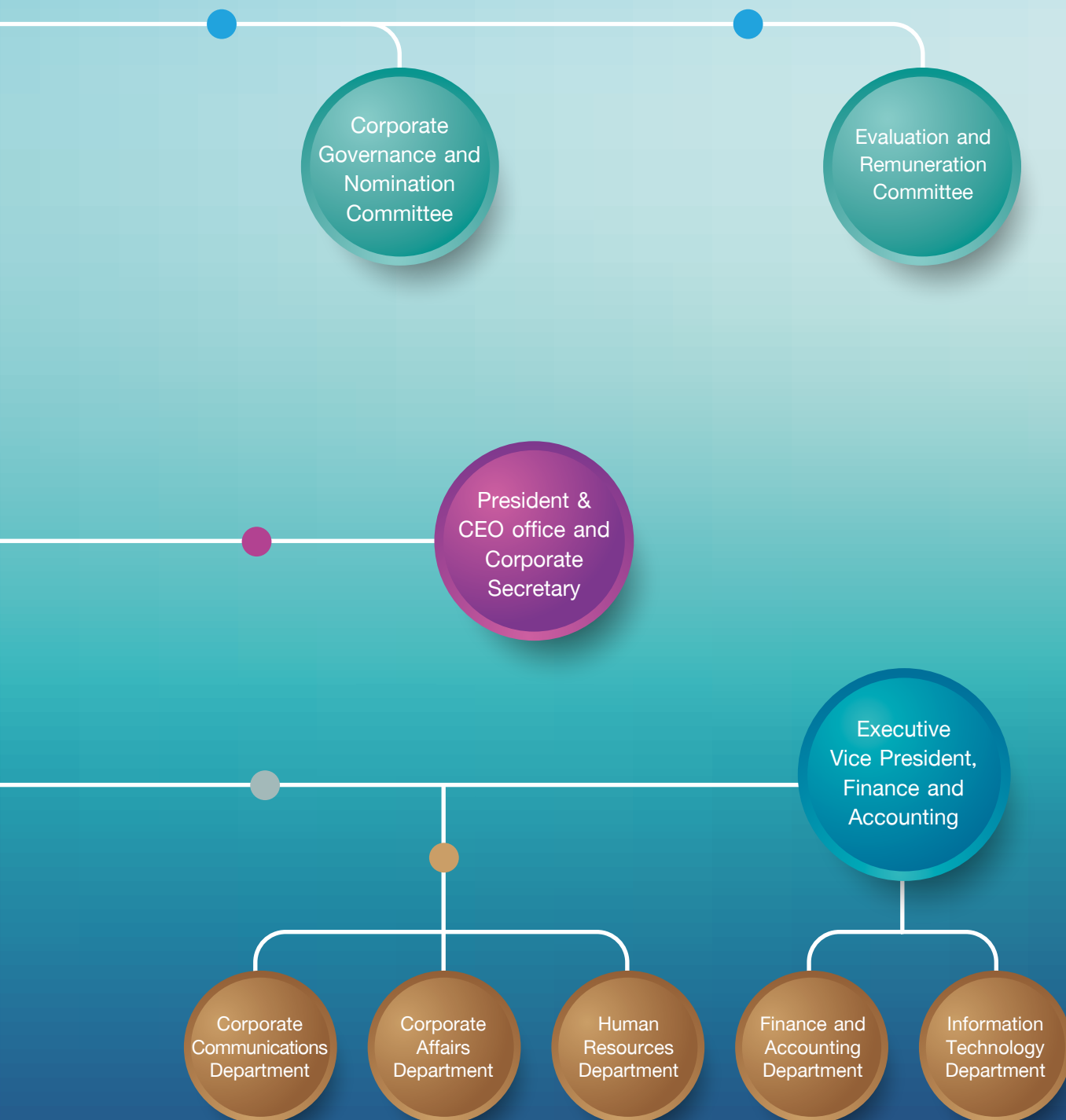
- Network Systems Manager, Information Technology Department and Acting Vice President, Information Technology Department

December 2007 - September 2015

- Network Systems Manager

# Organizational Structure









## Market Conditions, Industry Situation and Competition

### Overview of the Thai economy in 2015

The Thai economy grew 2.9% in the first half of the year, lower than expected. This was attributable to the slow world economic recovery, especially the Chinese economy (as China is a Thailand's major trading partner, this directly affects the export sector), and volatility of foreign exchange rates due to the appreciation of the US dollar. Domestic factors such as reduced competitiveness; ICAO's concern over Thailand's aviation standards; illegal fishing and human trafficking; and the widespread drought problem throughout the country also affected the Thai economy. These factors caused private sector investment to slow down due to lack of confidence in the overall economy and waiting for clear indications from the government investment.

However, in the last half of the year, the Thai Industries Sentiment Index gradually increased from the government's economic stimulus package totaling 1.36 trillion Baht to help low income earners, and growth from the tourism sector. As a result, the overall Thai economy grew 2.8% in 2015, compared to only 0.9% in 2014.

### Industry situation and competition in the Eastern region

In 2015, almost every region in Thailand experienced severe drought, causing agricultural production to decline. However, the industrial sector grew slightly at 0.8%, rising from 0.4% in 2014, as a result of expansion in the petroleum industry, automotive industry, chemical products industry, and tobacco industry. The Thai Industries Sentiment Index for the Eastern region in September was 92.9%, higher than other regions, as the Eastern region was the only region in 2015 that did not experience water scarcity problems. The Eastern region had sufficient water to meet the demands of all sectors as it has a systematic and integrated water management system like the East Water Model. The East Water Model has developed the pipeline transmission system with the Water Grid, connecting important water sources in the Eastern region with 394.5 km of water transmission network. The Company has successfully implemented measures to prevent the drought problem as planned, including procuring sources of cost water from private ponds as water reserves and completion of the construction of the Prasae Reservoir - Nong Pla Lai Reservoir pipeline No. 2. This is reflected in the demand for raw water for the year which rose to 296.4 million cubic meters, an increase of 5.1% from the previous year. Meanwhile, the demand for tap water was 92.6 million cubic meters, increasing 4.26% from the previous year.

The Eastern region continues to be an important economic zone of Thailand and is included in the latest National Economic and Social Development Plan. The area has potential in terms of systematic land and sea transportation networks, a border with Cambodia, and a sea coast with a deep sea port which is an important doorway for exports. In addition, the area has diverse natural resources which support tourism. This has contributed to rapid growth of the industrial sector, especially in the Pluak Daeng - Bowin area in Chonburi Province, which will become an important strategic area of the region. The Eastern Seaboard development plan in the form of super clusters in 7 provinces and investment policy according to the national strategic development plan including basic transport infrastructure, dual-track railway project, construction of 3 new motorways, and water management will support continued development. The Thai manufacturing sector is expected to improve, thus the demand for the Company's raw water and tap water is expected to increase in 2016. Demand for raw water is projected to grow 3% from 2015.

## Water situation in 2016

From the forecast of water demand for consumption and industrial use in the Eastern region, it was found that the current amount of cost water is sufficient for water demand during the 2016 dry season. East Water closely monitors the water situation and meets with the Water War Room of the East every month to create confidence for water users. The Water War Room of the East consists of the Royal Irrigation Department, domestic users, and industrial users. The water situation of Chachoengsao Province in 2016 does not look good. Even though water users from the Company's pipeline will have sufficient water because the Company has already reserved water, some users who are not regular customers of East Water might experience water shortages during the dry season. The Company will help alleviate the water shortages with the 2016 drought preventive measures which have been continuously implemented from the previous year to increase the amount of cost water, that is, diverting water from Prasae Reservoir to Klong Yai Reservoir in order to transmit water to industrial users and domestic users in Rayong and Chonburi; speeding up the construction of the Nong Pla Lai - Nong Khor pipeline No. 2; and procuring additional private sources of raw water in Chonburi.

From the forecast of the Thai Meteorological Department and various forecasting centers in December 2015, the strong El Nino is expected to remain until the beginning of 2016. After that, the effects of El Nino will gradually lessen and normal conditions will be reached in mid 2016 or around June 2016. Therefore, the water situation is expected to return to be normal in the middle of the year.

## Operational targets in 2016

East Water expects its earnings to grow slightly due to the global economic slowdown. Its strategy is to focus on expanding the revenue base of raw water customers in the Eastern region, supported by the growth of industrial estates in the Super cluster. Furthermore, the Company continues to fulfill the government's policy to create a sustainable water management system for the country, lessening water shortage problems, repeated flooding and water pollution, through the 3W water management model - Water Grid, Water Network and Water Complex. In addition, the construction of Smart City and Factory Land will help increase the amount of cost water, reduce the cost of water, as well as reduce the amount of polluted water released into public water sources.





## Nature of Business and Shareholding Proportion in Subsidiaries

Eastern Water Resources Development and Management Public Company Limited is providing and distribution of raw water in the eastern region of Thailand. The related business (tap water supply business) has been run through its subsidiaries. The nature of East Water Group's business is divided into 2 parts and can be summarized as follows:

### 1. Raw water business

The Company is responsible for the development and management of the main water distribution pipeline systems in the Eastern Seaboard of Thailand. The Company supplies raw water to industrial estates, waterworks, and factories in Chonburi, Rayong, and Chachoengsao Province. The main water pipeline system has 394.5 kilometers and with annual capacity 619 million cubic meters.

### 2. Related business

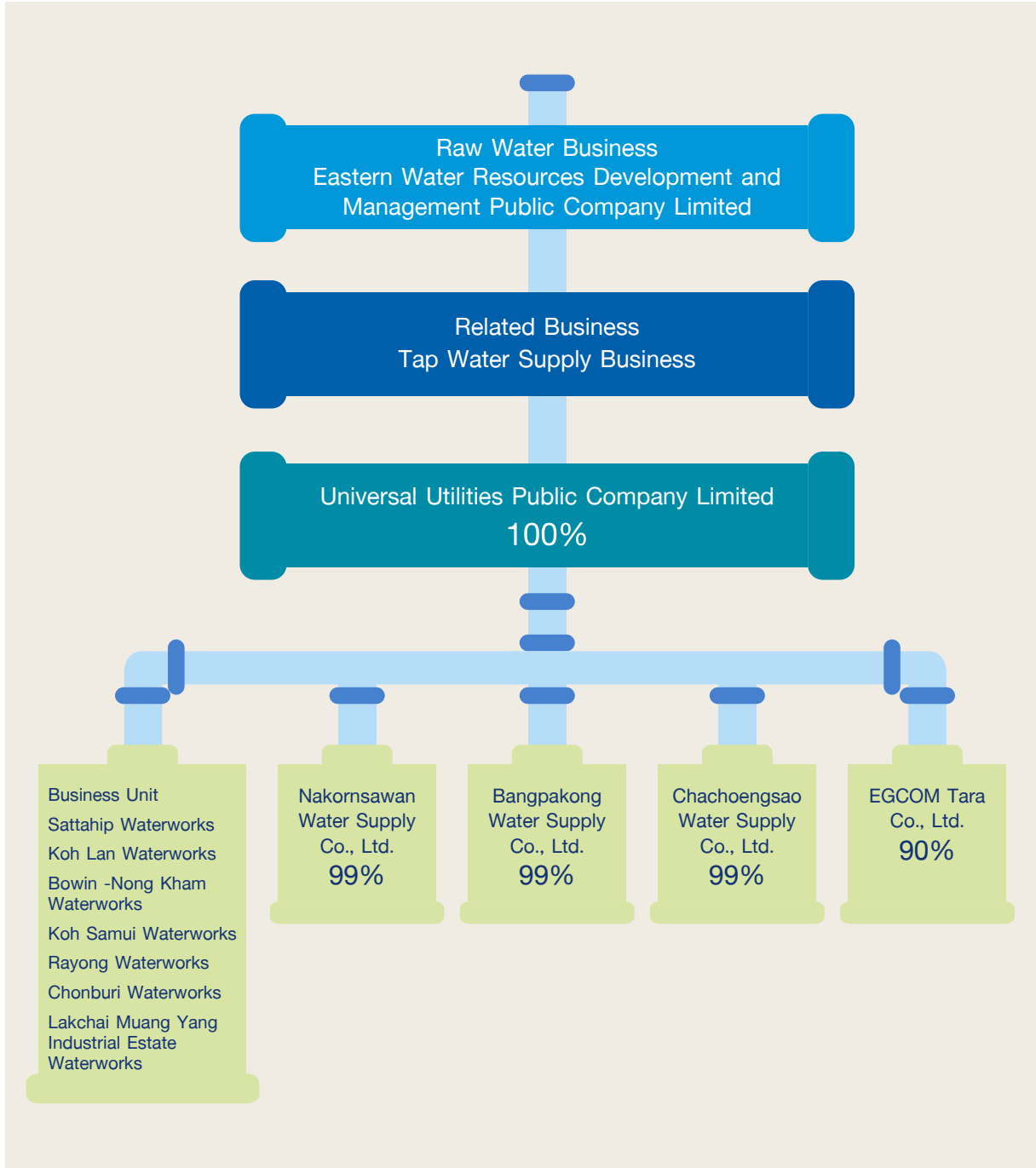
The Company operates related business through Universal Utilities Public Company Limited (UU), in which 100% shareholding. UU aims to provide integrated water systems, covering design, production and management with modern technology. The scope of the related business includes:

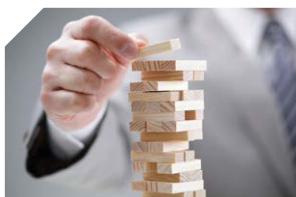
- 💧 Production and distribution of tap water for customers in both the government and private sector
- 💧 Production and distribution of tap water abroad
- 💧 Production and distribution of industrial water
- 💧 Waste water treatment
- 💧 Production and distribution of recycle water





In 2015, Universal Utilities Public Company Limited (UU) first acquired 15.88% of Egcom Tara Company Limited from East Water, and then acquired 74.19% from EGCO Engineering and Service Company Limited (ESCO). After the acquisition, UU holds 90.07% in Egcom Tara Company Limited. At present, UU has 4 waterworks business under its responsibility and manages tap water production for 8 government and private agencies as shown in the figure below.





## Risk Factors

The Company is aware of various risk factors which may arise that might adversely affect the Company's business operations. Therefore, the Company has assessed the probability of the risks occurring and its impacts on the business and has continuously prepared risk management plans to deal with various risk situations. The Board of Directors has assigned the Risk Management Committee set up policies to control and mitigate significant corporate risks. The Risk Management Committee is reviewing risk criteria and continually following up on the progress of the risk management plan every year. In summary, significant risk factors facing the Company in 2015 as follows;

### 1. Risks pertaining to water sources and water distribution systems

**1.1 Insufficient water resource** Due to the continuous strong El Nino, the amount of rainfall during June - September 2015 was lower than average, especially in Chonburi and Chachoengsao Province. The Company closely monitored the water situation in the eastern region, especially the water situation in Bang Phra Reservoir and Nong Kho Reservoir. In this connection, the Company implemented 3 major solutions to prevent and solve the drought problem. 1) Diverting water from Prasae Reservoir to Nong Pla Lai Reservoir, allowing sufficient water distribution to areas in Rayong Province, Bowin - Pluak Daeng, and Chonburi 2) Speeding up the Nong Pla Lai - Nong Kho water pipeline No.2 construction, enabling more water to be diverted from Nong Pla Lai Reservoir to areas in Chonburi and 3) Purchasing more raw water from private sources in Chonburi Province to supplement the amount of water supply in Chonburi and Chachoengsao. Furthermore, the Company has implemented other solutions such as improving the reserve ponds and closely coordinating with the Royal Irrigation Department (RID) and customers to plan water usage and distribution. From the solutions to prevent and solve the drought problem above, the amount of water supply will be sufficient for demand and customers will have confidence that the Company can sufficiently procure enough raw water to meet the needs of customers throughout the year.

**1.2 Damages to water transmission pipeline systems** East Water has been constantly executing a preventive maintenance plan, testing water transmission pipeline systems, and arranging regular maintenance. This is in order to ensure that machines and equipments are always in usable condition, so that they will not be damaged during operations. The Company has also acquired various property insurances to cover potential losses following future perils affecting all the pipeline routes. All Risk Insurance, third-party liability insurance and business interruption insurance have also been purchased to compensate for income loss in case pipelines are damaged and the Company is unable to distribute water.

### 2. Risks that possibly result in operation disruption

**2.1 Disruption of water transmission due to power outages** Since East Water provides a 24-hour water transmission service for its customers, possessing water reserves is necessary in emergency cases such as power outages, maintenance period, or installation of new pipelines. The Company requires reserve water from reserve ponds in different areas to realize continuously transmit water to customers in power outage areas. Presently, East Water's water reserves have a total capacity of 116,300 cubic meters. These reserves are enough to handle emergency cases in Rayong for at least 17 hours.

**2.2 Business disruption due to disasters** In the case of disasters (such as floods, fires, earthquakes, mud slides) or terrorist attacks and sabotages (such as bombings, riots, and civil unrest caused by violent protestors), the Company has prepared a Business Continuity Plan (BCP) and regularly carries out drills every year. In 2015, the Company completed the drills according to the plan in December, with partial practice and alternate site simulation for the preparedness of all employees. In addition, the Company prepared equipments, venues, and resources for important work recovery according to the set scenario.

### 3. Financial risks

#### Risks from an increase of loan rate of interest.

East Water's strong financial status and low debt-to-equity ratio allows the Company to finance its investment projects mainly with long-term loans from various financial institutions and issuance of debentures. In 2015, the Company reduced its cost of capital to manage long-term debt by refinancing of existing loans that can save 100 million Baht throughout the loan period. Furthermore, the Company has increased the portion of its fixed interest rate loans to protect from the risk of rising interest rates in the future.

### 4. Risks from community resistance against East Water's business operations

A huge amount of raw water from water sources in the Eastern region is used by East Water annually. This might adversely affect East Water's corporate image and cause community misunderstanding of the Company's use of water. As a result, East Water has a policy to allocate 5% of its net earning to be used for the development of environments, societies, and communities in service areas. East Water is committed to building strong ties with communities, promoting positive attitudes among the people, and creating a mutual understanding of its business operations among communities. This vision has led the Company to support several projects aiming to develop local communities and to make sure that all communities are provided with sufficient water for their consumption and agricultural activities. Such projects include the Community Water Supply Project along the Prasae Reservoir - Nong Pla Lai Reservoir pipeline, East Water Network for Conservation of Water Project, Planting Saplings for Forests in the Eastern Region Project, and East Water's Sufficient Economy Learning Center Project.







# Management Discussion and Analysis for 2015

## 1. MANAGEMENT DISCUSSION AND ANALYSIS FOR 2015

### 1.1 RAW WATER BUSINESS

1. The company had signed a Memorandum of Understanding (MOU) with Royal Irrigation Department and Provincial Waterworks Authority on 19 February 2015 to collaborate on raw water transferring from Prasae to Klongyai reservoirs. The MOU has allowed the company to access and transfer 20 million Cu.M. of raw water from Prasae reservoir in the first year and increase to 40 million Cu.M. from 2<sup>nd</sup> to 5<sup>th</sup> year.
2. The Board of Directors' meeting No.12/2015 held on 21 August 2015 passed a resolution on an approval for the construction of the Nongplalai-Nongkho No.2 project to serve higher demand and prevent water shortage in Chonburi and Borwin -Pluakdang areas. The project will supply additional 180,000 Cu.M./day at an investment cost of Baht 725 million. The project is expected to complete within 2016.

### 1.2 TAP WATER BUSINESS

1. Universal Utilities (UU), a subsidiary, had signed a MOU with Metropolitan Waterworks Authority on 10 April 2015 to collaborate in planning and developing master plan to reduce number of households with tap water shortage approximately 3.9 million households (approximately 17 percent nationwide) and human resources improvement program.
2. The Board of Directors' meeting held on 20 May 2015 has approved the restructuring of water supply of the group of Company to more clearly by the disposition of the entire ordinary shares of Egcom Tara Public Company Limited which the Company held in the amount of 5,479,140 shares or 15.88% of the total number of Egcom Tara shares to UU at the price of 58 Baht per share, totaling of 317.79 million Baht.
3. On 28 May 2015, UU signed the tap water operating and maintenance service contract with TRIBECA Enterprise Company Limited, the Lak Chai Rubber City Industrial Estate in Rayong. The services will be divided into two phases; the 1<sup>st</sup> phase is the temporary tap water treatment system from 1 July 2015 to 31 December 2016 with a minimum demand guarantee of 800 Cu.M. per day and the 2<sup>nd</sup> phase is to operate tap water treatment plant with capacity of 19,200 Cu.M. per day for 30 years from 1 January 2017 to 31 December 2046.
4. The Board of Directors' meeting held on 17 June 2015 has approved spin-off plan for the listing of UU in the Stock Exchange of Thailand by the Initial Public Offering (IPO) including shares allotment to public investor and the shareholders of EASTW (Pre-Emptive Right) totaling 420,000,000 ordinary shares at 1 Baht par value or 45.16% of paid-up capital after the IPO and no more than 67,000,000 ordinary shares will be distributed to the shareholders of EASTW. Subsequently, it was acknowledged by the EGM on 10 August 2015.
5. The Extraordinary General Meeting No.1/2015 held on 10 August 2015 had a resolution for UU to acquire 25,597,096 shares or 74.19% of Egcom Tara Company Limited from Egco Engineering and Service Company Limited (ESCO) for Baht 1,600 Million. On 31 August 2015, UU had made a payment and completed shares transfer from ESCO. The source of fund was the short-term loan from the bank at amount of Baht 1,600 million. After the acquisition, UU holds 31,076,236 million shares or 90.08% in Egcom Tara Company Limited.
6. The Company sold all ordinary shares of 55% or 6.6 million shares in Samed Utilities Company Limited at Baht 4.85 per share or Baht 32.0 million to the private company. The Company received the payment from the private company on 14 August 2015.

7. As of 9 September 2015, Universal Utilities Public Company Limited (formerly known as “Universal Utilities Company Limited”) registered with the Department of Business Development for transformation to be a public company limited.
8. On 9 December 2015, Universal Utilities Public Company Limited (“UU”) submitted the Filing for IPO to the Office of Securities and Exchange Commission (SEC). Maybank Kim Eng Securities (Thailand) Public Company Limited is a financial advisor.

### 1.3 OTHER BUSINESS

1. On 30 March 2015, the company signed a MOU with Global Power Synergy Public Company Limited or GPSC to study and develop wastewater reclamation project from Pattaya city wastewater treatment plant.
2. On 28 July 2015, UU signed on a wastewater operation and maintenance services agreement with TRIBECA Enterprise Company Limited to operate and service wastewater treatment plant with a capacity of 6,000 Cu.M per day in the Lak Chai Rubber City Industrial Estate from 1 January 2017 for 30 years.

### 1.4 OTHERS

1. On 20 March 2015, the company had entered into 5 years loan agreement with 2 financial institutions amounting to Baht 2,800 million with average interest rate of 3.11% to refinance loans of the company and its subsidiary.
2. TRIS Rating Co., Ltd. affirmed the company rating of Eastern Water Resources Development and Management PLC (EASTW) at “A+” with “stable” outlook. The announcement reflected the company’s financial strength and low operating risks.
3. The 2014 Annual General Meeting of Shareholder on 27 April 2015 approved the dividend payment for fiscal year 2014 at Baht 0.45 per share (Baht 0.42 per share in 2013). The interim payment (for January – June 2015) of Baht 0.21 per share was paid on 26 September 2014 and the remaining of Baht 0.24 per share (for July to December 2014) will be paid on 26 May 2015.
4. On 5 June 2015, the Company had entered into 10 years loan agreement with a bank amounting to Baht 1,000 million to replace an undrawn amount of the existing loan of Tabma and Prasae-Nongplalai projects.
5. On 16 June 2015, the Company had issued Baht 2,400 million unsubordinated and unsecured debentures without debenture holders’ representative to institutional and high net worth investors. Those debentures include 7 years debenture with total value of Baht 1,200 million at 3.84 percent p.a. interest rate and 10 years debenture with total value of Baht 1,200 million at 4.18 percent p.a. interest rate. The fund from the debentures used to repay the existing loan of Tabma and Prasae-Nongplalai projects.
6. The Board of Directors’ meeting No.12/2015 held on 21 August 2015 had a resolution on the interim dividend payment, based on the operating results of six months ended at 30 June 2015, at Baht 0.22 per share (2014 = Baht 0.21 per share). The record date which shareholders had the right to receive the interim dividend was on 4 September 2015 and the dividend was paid on 17 September 2015. Total dividend paid was Baht 366.02 million.
7. On 12 November 2015, the Company had entered into 10 years loan agreement with a bank in an amount of Baht 1,700 million. This loan is to replace the previous loan for Tabma reservoir project and Prasae-Nongplalai water pipeline system project.

## 2. PERFORMANCE ANALYSIS ON THE CONSOLIDATED FINANCIAL STATEMENT

### 2.1 SUMMARY

In 2015, East Water Group had total consolidated sales and services income of Baht 4,366.81 million, increased by Baht 124.57 million or 2.94% YoY (Total consolidated sales and services income excluding construction revenue under concession agreement was Baht 4,271.13 million, increased by Baht 297.81 million or 7.50% YoY). Net profit attributable to Equity holders of the parent company was Baht 1,584.94 million, increased by Baht 250.74 million or 18.79% YoY.

**Table 1:** Summary of Financial Performance

Items	Amount (million baht : MB.)				Increased (Decreased)	
	2015	%	2014	%	MB.	%
Raw Water Sold (million cubic meters)	270.68	-	257.09	-	13.59	5.29%
Tap Water Sold (million cubic meters)	83.88	-	75.61	-	8.28	10.95%
<b>Total Sales and Services Income</b>	<b>4,366.81</b>	<b>100.00%</b>	<b>4,242.24</b>	<b>100.00%</b>	<b>124.57</b>	<b>2.94%</b>
Raw Water Revenue	2,898.67	66.38%	2,768.38	65.26%	130.29	4.71%
Tap Water Revenue	1,160.24	26.57%	988.74	23.31%	171.50	17.34%
Rental and Services Income	212.23	4.86%	216.20	5.10%	(3.97)	(1.84%)
Construction Revenue Under Concession Agreement <sup>(1)</sup>	95.68	2.19%	268.92	6.34%	(173.24)	(64.42%)
<b>Costs of Sales and Services</b>	<b>2,109.02</b>	<b>48.30%</b>	<b>2,097.65</b>	<b>49.45%</b>	<b>11.37</b>	<b>0.54%</b>
Raw Water Costs	1,134.87	25.99%	1,039.69	24.51%	95.18	9.15%
Tap Water Costs	707.28	16.20%	590.12	13.91%	117.15	19.85%
Rental and Services Costs	171.19	3.92%	198.91	4.69%	(27.73)	(13.94%)
Construction Revenue Under Concession Agreement <sup>(1)</sup>	95.68	2.19%	268.92	6.34%	(173.24)	(64.42%)
<b>Gross Profit</b>	<b>2,257.79</b>	<b>51.70%</b>	<b>2,144.59</b>	<b>50.55%</b>	<b>113.21</b>	<b>5.28%</b>
Other Income	65.69	1.50%	62.52	1.47%	3.17	5.07%
Sales and Administration Expenses	458.61	10.50%	412.23	9.72%	46.38	11.25%
<b>Earnings Before Interest and Tax</b>	<b>1,864.88</b>	<b>42.71%</b>	<b>1,794.87</b>	<b>42.31%</b>	<b>70.00</b>	<b>3.90%</b>
Finance Cost	114.18	2.61%	121.23	2.86%	(7.04)	(5.81%)
<b>Earning Before Tax</b>	<b>1,750.70</b>	<b>40.09%</b>	<b>1,673.65</b>	<b>39.45%</b>	<b>77.05</b>	<b>4.60%</b>
Income Tax Expenses	342.77	7.85%	339.20	8.00%	3.58	1.05%
<b>Net Profit from Normal Operation</b>	<b>1,407.92</b>	<b>32.24%</b>	<b>1,334.45</b>	<b>31.46%</b>	<b>73.47</b>	<b>5.51%</b>
Gain from measuring fair value of 15.88% equity interest in Egcom Tara <sup>(2)</sup>	183.32	4.20%	-	-	183.32	N/A
<b>Net profit</b>	<b>1,591.24</b>	<b>36.44%</b>	<b>1,334.45</b>	<b>31.46%</b>	<b>256.79</b>	<b>19.24%</b>
<b>Net Profit Attributable to Equity Holders of The Parent Company</b>	<b>1,584.94</b>	<b>36.30%</b>	<b>1,334.21</b>	<b>31.45%</b>	<b>250.74</b>	<b>18.79%</b>
<b>Earnings per Share</b>	<b>0.953</b>	<b>-</b>	<b>0.802</b>	<b>-</b>	<b>0.151</b>	<b>18.79%</b>
<b>EBITDA</b>	<b>2,444.71</b>	<b>55.98%</b>	<b>2,288.42</b>	<b>53.94%</b>	<b>156.28</b>	<b>6.83%</b>

Note: (1) The company recognizes construction revenue and costs under concession agreement according to TFRIC 12.

(2) Gain from measuring fair value of 15.88% equity interest in Egcom Tara Company Limited held before the business combination. The detail was mentioned under Note No.40 of the financial statement as of 31 December 2015.



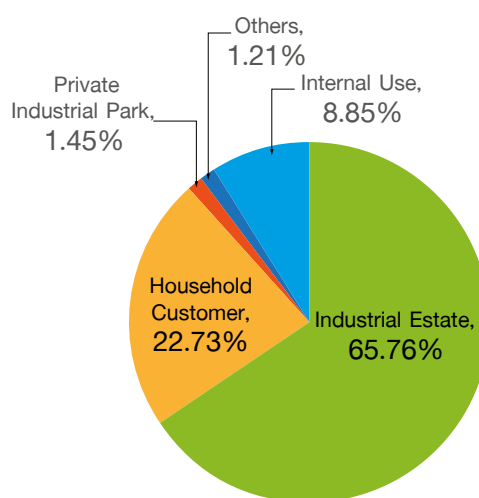
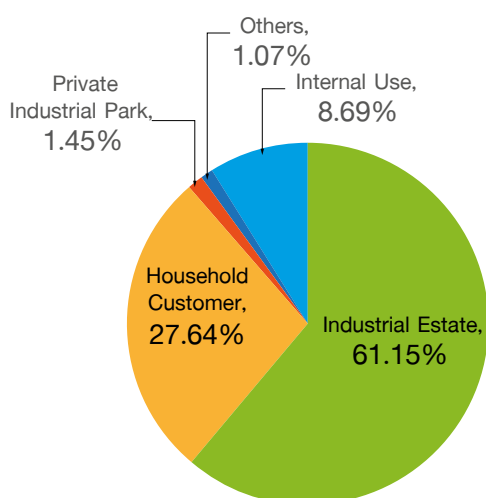
## 2.2 RAW WATER BUSINESS

2.2.1 Raw water revenue in 2015 was Baht 2,898.67 million , increased by Baht 130.29 million or 4.71% YoY. Total sales volume was 270.68 million Cu.M. (Excluding internal usage for tap water production of 25.76 million Cu.M.) increased by 13.59 million Cu.M. or 5.29% YoY. The average raw water tariff was Baht 10.71 per Cu.M., decreased by Baht 0.06 per Cu.M. or 0.55% YoY, due to a significant increase in raw water demand for domestic consumption in Chonburi and Chachoengsao province which has lower tariff.

**Picture 1 :** Raw Water Distribution by Customer Group (Internal usage for tap water production is included)

Jan-Dec 2015 = 296.44 million Cu.M.

Jan- Dec 2014 = 282.06 million Cu.M.

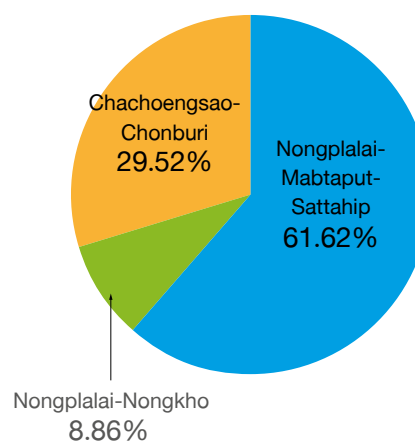
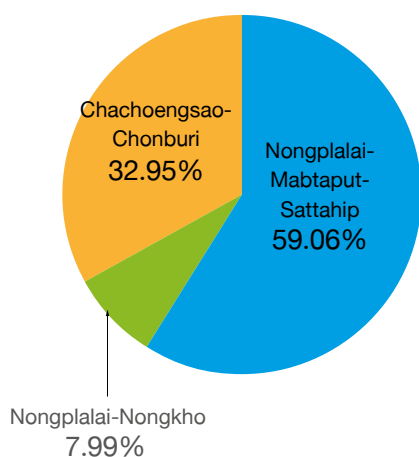


**Note:** Raw Water Sold = Total distribution volume – Internal Use (for tap water production)

**Picture 2 :** Raw Water Distribution by Area (Internal usage for tap water production is included)

Jan-Dec 2015 = 296.44 million Cu.M.

Jan- Dec 2014 = 282.06 million Cu.M.



2.2.2 Cost of raw water sales in 2015 was Baht 1,134.87 million, increased by Baht 95.18 million or 9.15% YoY. Major costs of raw water business are shown in Table 2 below:

**Table 2:** Major costs of raw water business

Item	2015		2014		Change	
	(MB)	(%)	(MB)	(%)	(MB)	(%)
Volume (Million Cu.M.)	270.68	-	257.09	-	13.59	5.29
Raw Water Revenue	2,898.67	100.00	2,768.38	100.00	130.29	4.71
COGS	1,134.87	39.15	1,039.69	37.56	95.18	9.15
- Raw Water	154.80	5.34	139.96	5.06	14.84	10.60
- Electricity	473.83	16.35	420.19	15.18	53.64	12.77
- Depreciation	297.89	10.28	271.25	9.80	26.64	9.82
- Maintenance	63.83	2.20	72.02	2.60	(8.18)	(11.36)
- Others	144.52	4.99	136.28	4.92	8.25	6.05
Gross Profit	1,763.79	60.85	1,728.68	62.44	35.11	2.03

- (1) **Cost of raw water** in 2015 was Baht 154.80 million, increased by Baht 14.84 million or 10.60% YoY since there was growing sales volume and the purchase of raw water from private water sources increased by 2.44 million cubic meters from the year 2014
- (2) **Electricity costs** in 2015 was Baht 473.83 million, increased by Baht 53.64 million or 12.77% YoY due to a significant increase in sales volume in Chonburi, which required more water transfer from Nongplalai reservoir to Chonburi. In addition, the company had been implementing water shortage preventive measure by transferring raw water from Prasae reservoir since April 2015; consequently, 61.18 million cubic meters of raw water were transferred from Prasae in 2015.
- (3) **Depreciation** in 2015 was Baht 297.89 million, increased by Baht 26.64 million or 9.82% YoY because depreciation of Bangpra pumping station and its extended pipeline had been recognized since September 2014.
- (4) **Other expenses** in 2015 amounted to Baht 144.52 million, increased by Baht 8.25 million or 6.05% YoY because the rental charge of Nongplalai-Nongkho and Nongkho-Leamchabang Phase 2 was adjusted from 3 percent to 7 percent of the raw water sold through the pipelines according to preliminary discussion with the government agency. The new rental charge has been recorded since 1 October 2014.
- (5) **Gross profit of raw water business** in 2015 totaled to Baht 1,763.79 million, increased by Baht 35.11 million or 2.03% YoY. The gross profit margin remained at 60.85% of raw water revenue.

## 2.3 TAP WATER BUSINESS

2.3.1 Total tap water revenue in 2015 was Baht 1,160.24 million, increased by Baht 171.50 million or 17.34% YoY. Tap water sales volume was 83.88 million Cu.M., increased by 8.28 million Cu.M. or 10.95% YoY. The rise in sales volume was due to an increase in demand; pipeline extension of Sattahip-Pattaya waterworks (+10.81%) and Borwin waterworks (+12.46%); and improvement of water pressure in the distribution system of Chachoengsao waterworks (+7.63%) and Nakornsawan waterworks (+8.23%). Additionally, the company has recognised revenue from Egcom Tara Co.,Ltd. (Ratchaburi-Samutsongkram waterworks) since 31 August 2015. (If excluding the sales volume and the revenue from Egcom Tara, total tap water sales volume would amount to 79.56 million Cu.M., increased by 3.95 Cu.M. or 5.22% YoY.; and the tap water revenue would totaled to Baht 1,049.38 million, increased by Baht 60.64 million or 6.13% YoY.) The average tap water tariff was Baht 13.83 per Cu.M., increased by Baht 0.75 per Cu.M. or 5.77% YoY.

2.3.2 Total cost of tap water sales in 2015 was Baht 707.28 million, increased by Baht 117.15 million or 19.85% YoY. Details of tap water costs are shown in Table 3 below:

**Table 3 :** Major costs of tap water business

Item	2015		2014		Change	
	(MB)	(%)	(MB)	(%)	(MB)	(%)
Volume (Million Cu.M.)	83.88	-	75.61	-	8.28	10.95
Tap Water Revenue	1,160.24	100.00	988.74	100.00	171.50	17.34
Costs of Tap Water	707.28	60.96	590.12	59.68	117.15	19.85
- Raw Water	152.92	13.18	138.26	13.98	14.66	10.61
- Electricity	139.54	12.03	136.18	13.77	3.36	2.47
- Chemical	24.81	2.14	20.94	2.12	3.87	18.46
- Payroll & Outsource Expenses	166.22	14.33	156.12	15.79	10.10	6.47
- Depreciation & Amortization	190.98	16.46	114.64	11.59	76.34	66.59
- Other Expenses	32.80	2.83	23.98	2.43	8.82	36.78
Gross Profit	452.96	39.04	398.62	40.32	54.34	13.63

(1) **Raw water cost** was Baht 152.92 million, increased by Baht 14.66 million or 10.61% YoY, because a rise in demand in Sattahip and Borwin waterworks led to more consumption of East Water's raw water.

(2) **Depreciation and Amortization** were Baht 190.98 million, increased by Baht 76.34 million or 66.59%, because the company had recognized the depreciation of Sattahip-Pattaya extended pipeline capacity of 18,000 Cu.M. per day since June 2014; the depreciation of extended pipelines of other waterworks; and the depreciation and amortization of intangible assets of Egcom Tara amounting to Baht 45.59 million.

(3) **Other expenses** totaled to Baht 32.80 million, increased by Baht 8.82 million or 36.78%, mainly from expenses incurred by Egcom Tara.

(4) **Gross profit of tap water business** was Baht 452.96 million or 39.04% of total tap water revenue.

## 2.4 SELLING AND ADMINISTRATIVE EXPENSES

Selling and Administrative expenses in 2015 were Baht 458.61 million, increased by Baht 46.38 million or 11.25% YOY because Universal Utilities Public Company Limited recorded allowance for doubtful accounts of a private company amounting to Baht 32.80 million in Q3/2015 since the private company had difficulties in operation and finance.

## 2.5 FINANCIAL EXPENSES

In 2015, financial expenses were Baht 114.18 million, decreased by Baht 7.04 million or 5.81% YoY. The decrease in financial expenses was caused by lower in average interest rate, which was as a result of refinancing and financial cost management despite the Company had more interest bearing debt, and started to recognize the interest expenses from Bangpra project (pumping station and extended pipeline) after the construction was completed in September 2014. As of 31 December 2015, the average interest rate was 3.11% per annum.



### 3. STATEMENT OF FINANCIAL POSITION

**Table 4 :** Summary of the statement of Financial Position

Items	Amount (million baht)		Increase (Decrease)	
	As of 31 December 2015	As of 31 December 2014	Million Baht	%
Assets	19,627.46	15,243.45	4,384.02	28.76%
Liabilities	10,127.90	6,726.37	3,401.53	50.57%
Equity	9,499.56	8,517.07	982.49	11.54%
- Equity attributable to owners of the parent	9,294.69	8,487.56	807.14	9.51%

#### 3.1 ASSETS

At the end of December 2015, total assets were Baht 19,627.46 million, increased by Baht 4,384.02 million or 28.76% from the year 2014 due to changes in the following items:

- (1) Cash and short term investments were Baht 1,173.82 million, increased by Baht 1,005.89 million from the disposition of the Company's shares of Egcom Tara Company Limited valued at Baht 317.79 million to UU. Furthermore, UU also repaid Baht 644.00 million of loan to EASTW for the purpose of UU spin-off plan.
- (2) Property, plant and equipment amounted to Baht 13,265.98 million, increased by Baht 1,518.20 million, mainly from assets transfer of Prasae-Nongplalai pipeline and Tabma reservoir projects.
- (3) Intangible assets totaled to Baht 3,831.90 million, increased by Baht 2,106.54 million because UU had initially acquired 15.88% of Egcom Tara shares from EASTW and subsequently acquired another 74.19% from ESCO. Consequently, UU holds 90.08% of total shares in Egcom Tara. Because the business combination was achieved in sequence, UU had to recognize the acquired net assets at the fair value including the intangible assets of Baht 2,192.00 million, and the goodwill of Baht 103.28 million. The goodwill was recognized because the value of the consideration paid by UU was higher than the fair value of the acquired identifiable net assets. This transaction is taken place in order to comply with the financial reporting standard (TFRS 3: Business Combinations). The detail of purchase price allocation was mentioned in Note No.40 of the financial statement as of 31 December 2015.

#### 3.2 LIABILITIES

At the end of December 2015, total liabilities were Baht 10,127.90 million, increased by Baht 3,401.53 million due to changes in the following accounts:

- (1) Short-term loan was Baht 1,600 million, increased by Baht 1,367.00 million because of the use of Baht 1,600 million of bridging finance by UU in order to acquire Egcom Tara. UU plans to repay the loan by raising fund from IPO.
- (2) Payable for purchase of fixed assets totaled to Baht 63.58 million, decreased by Baht 415.47 million as the company paid to construction projects contractors.
- (3) Long-term loan from financial institutions and debentures was Baht 7,157.82 million, increased by Baht 1,945.82 million, arising from EASTW's loan for financing projects under construction and UU's loan for purchasing Egcom Tara shares.
- (4) Deferred tax liabilities was Baht 421.23 million, increased by Baht 378.79 million. The increase was mainly due to the purchase price allocation of the acquisition of Egcom Tara which resulted in Baht 384.82 million of deferred tax liabilities (The detail of purchase price allocation was mentioned in Note No.40 of the financial statement as of 31 December 2015). This transaction is the accounting method used for evaluating fair value of Egcom Tara's identifiable assets acquired and liabilities assumed at the acquisition date.

### 3.3 SHAREHOLDER'S EQUITY

As of 31 December 2015, shareholders' equity attributable to owners of the parent was Baht 9,294.69 million, increased by Baht 807.14 million as a result of net profit during the year 2015 after dividend payment.

## 4. KEY FINANCIAL RATIOS

**Table 5:** Key Financial Ratios

Items	As of 31 December 2015	As of 31 December 2014
<b>Profitability ratio</b>		
Gross profit/ total sales and services income (%) <sup>(1)</sup>	52.86%	53.97%
Net profit/ total sales and services Income (%) <sup>(2)</sup>	32.96%	33.59%
Return on Equity (ROE) (%) <sup>(3)</sup>	15.76%	16.31%
Return on Assets (ROA) (%) <sup>(3)</sup>	8.04%	9.29%
<b>Financial structure and liability ratio</b>		
Debt to Equity ratio (times)	1.09	0.79
Debt Service Coverage ratio (DSCR) (times)	2.45	2.91

**Note :** (1) Total Sales and Services Income excluded construction revenue under concession agreement and other income.

(2) Excluding construction revenue and cost under concession agreement, and gain from measuring fair value of 15.88% equity interest in Egcom Tara.

(3) ROA and ROE are calculated using net profit from normal operation (Gain from measuring fair value of 15.88% equity interest in Egcom Tara is excluded)

In 2015, East Water Group had gross profit margin and net profit margin of 52.86% and 32.96% respectively. Return on Equity (ROE) and Return on Assets (ROA) dropped slightly to 15.76% and 8.04% respectively because the Company has invested in high value projects to meet future demand. Debt to Equity ratio has increased to 1.09 times due to an increase in debt financing for acquisition of Egcom Tara and funding projects under construction. However, the net debt to equity ratio (after deduction of cash and short-term investment) was 0.96 times. The debt service coverage ratio (DSCR) remains strong at 2.45 times.

### Market Share

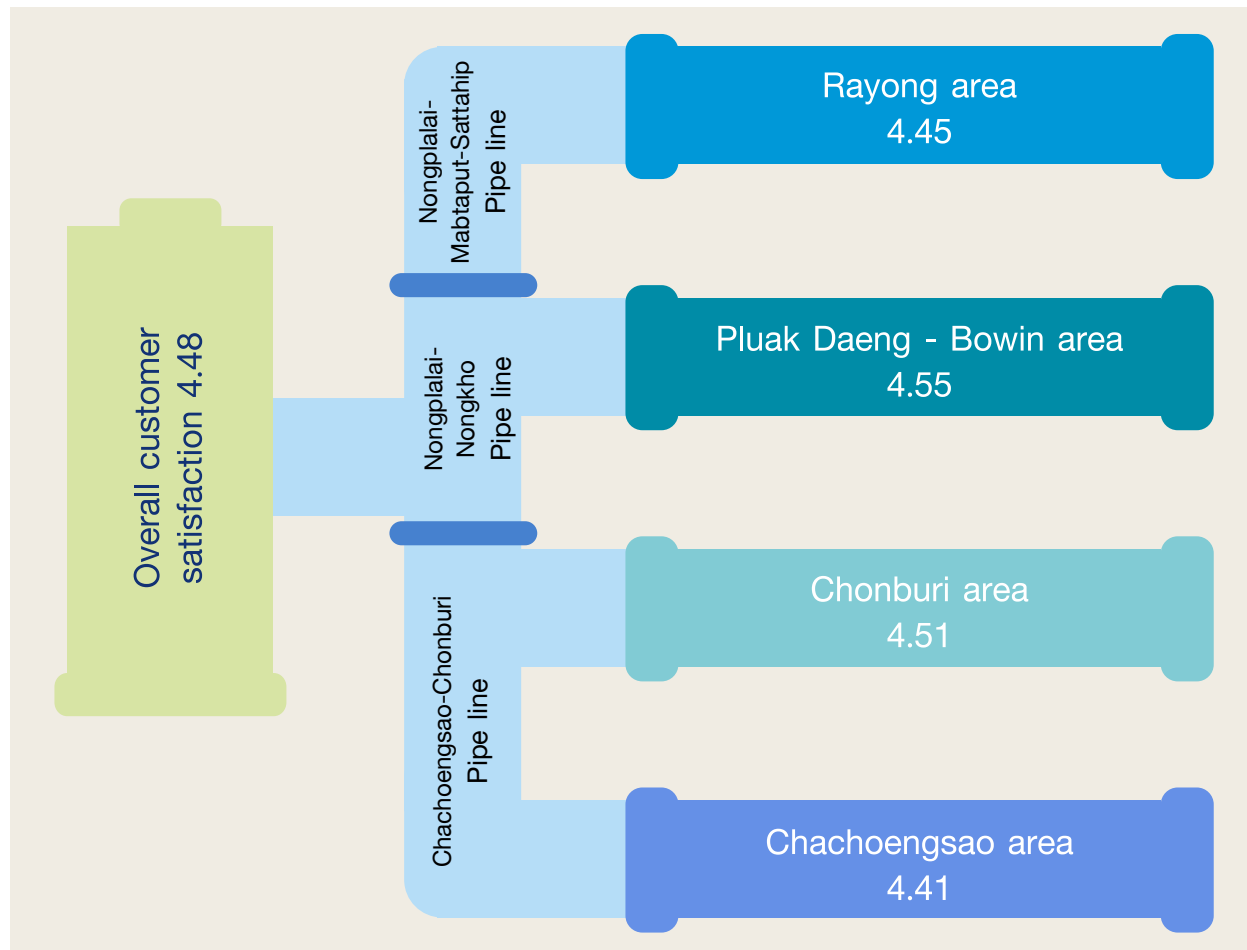
The Company is engaged in the development and management of main water distribution pipeline systems for industrial estates and consumption in the Eastern Seaboard of Thailand. Presently, comparing market share, the Company does not have any major competitors. Its strength lies in its investment to develop the 394.5 km long water grid to connect important water sources in the Eastern region such as Nong Pla Lai, Dok Krai, Khlong Yai and Prasae Reservoirs in Rayong Province, and Nong Ko and Bang Phra Reservoirs in Chonburi Province, in order to develop the most complete, modern and effective water grid in Thailand to supply water for three provinces. Currently, the Company has a capacity to supply 340 million cubic meters of raw water per year. Coupled with continued investment to procure reserve water sources to support its distribution system, the Company has varied management capability compared to its current competitors.

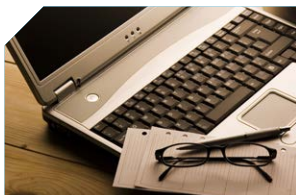
In the case of other private operators that also provide raw water services such as Thepritha Company Limited, a service provider in the Chonburi area with a distribution capability of 8 million cubic meters per year, if business operators would like to purchase additional water, these private operators have limitations with regard to size and stability of water supply used for distribution. Analyzing the possibility of having direct competitors in the future, there is limited possibility as new entrants will face major entry obstacles. Investment in the water distribution pipeline system business requires enormous investment for pipes, pumping stations, and water reserves. Moreover, in laying pipes to service users, it is necessary to lay pipes pass public areas, which must receive cooperation from government agencies and state enterprises. Competitors must lease or purchase land in order to lay the pipes, which will make their project costs very high. For these reasons, the Company which was established according to the Cabinet Resolution has advantage in terms of receiving cooperation from government agencies such as the Royal Irrigation Department and the Department of Highways.

### Level of Customer Satisfaction in 2015

In reference to the Internal Satisfaction Survey in 2015, the overall customer satisfaction of direct customers was “very satisfactory”, with an average score of 4.48 (Out of 5), equivalent to 89.6 percent. This was higher than the KPI of 80 percent and higher than the 2014 scores in every dimension.

With regard to area, the area that was most satisfied was the Pluak Daeng - Bowin area, with a score of 4.55, equivalent to 91.0 percent. This was followed by the Chonburi, Rayong and Chachoengsao area. The service that received the highest score was Sale Service, followed by Maintenance and Calibration Service at 4.57 (91.4 percent) and 4.54 (90.8 percent), respectively. The Company’s outstanding feature was courteousness in providing services. However, it was found that some aspects of service in certain areas received scores lower than 4. Features that customers would like to see improved include speed in providing information and news and informing about the quality of the water supply when there is a change. In order to continuously improve services, the Company has set up a responsible team to review each issue and provide recommendations for improvement.





## Good Corporate Governance

The Board of Directors places great emphasis on conducting the business in accordance with the principles of good corporate governance in order to maximize the benefits of all stakeholders. The Board of Directors also places importance on responsibility to society, communities and the environment. In the past year, the Company reviewed its principles of good corporate governance by using The Principles of Good Corporate Governance for Listed Companies 2012 issued by the Stock Exchange of Thailand and the ASEAN CG Scorecard as guidelines for implementation to improve the Company's good corporate governance to be on par with international standards.

### Good Corporate Governance Policy

The Board of Directors has defined the Company's vision, missions, and good corporate governance policy in writing since 1 August 2003. The Corporate Governance and Nomination Committee has been assigned to review the policy and practices related to good corporate governance at least once a year to be in line with regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) and to present to the Board of Directors for approval.

The Company disseminates the principles of good corporate governance to employees at all levels. New employees will sign the Business Ethics Acknowledgement Form on the orientation day to ensure that they realize the importance of following good ethical practices that is one of the main topics stated in the principles of good corporate governance. Similarly, every director will sign and acknowledge the Board of Directors Handbook which complies with the principles of good corporate governance on the orientation day.

The Company's principles of good corporate governance consist of 5 sections as follows:

- 1) Rights of shareholders
- 2) Equitable treatment of shareholders
- 3) Role of stakeholders
- 4) Disclosure and transparency
- 5) Responsibilities of the Board





## 1. Rights of shareholders

East Water realizes the rights of every shareholder and places great emphasis on promoting basic shareholder rights according to the laws and regulations and equitable treatment of shareholders. Some examples include establishing various policies and practices in compliance with the principles of good corporate governance and correct, transparent, and timely disclosure of company information to create the confidence of investors.

### 1.1 Meeting of shareholders

#### Before the meeting date

- 💧 The Company allowed shareholders to propose the meeting agenda to be considered at the annual general meeting of shareholders and nominate persons to be appointed as a director three months in advance (from 1 October 2015 to 31 December 2015) via the Stock Exchange of Thailand's information system and the Company's website.
- 💧 The Company notified its shareholders of the date and agenda of the 2014 general meeting of shareholders via the Stock Exchange of Thailand's information system and the Company's website in advance (at least 30 days prior to the meeting date).
- 💧 The Company distributed the invitation letter and agenda details (including objectives, reasons, and the Board of Directors' opinion), together with the proxy form (in Thai and English), to its shareholders and notified the shareholders about the document distribution at least 28 days prior to the meeting date for the shareholders to study the agenda details in advance.
- 💧 The Company published its meeting invitation in the newspaper for 3 consecutive days, and at least 3 days prior to the meeting date. Furthermore, the invitation letter and meeting documents were posted on the Company's website 30 days before the meeting date.
- 💧 In case that any shareholder could not attend the meeting, he/she could vote on proposals by means of a proxy using the proxy form issued by the Ministry of Commerce's Department of Business Development (Form A, B, or C). The shareholder could identify his/her proxy or appoint one of the three independent directors (arranged by the Company) to attend the meeting and vote on his/her behalf.

#### On the meeting date

- 💧 The 2014 annual general meeting of shareholders was held on Monday, 27 April 2015 at 13.00 hrs. in Makawan Rangsan Room of the Royal Thai Army Club Bangkok. The Company facilitated shareholders' registration and voting through INVENTECH Systems (Thailand) Co., Ltd.'s E-Voting program which counted votes by barcode. To be transparent, the Company arranged 3 voting examiners (representatives from law firms and shareholders attending the meeting).
- 💧 Twelve (12) directors attended the meeting (100% of all directors), including the Chairman of the Board of Directors, Chairman of the Management and Investment Committee, Chairman of the Audit Committee, Chairman of the Corporate Governance and Nomination Committee, and Chairman of the Evaluation and Remuneration Committee.
- 💧 Top executives, company secretaries, auditors, and legal advisors also attended the meeting to answer questions and acknowledge shareholders' opinions.
- 💧 Before the meeting began, the meeting chairperson informed the meeting about the voting methods and vote counting process for each agenda. Before the voting of each agenda, the chairperson provided an opportunity for all shareholders to assess the Company's performance by raising any queries and giving opinions. A suitable timeframe was allowed for discussion and was notified to shareholders. The right to provide opinions was given to shareholders in an equitable manner. After directors and executives provided answers to all the questions asked, the chairperson advised the meeting to vote. For the agenda related to the election of

directors, the chairperson informed shareholders that the vote was to be carried out in a discrete fashion using individual ballot papers.

- The meeting chairperson announced the voting results of each agenda before consideration of the next agenda and before the conclusion of the meeting. The chairperson adhered to the rules of the Company to conduct the meeting in order of the declared agenda, unless more than two-thirds (2/3) of the shareholders attending the meeting voted for a change of the agenda order. In this meeting however, the agenda order was not changed from that indicated in the invitation letter. After the declared agenda were scrutinized, the chairperson informed the meeting that shareholders with the total of one-third (1/3) of the shares subscribed could request additional agenda to be considered.

#### After the meeting

- The Company published the resolution of the 2014 annual general meeting of shareholders via the Stock Exchange of Thailand's information system and the Company's website as soon as the meeting was concluded.
- The Company prepared the minutes of the 2014 annual general meeting of shareholders and submitted to the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Ministry of Commerce within 14 days from the date of the meeting. The discussion and the meeting resolution were recorded in an explicit manner. Voting results were recorded as "Approve", "Disapprove", or "Abstain".
- The Thai Investors Association launched the AGM Assessment Project to rate the quality of the 2014 annual general meeting of shareholders. From the assessment, the Company received a score of "100".

Besides the 2014 annual general meeting of shareholders, the Company held the extraordinary general meeting of shareholders No. 1/2015 on Monday, 10 August 2015. The important agenda in the meeting was the proposal to allow Universal Utilities Plc. to buy shares in EG Com Tara Co., Ltd. from EGCO Engineering and Service Co., Ltd. Another agenda was to inform the shareholders about Universal Utilities Plc.'s plan to list in the Stock Exchange of Thailand. At the extraordinary general meeting of shareholders, the Company respected the rights of shareholders and treated shareholders equitably, similar to the 2014 annual general meeting of shareholders.

## 2. Equitable treatment of shareholders

The Company ensures that all shareholders are treated equitably and fairly, such as attendance and voting in the meeting of shareholders, the right of minority shareholders to nominate any person to be appointed as a director, and the right to propose the meeting agenda 3 months in advance (before the fiscal year-end date of the fiscal period between 1 October and 31 December 2015) via the Company's website <http://www.eastwater.com> or [Corporate\\_secretary@eastwater.com](mailto:Corporate_secretary@eastwater.com) and sending the documents by registered mail afterwards. The Company also prepares the English version of the meeting documents for foreign shareholders. In addition, the Company has a policy for directors who may have a conflict of interest to abstain in the consideration of the related agenda.

## 3. Consideration given to role of stakeholders

### 3.1 Responsibilities to stakeholders

The Company has determined a working philosophy focusing on responsibility and equitable treatment to win the trust of stakeholders as follows:

- (1) **Responsibility to shareholders:** The Company shall return reasonable and fair profit on investment as well as maintain a secure financial position for sustainability and growth.

- (2) **Responsibility to customers:** The Company aims to create the highest customer satisfaction by managing water resources in such a way that they are sufficient for customer utilization. Equal care and service is given to all customers. The Company solves related problems in order to provide the best and timely service to its customers. The Company is also committed to constantly maintaining and improving the quality of its services in all service areas.
- (3) **Responsibility to creditors:** The Company is committed to following terms, conditions, and covenants specified in loan agreements, refraining from misrepresenting the actual financial status of the Company and its subsidiaries, and also abstaining from using loans to conduct activities that are inconsistent with the objectives stated in loan agreements.
- (4) **Responsibility to employees:** The Company respects the legal rights of every employee and provides a good and safe working environment, an appropriate welfare system, and fair employment and compensation schemes in accordance with market conditions. The Company also provides equal opportunities for all employees to advance their career, and fosters a good and sustainable relationship between the organization and employees.
- (5) **Responsibility to business partners:** The Company strives to build good relationships for mutual benefits of the Company and related parties such as tenants, suppliers and joint investors, under the principles of good corporate governance.
- (6) **Responsibility to society and the environment:** The Company operates its business with responsibility to society; respecting and adhering to related laws and related regulations with full awareness on possible externalities on lives and properties of people, communities, and the environment.
- (7) **Responsibility to competitors:** The Company adheres to the principles of fair and lawfully commercial competition, not seeking competitors' commercially sensitive information by using dishonest or inappropriate methods.

### 3.2 Human rights policy

The Company realizes and respects equal rights and human rights of employees by following the principles of human rights protected by the Constitution of the Kingdom of Thailand and other treaty obligations. The Company will not take any actions that violate human dignity, personal right and liberty, and will avoid discrimination with regard to people's origin, race, language, sex, age, physical condition or health, economic or social status, religious belief, education and training, political views, or personal characteristics that are unrelated to work.

### 3.3 Anti-corruption policy and practices

The Company is committed to operating its business with integrity and responsibility to society and all stakeholder groups according to the principles of good corporate governance and business ethics, which will support the Company's sustainable growth. On 1 September 2011, the Company signed an agreement with a number of private sector companies to declare its intent in participating in the Private Sector Collective Action Coalition Against Corruption (CAC). This project was initiated by the Office of the National Anti-Corruption Commission and eight other organizations, including the Thai Institute of Directors (IOD), Thailand International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Organizations, Federation of Thai Industries, and Tourism Council of Thailand, to push forward a set of measures against corruption in the private sector. On 3 April 2015, the Company was certified as a member of the Private Sector Collective Action Coalition Against Corruption.

The Company has established the policy and practices against corruption for the Company's directors, executives, and employees, with regular review of adherence to the policy. Details of the anti-corruption policy can be found on [http://eastw-th.listedcompany.com/anti\\_corruption.html](http://eastw-th.listedcompany.com/anti_corruption.html).

In 2015, the Company regularly joined the activities of the Private Sector Collective Action Coalition Against Corruption organized by the Thai Institute of Directors (IOD) and various organizations. One such event was the National Anti-Corruption Day of 2015 under the concept of "ACTIVE CITIZEN Civil force...against corruption" on 6 September 2015.

In addition, the Company was awarded Level 4 (out of 5 levels) from the Anti-Corruption Progress Indicator by the Thaipat Institute. In 2015, the Company expanded the scope of anti-corruption to joint investors, lessees, and business partners not to be involved in any form of corruption such as asking for, receiving or paying bribes. The Company announced its policy non-acceptance of gifts and souvenirs on its website, organized training for anti-corruption by the Chairman of the Corporate Governance and Nomination Committee, and organized a talk with business partners and lessees in which 78 people attended.

### 3.4 Policy on employee remuneration that is consistent with short-term and long-term company performance

Employees are one of the Company's important stakeholders since they significantly and continuously contribute to the Company's profit growth. The Board of Directors therefore has set a policy to pay good wages as follows:

- 💧 Wages are competitive, considering the current labor market and the country's economic conditions.
- 💧 Wages are consistent with work performance assessment to motivate employees to constantly perform well.
- 💧 Wages are set in such a way that will not place too much burden on the Company, by considering the Company's growth rate, current economic conditions, and future trends.

Wage payment is set to correlate to employees' performance (Pay for Performance). Key Performance Indicators (KPIs) are used to gauge performance of employees at every level. KPIs are consistent from the organizational level to department and personal levels so that working goals follow the same direction and are consistent with the organization's vision and missions.

### 3.5 Whistle Blowing policy

The Company gives stakeholders the right to monitor operations of the Company and its subsidiaries and assess efficiency, effectiveness, and transparency of the operations. The Board of Directors of the Company and its subsidiaries has set up a specific channel to receive complaints regarding illegal practices embedded in the Company's and its subsidiaries' operations and possible conflicts of interest with related parties such as business partners, water users, communities, and various institutions. Whistle blowers can file their complaints in writing, along with supporting documents, to the Board of Directors of the Company and its subsidiaries for further investigation and fair solution to all related parties. The Board of Directors of the Company and its subsidiaries ensures to keep the identity of the whistle blower secret through their signature in the Company's Code of Conduct. Appropriate protective measures and fair treatment in accordance with related laws and regulations shall be given to whistle blowers who provide honest information without incriminating intentions. These whistle blowers shall not receive unfair treatment such as subsequent changes in



their work position, condition and location, suspension, harassment, interruption, removal, or other aspects that signify unfair treatment.

Witness employees or employees participating in the inquiry procedure shall be protected and shall not be subsequently defamed, transferred, or punished, unless these employees testify with prejudice, incrimination, bespattering, pretense, or provide no cooperation in the inquiry procedure. For punishments given in the form of furloughs and complaints against the directors, the CEO will appoint a committee to consider the punishments/complaints on a case-by-case basis. The committee will be dissolved once the consideration is finished.

The Company has set up different channels to receive clues or complaints pertaining to corruption, illegal and unethical activities, incorrect financial reports, violation of rights, and defective internal control or anti-corruption systems.

**The Company's website:** [www.eastwater.com](http://www.eastwater.com)

**Email:** Audit Committee [ac\\_ew@eastwater.com](mailto:ac_ew@eastwater.com)  
 CEO [ceo@eastwater.com](mailto:ceo@eastwater.com)  
 Corporate Secretary [corporate\\_secretary@eastwater.com](mailto:corporate_secretary@eastwater.com)

**Mail:** Audit Committee  
 Eastern Water Resources Development and Management Public Company Limited  
 25<sup>th</sup> Floor East Water Building, 1 Soi Vibhavadi Rangsit 5, Vibhavadi Rangsit Road,  
 Jomphol, Chatuchak, Bangkok 10900

**Comment box:** The Human Resources Department is responsible for receiving complaints from employees in the Bangkok office and service areas.

### 3.6 Procedures for dealing with employee complaints with regard to possible misconducts

The Company has a set of rules with regard to employee complaints. In the case that an employee has an opinion or a conflict about their terms of employment, work, benefits, duties and responsibilities that they may refer to the following rules.

#### 3.6.1 Meaning and boundary of filing complaints

- (1) Complaints must be about work, and must not bear any relation to any personal matter, unless that matter is related to work.
- (2) Employee complaints must be related to opinions or conflicts about work systems or methods, benefits, contracts or employment conditions, employee behavior and fairness.
- (3) Complaints must not be related to personal appointments, transfers, layoffs, and dismissals.

#### 3.6.2 Methods and steps for filing complaints

- (1) Before following the procedures for filing complaints, employees should consult their direct superior. The direct superior should give importance to employee problems, regardless of how serious they are. Furthermore, the superior shall not neglect the problems and must try to find a way to solve the problems as soon as possible.
- (2) If the problem cannot be solved in an appropriate timeframe or the problem is directly related to their superior, employees may file their complaint to higher-level superiors in writing by clearly explaining causes of the problem and providing complete supporting documents within 7 days after the conflict. The Higher-level

superiors must then investigate the complaint, make a final decision and notify the result to the employee within 20 days after receipt of the complaint. The notification could be in the form of oral explanation, which must be recorded. and signed to acknowledge the result. Notification of the result could also be in writing depending on the case.

### 3.6.3 Appealing the decision

Any complainant who is not satisfied with the notification or the decision has the right to appeal the decision to the CEO or assigned personnel. The appeal must be submitted in writing within 7 days after receipt of the notification or the decision as stated in 3.6.2(2). Further inquiry (if any) and consideration must be done within 15 days after the appeal. Notification of the appeal could be in the form of oral explanation, which must be recorded and signed to acknowledge the result. Notification of the appeal could also be in writing depending on the case. The decision of the appeal is final.

### 3.6.4 Protection of complainants and related persons

- (1) Complaints will be fairly considered, with no consequential defaming, transfers, or punishments, unless the complaints are filed with corrupt intention.
- (2) Witness employees or employees participating in the inquiry procedure shall be protected and shall not be subsequently defamed, transferred, or punished, unless these employees testify with prejudices, incriminations, bespattering, pretense, or provide no cooperation in the inquiry procedure.
- (3) For punishments given in the form of furloughs and complaints against the directors, the CEO will appoint a committee to consider the punishments/complaints on a case-by-case basis. The committee will be dissolved once the consideration is completed.

The Company receives recommendations, complaints, and opinions from employees as follows:

- Email: CEO                      ceo@eastwater.com
- Email: Audit Committee   ac\_ew@eastwater.com
- Opinion box   24<sup>th</sup> Floor Head Office Building and 1<sup>st</sup> Floor Map Ta Phut Operation Center, Rayong.

If an employee considers that he/she has not received fair treatment or sees any risks or wrongdoings that might adversely affect the Company, he/she can file complaints via those channels mentioned above. Filing and inquiry procedures have been explicitly specified in the employee manual. All employees must strictly acknowledge and follow the manual.

### 3.7 Policies or guidelines to protect employees or complainants who report misconducts

For complaints pertaining to employee ethical misconduct, the Company will investigate the matter according to the procedures and will keep written records of the investigation. The identity of informants will not be disclosed. Information of the complaints will also be kept secret to prevent possible negative consequences from occurring to the informants.

#### 4. Information disclosure and transparency

The Board of Directors of East Water and its subsidiaries ensures that the administrative department has an appropriate communication system to disseminate important and beneficial information to shareholders, such as financial reports that meet generally accepted accounting standards and is independently audited. The Company is willing to improve its financial reports based on changes in the generally accepted accounting standards, auditor's recommendations and other general information so that all the financial information are accurate, complete, transparent, and reasonable in accordance with the Stock Exchange of Thailand's announcement. In addition, the Company encourages the administrative department to disclose other information by using good measures in keeping the confidentiality of non-public information that may affect the decision-making of security trading or changes in security prices.

All information will be disseminated via the Stock Exchange of Thailand's information system, the Company's website [www.eastwater.com](http://www.eastwater.com), and its subsidiary's website [www.uu.co.th](http://www.uu.co.th) both in Thai and English. The information is continuously kept up-to-date. In addition, the Company's Investor Relations Unit is responsible for communicating beneficial information to shareholders, investors, security analysts, and other stakeholders. Shareholders can contact the Investor Relations Unit through the following channels:

Telephone:	02-272-1600 ต่อ 2489, 2456
Email:	<a href="mailto:ir@eastwater.com">ir@eastwater.com</a>
Website:	<a href="http://eastw-th.listedcompany.com/home.html">http://eastw-th.listedcompany.com/home.html</a>

Furthermore, East Water also has set up a Compliance Unit to ensure that its operations conform to rules and regulations relating to the Stock Exchange of Thailand and the Securities and Exchange Commission. The Compliance Unit is also responsible for the disclosure of information via different channels such as the Company's website, the Stock Exchange of Thailand's website, and the annual report. The Compliance Unit will ensure that information published is accurate, sufficient, timely, and complete according to related laws so that investors have confidence in the Company's business operations.

#### Investor Relations

The Company places importance on information disclosure that is correct, complete, transparent, and timely. The Investor Relations Department is responsible for gathering, preparing, and disseminating information and various reports such as the Company's operating results, important financial information, and Management Discussion & Analysis (MD&A). The Investor Relations Department represents the Company when communicating with shareholders, investors, analysts, and the general public, with the aim of enabling all stakeholders to access information and communicate with the Company in an equitable and fair manner. Various channels for communication include providing information and answering enquiries via telephone and email; discussing the Company's operating and financial performance at "Opportunity Day" event organized by the Stock Exchange of Thailand and at conference calls, as well as disseminating various information and news via the Company's website annual report, and other types of media. Furthermore, investors and analysts can make appointments with the Company's executives to ask for further information.

In 2015, the Company organized important investor relations activities as follows:

Type of activity	Activity in 2015 (times)
Conference Call	13
Opportunity Day	2
Company Visit	20
Site Visit	2

Investors or related persons who would like additional information may contact the Investor Relations Unit through the channels below:

Telephone: 02-272-1600 ext. 2489 and 2456

Fax: 02-272-1601

Email: [ir@eastwater.com](mailto:ir@eastwater.com)

## 5. Responsibilities of the Board of Directors

The Board of Directors is confident that good corporate governance is the key which will lead the Company to achieve its goal. It is a legal obligation that the Board of Directors must adhere to the principles of good corporate governance. As for the responsibility toward stakeholders, the Board of Directors is responsible for monitoring operations of the administrative department to ensure its efficiency and effectiveness for the maximum benefits of the Group, shareholders and stakeholders.

### 5.1 Leadership and vision

The Board of Directors plays a significant role in the determination of the Company's vision, policies, and strategic plans. A revision process is set to take place every year. A long term corporate plan is designed every three years. The administrative department is required to analyze a 10-year business plan to develop water resources and improve water transmission systems in the eastern region of Thailand. Due to rapid changes in surrounding geographical and economic factors as well as technology, each year the administrative department proposes strategies and activities to the Management and Investment Committee and then to the Board of Directors to provide recommendations and approve the annual action plan and annual budget. Furthermore, the administrative department must submit a report on the progress of the action plan and its implementation problems to the meeting of the Audit Committee and then submit a report to the Board of Directors for acknowledgement every quarter.

The Board of Directors monitors operations of the administrative department by requiring a report on its performance, with a comparison made to the Company's target and business profits. Monthly management performance is reported to the meeting of the Management and Investment Committee and quarterly management performance is reported to the meeting of the Board of Directors under the agenda "Quarterly Financial Status and Performance Report". Apart from that, the Board of Directors realizes the importance of legal and regulation compliance. The administrative department is required to inform the Board of Directors of any changes in related laws and rules of the Securities and Exchange Commission and the Stock Exchange of Thailand, and also any new laws announced or to be announced in the future that affect the Company.



## 5.2 Conflicts of interest

The Board of Directors has established policies pertaining to conflicts of interest under the principles of good corporate governance and the Board of Directors Handbook.

- 💧 In case that the Board of Directors assigns other Company employees to perform works on behalf of the Board, a written document must be provided or this matter must be recorded as a resolution of the Board of Directors in its meeting minutes. Authorization boundary of the proxy must be clearly stated, and must not be given to persons with possible conflicts of interest. Decisions relating to the Company's business operations must be a collective decision.
- 💧 All employees at every level must avoid conflicts of interest that will negatively affect the Group's overall benefits or cause conflicts in work.
- 💧 Every employee is responsible for reporting matters with possible conflicts of interest to their superior. Supporting documents depicting details of the matter must be provided and presented to the CEO.
- 💧 Directors of the Company or its subsidiaries must not use their authority to seek personal benefits or benefits for close associates or close relatives directly or indirectly.

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

- 💧 Transactions possibly involving personal interest or interest of related persons must be reported to the Company. The Company Secretary shall submit a copy of relating documents to be acknowledged by the Chairman of the Board of Directors and the Chairperson of the Audit Committee.
- 💧 Possession of securities of the Board of Directors, executives, and related persons must be reported.

In case of related transactions, the Company must strictly adhere to the relevant regulations announced by the Securities and Exchange Commission and the Stock Exchange of Thailand. The administrative department will inform the meeting of the Board of Directors about related transactions. Directors with possible conflicts of interest will abstain from voting and will be requested to leave the meeting during the consideration of that agenda.

Related transactions with suppliers and business partners must be reported in accordance with the regulations of the Securities and Exchange Commission. This information will make the administrative department more cautious in its approval process of related transactions that may generate conflicts of interest. Related transactions between the Company and its subsidiaries or stakeholders will be carefully, correctly, and clearly considered and approved. Price structure and general commercial conditions will be applied to these transactions as would be applied to other business partners. Related transactions are disclosed in the annual report (56-2) and Form 56-1.

## 5.3 Business ethics

To demonstrate its commitment to conducting business under the principles of good corporate governance, the Board of Directors approved the implementation of "Principles of Good Corporate Governance of East Water Group", "Board of Directors Handbook", "Independent Directors Handbook", and "Business Ethics" on 17 August 2006. These guidelines are continually reviewed and updated to reflect changing conditions and regulations in order to provide standards and practices that are consistent with the principles of good corporate governance. Every director is required to sign to acknowledge the Board of Directors Handbook. Employees of the East Water Group are constantly educated about good corporate governance through various training programs in order to increase their knowledge and understanding. In addition, new employees learn about good corporate governance as well as the Company's business during orientation and testing.

#### 5.4 Checks and balances of non-executive directors

As of 31 December 2015, the Board of Directors included 10 members as follows:

- 0 executive directors
- 10 non-executive directors
- 7 independent directors

#### 5.5 Centralization and decentralization of power

The Board of Directors emphasizes the transparency of business operations, decentralization of decision making, clear separation of screening, and clear approval process. With this in mind, the Chairman of the Board of Directors shall not to be the same person as the CEO. Also, members of the Audit Committee shall be independent directors with no approval authority that will legally bind the Company, no financial and management conflicts of interest with the Company and its subsidiaries.

#### 5.6 Directors/CEO/executives' participation in other companies' boards

1. A director can assume a position in the Board of Directors of no more than three listed companies, and no more than five companies in total, including a position in state enterprises.
2. A CEO and an executive can assume a position in the Board of Directors of no more than four listed companies.

#### 5.7 Responsibilities of the Board of Directors

##### 1. Responsibilities to the Company and its subsidiaries

1. Devoting time to the Company and its subsidiaries to the best of his capability in order to perform numerous duties as a director of the Company and its subsidiaries and adhering to the principles of good corporate governance and code of ethics of the Company and its subsidiaries.
2. Using independent discretion to monitor the corporate governance of the Company and its subsidiaries.
3. Performing duties with full responsibility to shareholders by adhering to related ethics and laws, and considering stakeholders' rights.
4. Following the Company's and its subsidiaries' business operations with regard to their compliance with related laws and regulations and contracting conditions between the Company or its subsidiaries and business partners. Furthermore, the Board of Directors must not support or give in to any conducts that attempt to avoid compliance with related laws and regulations. The Board of Directors must also supervise the administrative department in carrying out the Company's and its subsidiaries' important work. The supervision is given so that all assigned targets are achieved effectively and efficiently.
5. To exchange skills and experiences and to continuously improve themselves, board members should join the seminars or training programs, such as those organized by the Thai IOD and King Prajadhipok's Institute, aimed to increase the potential of the performance of their duties.
6. The Board of Directors shall be assessed for their performance as a whole as well as individually at least once a year to be aware of problems and obstacles in performing their duties and to set guidelines for continuous improvement of their potential.
7. The meeting of independent directors or non-executive directors shall be organized at least once a year. The CEO shall be informed of the meeting results.

## 2. Responsibilities to shareholders

1. The Board of Directors must monitor and supervise to ensure that the Company and its subsidiaries provide maximum satisfaction to shareholders. This can be done by promoting sustainable growth of the Company and its subsidiaries. This sustainability can be clearly illustrated by having a strong financial position and good management, and constantly aiming to improve to protect and grow shareholders' benefits.
2. The Board of Directors must monitor and supervise to ensure that the Company and its subsidiaries disclose correct and complete financial and operational information to investors in a timely and equitable manner. This information disclosure must be transparent and meet the standards according to the regulations pertaining to information disclosure announced by related monitoring institutions.
3. The Board of Directors must monitor and supervise to ensure that all shareholders receive equitable treatment.

## 3. Responsibilities to creditors

1. The Board of Directors must monitor and supervise to ensure that the Company and its subsidiaries follow terms, conditions, and covenants specified in loan agreements, refrain from misrepresenting the actual financial status of the Company and its subsidiaries, and also abstain from using loans to conduct activities that are inconsistent with the objectives stated in loan agreements.
2. During an event that might adversely affect creditors, e.g., the Company or its subsidiaries have an instable financial status or experience a severe financial distress, the Board of Directors of the Company and its subsidiaries must quickly seek outside help from relevant experts to improve the situation in a timely and careful manner.

## 4. Responsibilities to other stakeholders

1. Control

In the recruitment and selection of employees and in business engagement with stakeholders, the Company and its subsidiaries shall not discriminate against stakeholders because of nationality, religion, gender, marital status or physical disabilities. The Company and its subsidiaries shall follow related laws and regulations with thorough consideration and close attention to circumstances that may have an impact on employees, other stakeholders, communities, society, and the environment.



## 2. Receiving complaints

The Company gives stakeholders the right to monitor operations of the Company and its subsidiaries to assess efficiency, effectiveness, and transparency according to the regulations of the Stock Exchange of Thailand. Channels have been set up to receive complaints regarding illegal practices embedded in the Company's and its subsidiaries' operations and possible conflicts of interest with related parties such as water users, communities, and institutions. Complainants can file their complaints in writing, along with supporting documents, to the Board of Directors of the Company and its subsidiaries, as detailed in section 3.5, for further investigation and fair solution to all related parties. The Board of Directors of the Company and its subsidiaries ensures that it will keep the identity of the complainants secret. Appropriate protective measures and fair treatments in accordance with related laws and regulations shall be given to complainants who provide honest information without incriminating intentions. These complainants shall not receive unfair treatments such as subsequent changes in their work position, condition and location, suspension, harassment, interruption, removal, or other aspects that signify unfair treatment.

### 5.8 Approval authority of the Board of Directors

The Board of Directors has authority to approve various matters in accordance with the laws and the Company's Articles of Association, such as annual action plan and annual budget, dividend policy, determination of accounting policies and their changes, and adjustment of management structure.

### 5.9 Responsibilities of the Chairman and the CEO

The Chairman and the CEO must have appropriate knowledge, capability, experience, and qualifications and must not be the same person. This is in order to have a balance of power by having a clear separation between control and management.

The Chairman must be a non-executive director, leading the Board of Directors, responsible for calling the meeting of the Board of Directors, chairing the meeting of the Board of Directors, giving a decisive vote, and chairing the meeting of shareholders.

The CEO is the head and leader of the Company's management team and Corporate Secretary responsible to the Board of Directors in supporting the work of the Board of Directors for the highest interests of the shareholders and stakeholders.

### 5.10 Corporate Secretary

In compliance with the Securities and Exchange Act B.E. 2551 under the section pertaining to the duty and responsibility of director and executive and in compliance with the Principles of Good Corporate Governance of Listed Companies B.E. 2555 under the section related to responsibilities of the Board of Directors, the Board of Directors (Meeting No. 2/2558 - 16 February 2015) appointed Mrs. Wirawan Tharanont as Corporate Secretary. Her background in brief is as follows:

**Age:** 56 years

**Position:**

💧 Vice President, President & CEO Office

**Education:**

💧 MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

💧 B.Acc. Chulalongkorn University



**Special Courses:**

- 💧 Director Certificate Program - DCP 192/2014, Thai Institute of Directors (IOD)
- 💧 Anti-Corruption: The Practical Guide (ACPG 8/2014), Thai Institute of Directors (IOD)
- 💧 Management Development Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- 💧 Organization Risk Management Program, Listed Companies Association
- 💧 Company Secretary Program, Thai Institute of Directors (IOD)
- 💧 Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2)
- 💧 Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1)
- 💧 “Laws for Managing Public Service Business” Program, King Prajadhipok’s Institute

**Work Experience:**

Eastern Water Resources Development and Management Public Company Limited

February 2015 - Present	Vice President, President & CEO Office
September 2013 - February 2015	Vice President, Human Resources Department
January 2009 - September 2013	Vice President, Corporate Affairs Department

The Corporate Secretary is responsible for supporting the Board of Directors in monitoring compliance with the laws and regulations relating to the Company’s operations in line with the principles of good corporate governance. The Corporate Secretary is responsible for preparing and keeping the Company’s important documents according to the laws, disclosing information to related regulatory agencies, and immediately reporting on events that might significantly affect the Company and capital market. In addition, the Corporate Secretary is responsible for organizing the Board of Directors meetings and shareholders’ meetings according to the Company’s Articles of Association. The Corporate Secretary also arranges for the evaluation of the performance of the Board of Directors as a whole and individually in order to improve the work of the Board of Directors. Furthermore, the Company Secretary arranges for directors and executives to attend various trainings related to performing director duties as well as the orientation for directors.

**5.11 Remuneration of directors and executives**

The remuneration of directors and executives is in line with the Stock Exchange of Thailand’s principles of good corporate governance. The Evaluation and Remuneration Committee will initially consider the remuneration before presenting to the Board of Directors for consent and subsequently to the annual general meeting of shareholders for approval. The remuneration is proportional to the length of time that the director has been in the position. It is based on net profits, dividends, and the performance of the Board of Directors. The rate is reviewed every year. In the fiscal year 2015, the 2014 annual general meeting of shareholders held on 27 April 2015 had a resolution approving the remuneration of directors for the year 2015 as follows:

## 1. Monthly remuneration and meeting allowance of directors and committee members

### 1.1 Board of Directors

- Monthly remuneration of 30,000 Baht/person
- Meeting allowance of 10,000 Baht/person/meeting attended

If more than one meeting is held in any month, only 1 meeting allowance is paid. The Chairman will however receive an additional 25% of the allowance on top of the normal rate.

### 1.2 Committees

- No monthly remuneration
- Meeting allowance of 10,000 Baht/person/meeting attended

If more than one committee meeting is held in any month, the meeting allowance paid shall not be over 20,000 Baht/person/month.

## 2. Bonus for the Board of Directors

The 2014 annual general meeting of shareholders held on 27 April 2015 had a resolution approving the bonus for the Board of Directors in the rate of 486,066 Baht/person. The Chairman will receive an additional 25% of the bonus on top of the normal rate. This rate has remained constant for 4 consecutive years since 2011 (2011 - 2014).

## Remunerations of directors and executives for the fiscal year 2015

(Unit : Baht)

List of directors			Duration of the position until 2015	Meeting allowance for the board of directors <sup>4</sup>	Meeting allowance for the sub-committee <sup>4</sup>	Monthly remuneration, proportional to the duration of the position (in months)	Bonus from the operating results in 2014 paid in 2015
1	Mr. Wittaya Chaisuwan	Chairman	12	150,000	-	450,000	50,631.88
2	Sqn.Ldr. Leader Sita Divari	Former Chairman <sup>1</sup>	-	-	-	-	556,950.63
3	ML. Panasarn Husadin	Former Director <sup>1</sup>	-	-	-	-	445,560.50
4	Mr. Chotisak Arsapawiriya	Former Director <sup>1</sup>	-	-	-	-	445,560.50
5	Gen. Chuchai Boonyoi	Former Director <sup>1</sup>	-	-	-	-	445,560.50
6	Mr. Prinya Nakchudtree	Former Director <sup>1</sup>	-	-	-	-	445,560.50
7	Mr. Thairatana Jotikabhukkana	Former Director <sup>1</sup>	-	-	-	-	445,560.50
8	Mr. Kallayana Vipattipumiprates	Former Director <sup>1</sup>	-	-	-	-	445,560.50
9	Gen. Sahachart Pipithkul	Former Director <sup>1</sup>	-	-	-	-	445,560.50

(Unit : Baht)

List of directors			Duration of the position until 2015	Meeting allowance for the board of directors <sup>4</sup>	Meeting allowance for the sub-committee <sup>4</sup>	Monthly remuneration, proportional to the duration of the position (in months)	Bonus from the operating results in 2014 paid in 2015
10	Mr. Verapong Chaiperm	Directors	12	80,000	-	360,000	486,066.00
11	Mr. Sahust Pratuknukul	Directors <sup>2</sup>	9	80,000	250,000	270,000	486,066.00
12	Mr. Somnug Limtongsittikoon	Directors	11	90,000	-	330,000	324,044.00
13	Mr. Wanchai Lawatanatrakul	Directors	5	40,000	80,000	150,000	486,066.00
14	Mr. Maitri Inthusut	Directors	9	70,000	100,000	270,000	40,505.50
15	Mr. Amorn Laohamontri	Directors	12	120,000	270,000	360,000	40,505.50
16	Mr. Phaiboon Siripanoosatie	Directors	12	120,000	300,000	360,000	40,505.50
17	Mr. Chanin Tinnachote	Directors	12	110,000	270,000	360,000	40,505.50
18	Pol. Maj. Gen Vichai Sangraphai	Directors	12	110,000	100,000	360,000	40,505.50
19	Col. Premjiras Tanathaipakdee	Directors	12	110,000	290,000	360,000	40,505.50
20	Mrs. Tatchada Jitmahawong	Directors <sup>3</sup>	12	120,000	270,000	360,000	-
21	Mr. Chanin Chaonirattisai	Directors <sup>2</sup>	3	20,000	-	90,000	-
22	Mr. Eakachai Attakanna	Directors	1	10,000	-	30,000	-

- Note :**
1. Former Chairman and former directors whose term expired before 31 December 2014.
  2. Director remuneration for Mr. Sahust Pratuknukul in the amount of 1,086,066 Baht and Mr. Chanin Chaonirattisai in the amount of 110,000 Baht was paid according to the regulations of Electricity Generating Public Company Limited (EGCO) that directly transferred this remuneration to the account of the Thai Rakpa Foundation for their directorship duty of other companies.
  3. Appointed as a director by the resolution of the Board of Directors meeting No. 14/2014 held on 24 December 2014.
  4. Number of meetings attended (summarized on page 75-79)

#### Executive remuneration

11 directors who assumed the position of executive directors and executives received compensations for their operation in 2015 in the form of salary and remuneration. The total amount paid to these directors was 40,393,587.65 Baht.

### 5.12 Policies and guidelines for executive remuneration

The Company gauges executives' performance on a yearly basis. Key Performance Indicators (KPIs) are used to measure the performance of executives and employees at every level. A comparison between performance and assigned KPIs is made in the consideration of salary raise and annual bonus payments.

### 5.13 Policies on short-term and long-term CEO remuneration and CEO performance assessment

The CEO remuneration is in accordance with the policies and guidelines determined by the Board of Directors which related to the Company's operating results. Assessment of the CEO's performance is based on work achievement compared to the work plan previously approved by the Board of Directors as well as Key Performance Indicators (KPIs) comparing targets set each year. The Evaluation and Remuneration Committee is responsible for considering the remuneration of the CEO which reflects his performance, and presenting guidelines and the appropriate remuneration to the Board of Directors for approval.

### 5.14 Holdings of securities

#### Shareholding of directors and executives

As of 31 December 2015

No.	Name	Position	Amount of shares held as of 31 December 2014	Amount of shares held as of 31 December 2015	Changes in the amount of shares held during 2015
1.	Mr. Wittaya Chaisuwan <sup>1/</sup>	Chairman	None	None	None
	Spouse and minor children		None	None	None
2.	Mr. Amorn Laohamontri <sup>1/</sup>	Independent director	None	None	None
	Spouse and minor children		None	None	None
3.	Mr. Chanin Tinnachote <sup>1/</sup>	Independent director	None	None	None
	Spouse and minor children		None	None	None
4.	Mr. Phaiboon Siripanoosatien <sup>1/</sup>	Independent director	None	None	None
	Spouse and minor children		None	None	None
5.	Col. Premjiras Tanathaipakdee <sup>2/</sup>	Independent director	None	None	None
	Spouse and minor children		None	None	None
6.	Pol. Maj.Gen Vichai Sangparpai <sup>2/</sup>	Independent director	None	None	None
	Spouse and minor children		None	None	None
7.	Mrs. Tatchada Jitmahawong <sup>3/</sup>	Independent director	None	None	None
	Spouse and minor children		None	None	None



No.	Name	Position	Amount of shares held as of 31 December 2014	Amount of shares held as of 31 December 2015	Changes in the amount of shares held during 2015
8.	Mr.Chanin Chaonirattisai <sup>4/</sup>	Director	None	None	None
	Spouse and minor children		None	None	None
9.	Mr.Eakachai Attakanna <sup>5/</sup>	Director	None	None	None
	Spouse and minor children		None	None	None
10.	Mr.Verapong Chaiperm	Director	None	None	None
	Spouse and minor children		None	None	None
11.	Mr. Jaroensuk Worapansopak	Acting President & CEO	None	None	None
	Spouse and minor children		None	None	None
12.	Mr. Namsak Wannavisute	Executive Vice President, Finance and Accounting	549,000	549,000	None
	Spouse and minor children		24,580	24,580	None
13.	Mrs. Namphon Rassadanukul	Senior Vice President, Business Development Department	2,000	2,000	None
	Spouse and minor children		None	None	None
14.	Mrs. Thidarut Kraiprasit	Senior Vice President, Finance and Accounting Department	630,000	630,000	None
	Spouse and minor children		None	None	None
15.	Mr. Cherdchai Pitiwacharakul	Senior Vice President, President & CEO Office	None	None	None
	Spouse and minor children		None	None	None
16.	Mrs. Wirawan Tharanont	Vice President, President & CEO Office and Corporate Secretary	None	None	None
	Spouse and minor children		None	None	None

No.	Name	Position	Amount of shares held as of 31 December 2014	Amount of shares held as of 31 December 2015	Changes in the amount of shares held during 2015
17.	Ms. Kanyanart Viraphandu	Vice President, Corporate Communication Department	222,000	222,000	None
	Spouse and minor children		None	None	None
18.	Mr. Sokul Chuepakdee	Vice President, Engineering Department	250	250	None
	Spouse and minor children		None	None	None
19.	Ms. Chinda Mahaisawariya <sup>6/</sup>	Vice President, Corporate Affairs Department	60,100	None	60,100
	Spouse and minor children		None	None	None
20.	Ms. Doungrat Pitak <sup>7/</sup>	Assistant Vice President, Human Resources Department and Acting Vice President, Human Resources Department	None	None	None
	Spouse and minor children		None	None	None
21.	Ms. Tharntip Photisor <sup>8/</sup>	Manager - Network Systems - Information Technology Department and Acting Vice President, Information Technology Department	None	None	None
	Spouse and minor children		None	None	None

**Note:**<sup>1/</sup> Appointed as Director since 1 December 2014<sup>2/</sup> Appointed as Director since 8 December 2014<sup>3/</sup> Appointed as Director since 24 December 2014<sup>4/</sup> Appointed as Director since 1 October 2015<sup>5/</sup> Appointed as Director since 1 December 2015<sup>6/</sup> Appointed as Executive since 1 July 2015<sup>7/</sup> Appointed as Executive since 21 July 2015<sup>8/</sup> Appointed as Executive since 1 October 2015

## Report on security holding of directors and executives who resigned in 2015

No.	Name	Position	Amount of shares held as of 31 December 2014	Amount of shares held as of 31 December 2015	Changes in the amount of shares held during 2015	Date of resignation
1.	Mr. Sahust Pratuknukul	Director	None	None	None	30 September 2015
	Spouse and minor children		None	None	None	
2.	Mr. Maitri Inthusut	Director	None	None	None	1 October 2015
	Spouse and minor children		None	None	None	
3.	Mr. Somnug Limtongsit-tikoon	Director	None	None	None	30 November 2015
	Spouse and minor children		None	None	None	
4.	Mr. Pitipong Cheeranont <sup>1/</sup>	Vice President, Business Development Department	None	None	None	1 July 2015
	Spouse and minor children		None	None	None	
5.	Mr. Sombat Yusamart <sup>2/</sup>	Vice President, Finance and Accounting Department	None	None	None	21 July 2015
	Spouse and minor children		None	None	None	
6.	Mr. Prasit Sakulkasareewan	Assistant Vice President, Audit Department and Acting Vice President, Audit Department	None	None	None	30 October 2015
	Spouse and minor children		None	None	None	

**Note:** <sup>1/</sup> Transferred to executive position in subsidiary company and resigned on 15 September 2015

<sup>2/</sup> Transferred to executive position in subsidiary company

### 5.15 The Board of Directors Meeting

The Board of Directors will set the dates of the monthly Board meeting for the whole year in advance to allow the directors to save the date and be able to attend every meeting. The Chairman of the Board of Directors and the CEO are responsible for determining the scope and agenda of the meeting. The Corporate Secretary is assigned to include important matters for consideration, for acknowledgment and other issues in the meeting agenda, in order of their importance and urgency. The invitation letter including meeting agenda and meeting documents shall be sent at least 5 days prior to the meeting date to provide sufficient time for the Board of Directors to review information

before each meeting. In case a director has a conflict of interest in the consideration of an agenda item, he shall abstain from voting on that agenda item or leave the meeting in order to protect the rights or interests of the Company.

In every meeting, the agenda is clearly set. At the Board meeting, every director can discuss and express their opinions in an open and independent manner. The minutes of the meeting will be circulated to every Board member for consideration within 7 days after the meeting to allow the directors to check for accuracy before approval of the minutes at the next Board meeting. The meeting resolutions and the Board of Directors' suggestions must be clearly stated in order to be used as future reference in the work of the executive department following the Board's resolutions.

In 2015, the Board of Directors had a total of 16 meetings. The details of each director's meeting attendance are summarized as follows:

Name of Directors			Meetings Attended/Total Number of Meetings	Effective Period
1	Mr. Wittaya Chaisuwan	Chairman	16/16	December 1, 2014
2	Mr. Maitri Inthusut	Former Director	9/13	1 December 2014 - 1 October 2015
3	Mr. Sahust Pratuksukul	Former Director	12/13	25 April 2012 - 30 September 2015
4	Mr. Somnug Limtongsittikoon	Former Director	10/15	22 April 2014 - 30 November 2015
5	Mr. Amorn Laohamontri	Director	16/16	1 December 2014
6	Mr. Phaiboon Siripanoosathien	Director	16/16	1 December 2014
7	Mr. Chanin Tinnachote	Director	14/16	1 December 2014
8	Pol. Maj. Gen. Vichai Sangparpai	Director	15/16	8 December 2014
9	Col. Premjiras Tanathaipakdee	Director	15/16	8 December 2014
10	Mrs. Tatchada Jitmahawong	Director	15/16	24 December 2014
11	Mr. Verapong Chaiperm	Director	9/16	25 April 2012
12	Mr. Chanin Chaonirattisai	Director	2/3	1 October 2015
13	Mr. Eakachai Attakanna	Director	1/1	1 December 2015
14	Mr. Wanchai Lawattanatrakul	Director and CEO	6/7	30 August 2013 - 31 May 2015

#### Meeting of independent directors and meeting of non-executive directors

The Board of Directors has a policy to organize the meeting of independent directors and meeting of non-executive directors. In 2015, one meeting of independent directors and non-executive directors was held to provide an opportunity discuss various problems related to income generation from new businesses, expansion into the ASEAN region, prevention of conflicts with communities in the construction of large projects, CEO succession plan, and policies on the supervision of subsidiary companies.



## Quorum

Besides the Company's Articles of Association regarding quorum and the meeting of the Board of Directors, in order to comply with the principles of good corporate governance and to ensure efficiency, the company's policies impose at least two-thirds of the directors must attend the Board meeting in order to carry out voting on any agenda item.

## 5.16 Committees

The Board of Directors has appointed 5 committees including 1) Audit Committee, 2) Executive and Investment Committee, 3) Corporate Governance and Nomination Committee, 4) Risk Management Committee, and 5) Evaluation and Remuneration Committee to preliminarily study and screen particular assigned work to ensure their accuracy, clearness and consistency with the Company's missions and policies, before submitting the proposal to the Board of Directors for approval, consent, or providing recommendations on a case-by-case basis. Two of the Company's directors, Mr. Sahust Pratuknukul and Mr. Maitri Inthusut, resigned from their directorship position at the end of 2015 resulting in vacancy of the positions in committees they previous held, including Chairman of the Evaluation and Remuneration Committee, Director of the executive and Investment Committee, Chairman of the Risk Management Committee, and Director of the Evaluation and Remuneration Committee. These vacant positions in the committees are in the process of appointing replacements. Details on the committees appointed by the Board of Directors and their meeting attendance during the 2015 fiscal year are as follows:

5.16.1 The Audit Committee consisted of 3 independent directors as of 31 December 2015.

No.	Name - Surname	Position	Meeting Attendance/ Number of meetings
1.	Mr. Amorn Laohamontri	Chairman	19/19
2.	Mr. Chanin Tinnachote	Director	19/19
3.	Mrs. Tatchada Jitmahawong	Director	19/19

The Audit Committee is mainly responsible for ensuring accuracy and credibility of the Company's financial statements in compliance with Thai Financial Reporting Standards (TFRS) and Thai Accounting Standards (TAS) announced by the Federation of Accounting Professions, before presenting to the Board of Directors. Another duty of the Audit Committee is to establish an effective, independent, and transparent audit procedure among the Board of Directors, the Internal Audit Department, administrative department, and the external auditor to allow them to revise and provide appropriate recommendations with regard to assessment of the efficiency and effectiveness of the Company's internal control system, so that it abides by related laws and regulations. Furthermore, related-party transactions or conflict of interest transactions must be considered and assured by the Audit Committee that they are lawfully performed with reasonable implementation, for the utmost benefits of the Company. With regard to its duty pertaining to information disclosure, the Audit Committee must include its report in the Company's annual report. In addition, the Audit Committee is required to provide initial approval of the appointment, remuneration, and contract termination of external auditors, which will later be presented for consideration by the Board of Directors and shareholders. Finally, the Audit Committee is in charge of approving the appointment, relocation, and dismissal of the Head of the Audit Department. To ensure independence of the Audit Department, this department is overseen by the Audit Committee.

5.16.2 The Executive and Investment Committee consisted of 2 independent directors and 3 advisors as of 31 December 2015.

No.	Name - Surname	Position	Meeting Attendance/ Number of meetings
1.	Mr. Phaiboon Siripanoosathien	Chairman of the committee	22/22
2.	Colonel Premjiras Tanathaipakdee	Director	19/22
3.	General Thanadol Paojinda	Advisor	22/22
4.	Admiral Amorntep Na Bangchang	Advisor	19/22
5.	Mr. Lertviroj Kowattana	Advisor	7/22
6.	Mr. Sahust Pratuknukul <sup>1</sup>	Former Director	17/17
7.	Mr. Wanchai Lawattanatrakul <sup>2</sup>	Former Director	6/7

**Note:** 1. Resigned from Director since 30 September 2015.  
2. Resigned from Director since 31 May 2015.

The Executive and Investment Committee has been assigned by the Board of Directors to oversee the Company's business operations to ensure efficiency and business strength in accordance with the Board of Directors' policies. The Executive and Investment Committee is also responsible for screening and reviewing the Company's business plans, operation plans, annual budgets, and the procurement of investment projects under the budget allocated from the Board of Directors. In addition, the Executive and Investment Committee is responsible for determining the procedures and criteria of all investment projects as well as considering the feasibility of the investment projects. Other functions of the Executive and Investment Committee include giving counsel, recommendations, and support to the Executive department in order to achieve the Company's goals and objectives. Finally, the Executive and Investment Committee has to regularly report its work to the Board of Directors for consideration and acknowledgement.

5.16.3 The Corporate Governance and Nomination Committee consisted of 4 independent directors as of 31 December 2015.

No.	Name - Surname	Position	Meeting Attendance/ Number of meetings
1.	Pol.Maj.Gen Vichai Sangparpai	Chairman of the committee	9/9
2.	Mr. Amorn Laohamontri	Director	9/9
3.	Mr. Chanin Tinnachote	Director	8/9
4.	Mrs. Tatchada Jitmahawong	Director	9/9

## Corporate Governance

The Corporate Governance and Nomination Committee is responsible for supporting the work of the Board of Directors to ensure correctness, transparency and protection of shareholders' and stakeholders' benefits. The Corporate Governance and Nomination Committee examines the Board of Directors Handbook, Business Ethics, and Employee Code of Conduct and monitors the Company's operations to ensure that the Company follows effective and appropriate corporate governance procedures that are consistent with the Stock Exchange of Thailand's regulations and the ASEAN CG Scorecard.

## Nomination

The Board of Directors has appointed the Corporate Governance and Nomination Committee to select and nominate suitable persons to be appointed as Directors of the Company and its subsidiaries, members of committees, and CEO. The committee is responsible for verifying the qualifications of suitable candidates and presenting to the Board of Directors for consideration and appointment. Another role is to provide recommendations to the Board of Directors and committees on their management structure and submitting a proposal to the Board for consideration and approval of the adjustment.

5.16.4 The Risk Management Committee consisted of 2 independent directors as of 31 December 2015.

No.	Name - Surname	Position	Meeting Attendance/ Number of meetings
1.	Pol.Maj.Gen Vichai Sangparpai	Director	1/3
2.	Col. Premjiras Tanathaipakdee	Director	3/3
3.	Mr. Maitri Inthusut <sup>1</sup>	Former Chairman	3/3
4.	Mr. Wanchai Lawattanatrakul <sup>2</sup>	Former Director	2/2

**Note:** 1. Resigned from Director since 1 October 2015.

2. Resigned from Director since 31 May 2015.

The Risk Management Committee's major role is overseeing and presenting the overall risk management policy to the Board of Directors for acknowledgement. The risk management policy covers major types of risks such as strategic risks, operational risks, investment risks, regulatory risks, and risks that may affect business reputation. The Risk Management Committee is also responsible for reviewing risk assessment practices, approving risk management plans, and determining standard practices, strategies and risk assessment. In addition, the Risk Management Committee provides recommendations to the executive department as well as supervises, reviews and monitors risk management plans to ensure that risk management is implemented appropriately and can efficiently and effectively control the risks at acceptable levels.

5.16.5 The Evaluation and Remuneration Committee consisted of 2 independent directors as of 31 December 2015.

No.	Name - Surname	Position	Meeting Attendance/ Number of meetings
1.	Mr. Phaiboon Siripanoosatien	Director	10/10
2.	Colonel Premjiras Tanathaipakdee	Director	9/10
3.	General Thanadol Paojinda	Advisor	9/10
4.	Mr. Sahust Pratuknukul <sup>1</sup>	Former Chairman	10/10
5.	Mr. Maitri Inthusut <sup>2</sup>	Former Director	7/10

**Note:** 1. Resigned from Director since 30 September 2015.

2. Resigned from Director since 1 October 2015.

### Evaluation of Company Performance

The Evaluation and Remuneration Committee was appointed by the Board of Directors to be responsible for determining and reviewing the annual Corporate KPIs to correspond with the Company's business policies. Furthermore, the Evaluation Committee is responsible for monitoring and assessing the Company's performance on a quarterly basis and providing recommendations to the executive department in regard to its operations. In addition, the Evaluation and Remuneration Committee is required to prepare a report to be approved by the Board of Directors at the end of the year.

### Remuneration

The Evaluation and Remuneration Committee is responsible for providing recommendations to the Board of Directors for considering annual remunerations of directors, members of all committees, advisors to the Board of Directors, advisors to all committees, CEO, executives, and employees. The Evaluation and Remuneration Committee also proposes policies pertaining to remunerations and other financial and non-financial benefits of the employees of all levels to the Board of Directors. The Board of Directors approved the policies and the executive department established regulations and guidelines for the East Water Group in line with the policies.

## 5.17 Criteria, process and results of the performance assessment of the Board of Directors and committees

### Performance assessment of the Board of Directors and committees

The Board of Directors meeting (No. 10/2003 held on 20 November 2003) approved the annual self-assessment of the Board of Directors to review performance, problems and obstacles found during the previous year, in order to improve the efficiency of its operations appropriately and comply with the principles of good corporate governance.

In addition, the charter of each committee specifies that each committee conduct a self-assessment, as a whole and as an individual, and report problems and obstacles that contribute to unsuccessful operations (if exist) to the Board of Directors on an annual basis.



## Criteria for the performance assessment of the Board of Directors and committees

### Performance assessment as a whole

1. The Board of Directors assesses itself on the following important topics:
  1. Readiness of directors
  2. Strategic and business planning
  3. Risk management and internal control
  4. Monitoring to avoid conflicts of interest
  5. Following up on financial reports and operations
  6. Meetings of the Board of Directors
  7. Others such as nomination, consideration of remuneration, and evaluation of the CEO's performance
2. The Audit Committee assesses itself on the following important topics:
  1. Authority and duties
  2. Members of the Audit Committee
  3. Meetings
  4. Internal control
  5. Financial reporting
  6. Compliance with related laws and regulations
  7. Auditors
  8. Internal auditors
  9. Report of the Audit Committee
  10. Performance assessment
  11. Charter
3. Other committees including 1) Executive and Investment Committee, 2) Corporate Governance and Nomination Committee, 3) Risk Management Committee, and 4) Evaluation and Remuneration Committee assess itself on the following important topics:
  1. Readiness of committee members
  2. Meetings of the committee
  3. Authority, duties, and responsibilities of the committee

### Performance assessment as an individual

Performance assessment as an individual of every committee covers important topics such as meeting attendance, perspective, continuous improvement of knowledge and skills, relationship with the executive department, and self-assessment of individual strengths and weaknesses.

### Process to assess the performance of the Board of Directors and committees

The Corporate Secretary and the Secretary of every committee will send the assessment form and summarize supporting information to facilitate the assessment of the Board of Directors and committees, as a whole and as an individual, within December of each year. Afterwards, the Corporate Secretary will gather the assessment forms to prepare a report on the assessment results which will be presented at the Board of Directors meeting.

### Results of the performance assessment of the Board of Directors and committees in 2015

The Board of Directors acknowledged the results of the performance assessment of the Board of Directors and committees in 2015 at the Board of Directors meeting (No. 2/2016 held on 16 February 2016). The majority of the assessment results received a score of over 90%. Nevertheless, the meeting recognized ways to improve assessment areas that received low scores for every committee (as a whole and an individual). In addition, the Corporate Secretary set guidelines to support the work of the Board of Directors and committees to be more efficient. The assessment results are summarized below:

Committee	Assessment results (holistically) %	Assessment results (individual) %
1. Board of Directors	91.42	93.64
2. Audit Committee	100.00	98.73
3. Executive and Investment Committee	92.00	90.00
4. Corporate Governance and Nomination Committee	97.00	99.00
5. Risk Management Committee	87.33	93.33
6. Evaluation and Remuneration Committee	92.67	93.33
<b>Average score of every committee</b>	<b>93.40</b>	<b>94.67</b>

### 5.18 Criteria, process, and results of the performance assessment of the CEO

The Evaluation and Remuneration Committee is responsible for considering the annual remuneration of the CEO. The results of the performance assessment of the CEO must meet the criteria approved by the Board of Directors.

### 5.19 Director orientation

In 2015, the Company organized an orientation for new directors. The orientation was aimed to inform new directors of the Company's vision, missions, business policies, and related information such as shareholding structure, organizational structure, operating results, related laws and regulations, former resolutions of the Board of Directors, problems and obstacles, and future strategic plan. The CEO and Corporate Secretary presented related information and distributed information for directors including:

- Board of Directors Handbook
- Annual registration statement (Form 56-1)
- Annual report (Form 56-2)
- Principles of Good Corporate Governance of East Water Group
- Charters of the committees
- Minutes of the Board of Directors meetings
- Dates of the Board of Directors meetings for the whole year
- List of names of the Board of Directors, advisors to the Board, and current executives
- The Company's Articles of Association, Certificates, Rules, and Regulations

In addition, the Company has a tradition for new directors to visit the Company's operations in various areas to increase their understanding of the business. In 2015, new directors visited the Company's operations and met with stakeholders in the area during 21-22 January 2015.

### 5.20 Board of Directors' training

The Board of Directors and executive directors give great importance to continuously joining training programs related to knowledge and capacity building in performing the Board's duties. (Details given in each director's profile.) The Company supports and arranges for the Board members to continuously join relevant training programs organized by the Thai Institute of Directors and other institutes. The aim is to increase Board members' knowledge and understanding of the principles of good corporate governance, rules and regulations, as well as the roles and responsibilities of the Board of Directors in effectively overseeing the Company to be in line with the Company's business ethics. Joining relevant training programs also creates new beneficial ideas that can be applied to the Company's business operations. In 2015, 6 directors joined 7 IOD training programs as summarized in the table below. Reservations were made in the risk management training program, DCP and DAP in 2016 for directors who were unable to participate in the training in 2015.

Name of directors and Advisory to the board	IOD training programs joined by directors and Advisory to the board of 31 December 2015									
	AACP <sup>8</sup>	ACP <sup>2</sup>	DAP <sup>5</sup>	DCP <sup>1</sup>	FSD <sup>9</sup>	HRP <sup>4</sup>	RCL <sup>10</sup>	RCP <sup>6</sup>	RMP <sup>7</sup>	SFE <sup>3</sup>
<b>The Board of Directors</b>										
Mr. Wittaya Chaisuwan <sup>11,12</sup>	-	-	-	-	-	-	-	36/2015	-	-
Mr. Amorn Laohamontri	18/2015	-	114/2015	208/2015	27/2015	-	-	-	-	-
Mr. Phaiboon Siripanoosati	-	28/2009	-	105/2008	-	4/2013	-	-	-	13/2011
Mr. Chanin Tinnachote	18/2015	-	114/2015	201/2015	-	-	1/2015	-	-	-
Pol. Maj. Gen. Vichai Sangparpai <sup>11,12</sup>	-	-	-	-	-	-	-	-	6/2015	-
Colonel Premjiras Tanathaipakdee	-	-	-	-	-	-	-	-	-	-
Mrs. Tatchada Jitmahawong	18/2015	-	114/2015	208/2015	27/2015	-	-	-	-	-
Mr. Verapong Chaiperm	-	-	-	161/2012	-	-	-	-	-	-
Mr. Chanin Chaonirattisai	-	-	-	192/2014	29/2015	-	-	-	-	-
Mr. Eakachai Attakanna	-	-	-	-	-	-	-	-	-	-

#### Note

1. AACP: Advanced Audit Committee Program
2. ACP: Audit Committee Program
3. DAP: Director Accreditation Program
4. DCP: Director Certification Program
5. FSD: Financial Statements for Directors
6. HRP: How to Develop a Risk Management Plan
7. RCL: Risk Management Program for Corporate Leaders
8. RCP: Role of the Chairman Program
9. RMP: Risk Management Committee Program
10. SFE: Successful Formulation & Execution the Strategy

#### Programs applied by directors

11. Director Accreditation Program (DAP)
12. Director Certification Program (DCP)
13. Risk Management Program for Corporate Leaders (RCL)

Furthermore, in 2015, directors completed various training programs from other institutes as follows:

Name of directors	Program/Institution
Mr. Phaiboon Siripanoosathien	Bhumipalung Phandin Program (BPP 4) for Senior Executives Chula Uniserach, Chulalongkorn University
Mrs. Tatchada Jitmahawong	Audit Committee Seminar Get Ready for the Year End Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

## 5.21 Recruitment of directors and executives

### 1. Criteria and process in appointing new directors

The Company has prepared the Board of Directors Handbook which states that the recruitment of appropriate persons to assume the position of director must follow the Company's Articles of Association and the regulations of the Board of Directors. Suitable candidates must have appropriate qualifications in accordance with related laws. The Board of Directors approved the revision of some important principles pertaining to the recruitment of directors. The revision was aimed to make the principles consistent with the Company's principles of good corporate governance that were edited based on criteria relating to Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand in 2012 and assessment guidelines of the corporate governance of Thai listed companies of the Thai Institute of Directors Association. The revision was approved by the Board of Directors and important details of the recruitment criteria can be summarized as follows:

- Must have appropriate qualifications and must not have prohibitive characteristics as prescribed under the regulations of the Stock Exchange of Thailand. One must also have consistent and complete qualifications if he/she is to be recruited as an independent director.
- Must consist of persons with knowledge in water resources or other professions relating to the business and must have at least one director with expertise in accounting and finance.
- The recruitment of the Board of Directors must consider candidates with a variety of skills including knowledge in industrial business, accounting and finance, management and decision making skills, comparable businesses at a global level, business strategies, crisis management, good corporate governance, and legal issues, in order to be able to support operations in all areas in line with the Company's business strategies.
- The Chairman of the Board of the Directors should be an independent director and should not be chairperson or member of other committees.
- The Company assigns the Board of Directors to assume the position of the Board of Directors of its subsidiaries in case the Company holds more than 50% of the shares in those subsidiaries. Holding more than 50% of shares should give the Company the right to appoint directors or appropriate persons to take part in the Board of Directors of the subsidiaries. Also included is the right to appoint executive directors (at least half of the total number of executive director positions). If the Company holds more than 50% of shares, the right to appoint directors of the subsidiaries should be proportional to its shareholding.
- The member of the Board of Directors is eligible to take the position of Executive Director (ED) in other companies with a maximum of 4 listed companies at a time and the position of Non Executive Director (NED) with a maximum of 3 listed companies or 5 companies including registered companies and state enterprises.



- 💧 The age of directors is limited to 75 years old. Directorship term is not limited so as to avoid loss of opportunities in appointing directors with knowledge, skills, and experience. However, the duration of the position of independent directors is limited to 9 years from the first appointment date.
- 💧 Independent directors must not hold shares of the parent company, subsidiaries, affiliated companies, or juristic persons with possible conflicts of interest (including related persons under Section 258 of the Securities and Exchange Act B.E. 2551).

## 2. Board diversity

In the recruitment of the Board of Directors, the Company will determine the qualifications of the candidate to correspond with the Company's business strategies and consider candidates with a variety of skills including knowledge in industrial business, accounting and finance, management and decision making skills, business strategies, crisis management, good corporate governance, and legal issues.

## 3. Appointment and retirement of directors

1. The administrative department must liaise with experts to ask for their curriculum vitae, and preliminarily screen their qualifications. If the qualifications meet the criteria, the candidate's profile is then submitted to the Corporate Governance and Nomination Committee for consideration and approval.
2. In every annual general meeting of shareholders, one third of directors must retire by rotation after completing the term. If the number of directors is not a multiple of three, the number closest to one third is applied. In the first year and second year, if no agreements are reached with regard to the method for selecting directors to retire by rotation, the selection is by a draw. After that, directors with the longest duration in position will be retired by rotation. Directors who retire by rotation may be re-elected.
3. The meeting of shareholders elects directors using a majority vote approach. Each shareholder shall have one vote for each share he holds and is eligible to elect individual Board members. Highest scoring candidates are appointed as the directors. The number of persons elected to be directors should match the available number of vacant director positions. In case two or more than two candidates have equal score and the meeting only requires one candidate for the director position, the chairperson of the meeting will give a decisive vote.
4. In case a director position is vacant due to other reasons than retirement by rotation, the Board of Directors is responsible for choosing a person who has been initially screened by the Corporate Governance and Nomination Committee and has qualifications required by the Company and with no prohibitive characteristics according to the laws pertaining to public companies to assume the position of director. This newly elected director is required to attend the next meeting of the Board of Directors. If the remaining directorship term is less than two months, the newly elected director will only stay in the position for a period of time equal to the former director's remaining term. Resolutions of the Board of Directors must be approved by 3 fourths of the votes of remaining directors.
5. Apart from retirement by rotation, directorship may be terminated when a director
  - (1) dies
  - (2) resigns
  - (3) lacks qualifications or has prohibitive characteristics according to the Public Limited Companies Act
  - (4) is dismissed by the resolution of the meeting of shareholders
  - (5) is dismissed by a court decision

#### 4. Appointment of executives

The Company realizes the importance of efficient management. As a consequence, the Company has established a policy for the succession of management positions. The purpose is to have guidelines to prepare potential officers to be ready for assuming the management position of the Company. These guidelines closely adhere to the principles of transparency, fairness, and accountability.

- (1) The Corporate Governance and Nomination Committee is responsible for defining nomination criteria and approving the succession plan, recruiting employees at the management level or external persons to assume the position of CEO, and submitting a report to the Board of Directors for approval.
- (2) The CEO and related departments are responsible for defining the nomination criteria, developing persons with knowledge and capability, and recruiting employees or external persons to assume the position of executive vice presidents, and submitting a report to the Management and Investment Committee for consideration and appointment. The CEO is authorized to appoint managers at the department level.

#### 5.22 Control of the use of insider information

The Company has a set of policies relating to the use of insider information. These policies are stated under the principles of good corporate governance of East Water Group to be used as a practical guideline for directors, executives, and employees as follows:

- (1) Policy on the prevention of the use of insider information  
Executives and employees, including their spouse and minor children, are prohibited from using the Company's material and unpublished insider information for their own benefits of speculative trading of securities or for the purpose of creating a trading advantage for a person or a group of persons.
- (2) Policy on trading of the Company's securities  
Executives and employees, including their spouse and minor children, are not allowed to buy, sell, or transfer stocks of the Company within 1 month before the disclosure of the Company's financial statements to the Stock Exchange of Thailand and within 3 days after the disclosure of the Company's financial statements to the Stock Exchange of Thailand. This is in order to provide sufficient time for shareholders and investors to access and understand the materiality of the Company's information/news or financial statements disclosed to the Stock Exchange of Thailand.  
Directors and top executives must notify the Corporate Secretary of their trading of the Company's stocks at least 1 day prior to the trading date. The Corporate Secretary will then report this stock trading to the meeting of the Board of Directors.
- (3) Policy on business information of East Water Group
  1. Directors, the administrative department, employees, outsourcers, and staff of suppliers of the Company and its subsidiaries sometimes must work with information and documents that cannot be published and/or are commercially sensitive such as contractual information, blueprints, maps, figures, formulas, and innovations. The Company has the right to protect this type of information since it is highly important for the Company's future success and highly important for everyone's job security.  
Directors, the administrative department, employees, outsourcers, and staff of suppliers of the Company and its subsidiaries have a responsibility to enter into an agreement to abide by related laws and code of ethics that they will not disclose secret or commercially sensitive information and documents.

## 2. Security classification of information

Commercially sensitive information, which is also the Company's insider information, must be kept a secret from outsiders. Information may be classified according to its level of importance. For example, the information may be classified as "publishable information", or "confidential information", or "secret information".

The use of insider information must be within the boundary of one's assigned duties and responsibilities only.

## 3. Information provided to outsiders

All information that is publicly disseminated must be approved by the CEO of the Company or the President of subsidiaries or designated persons. Information relating to other joint investors must be approved by those investors.

Central units that are responsible for publicly releasing the Company's information include the Corporate Communications Department, Marketing Division, and Investor Relations Unit. Officers from the Public Affairs Division are responsible for informing the Company's employees of related information and news.

The activity owner is responsible for providing details and coordinating with superiors in the chain of command. The disclosure must be approved by the CEO or the President of subsidiaries first.

### 5.23 Definition of independent directors

Independent directors play an important role in good corporate governance of the Company. They are responsible for supporting policies that are beneficial to shareholders and opposing non-transparent decision making that might adversely affect the benefits of shareholders and other stakeholders. Therefore, independent directors must be free from control of executives and major shareholders, and must not have conflicts of interest with regard to finance and management of the Company. The Company has defined "independent directors" in accordance with the principles of good corporate governance and more strictly than the Notification of the Capital Market Supervisory Board<sup>1</sup> as follows:



<sup>1</sup> Notification of the Capital Market Supervisory Board: number Tor Chor 28/2551  
Re: Asking for permission and permission of initial public offering of newly issued shares

- (1) Non-Executive Directors not involving in the Company's day-to-day management, not being shareholders of the Company, parent company, subsidiary company, and affiliated company, and not being directors that are representatives of major shareholders, and having qualifications in accordance with related laws.
- (2) Not being a person related by blood or legally registered as father, mother, spouse, sibling, and son or daughter, including spouse of son or daughter, of other directors, executives, major shareholders, controlling persons, persons to be nominated as executives or controlling persons of the Company or its subsidiaries.
- (3) Not conducting similar business that presents a significant competition to the business of the Company or its subsidiaries, or not being a significant partner in partnerships, or not being an executive director, an employee, a staff, an advisor who receives salary or holds more than 1% of shares with voting rights of other companies that conduct a similar business that presents a significant competition to the business of the Company or its subsidiaries.
- (4) Not having a business relationship with the Company, parent company, subsidiary company, affiliated company, or juristic person with possible conflicts of interest that may interfere with his/her independent judgment.
  - (A) Relationship characteristics
 

Relationship characteristics of professional service provider

    - 1) Auditors and persons providing professional services such as legal advisors, financial advisors, and property appraisers.
    - 2) Significance level that signifies non-independence
      - Auditor: prohibited in any case
      - Persons providing other professional services: Transaction value exceeding 2 million Baht per year.

Commercial or business relationship (in line with the Stock Exchange of Thailand's regulations pertaining to connected transactions)

    - Relationship characteristics: Covering all types of business, including normal business transactions, real estate rental transactions, transactions relating to properties/services, and transactions for providing or receiving financial support.
    - Significance level that signifies non-independence: Transaction value equal to or exceeding 20 million Baht, or equivalent to 3% of the Company's net tangible assets (NTA), whichever is lower. Transactions occurring six months prior to the transaction date must also be included.
  - (B) In case that the relationship characteristics can be specified under (a), i.e., with juristic persons or persons with non-independency including major shareholders and directors (excluding independent directors/members of the Audit Committee)
  - (C) Assigning the period in which the relationship specified under (a) and (b) is not allowed at present and two years before the appointment
- (5) Not being a director who is appointed to be a representative of the Company's directors, major shareholders, shareholders related to major shareholders of the Company.
- (6) Not having any characteristics that might prevent independent recommendations
- (7) Independent directors having qualifications under 1-6 may be authorized by the Board of Directors to make decisions relating to business operations of the Company, parent company, subsidiary company, affiliated company, associated subsidiary, or juristic person with possible conflicts of interest. The decision making shall be performed in a collective manner.
- (8) The term of independent directors should not exceed 9 consecutive years, starting from the first appointment date.<sup>2</sup>

<sup>2</sup> The resolution of the corporate governance & nomination committee (1<sup>st</sup> meeting of 2015 held on 8 January 2015)



## Assessment of the Adequacy of the Internal Control System

At the Board of Directors Meeting No.2/2016 held on 16 February 2016, the Board of Directors assessed the internal control system from the report of the Audit Committee. The assessment of the Company's internal control system covers 5 areas - control environment, risk assessment, control activities, information and communication, and monitoring activities.

### Control Environment

The Board of Directors and executives announced the implementation of "The Principles of Good Corporate Governance of Eastern Water Resources Development and Management Public Company Limited", a policy and discipline that employees must acknowledge, understand, and always follow in accordance with the Company's policies and ethics. The Principles of Good Corporate Governance also cover daily performance of duties, decision making, and treatment of business partners, customers, and other third parties. Moreover, the Company requires all employees to follow the Code of Conduct that is under The Principles of Good Corporate Governance. Any violations of the Code of Conduct shall be interrogated and punished according to the Employee Handbook.

The Company requires that the roles and duties between the Board of Directors and the administrative department are mutually exclusive. The Board of Directors will not interfere with the administrative department's responsibilities or duties in order to establish a balance between administration and corporate governance. Furthermore, the Board of Directors is responsible for monitoring administrative work to ensure that appropriate policies and procedures have been applied effectively. In this regard, the Board of Directors has selected suitable persons to assume the position of high-level executives and committee members. These executives and committee members must perform their duties in accordance with the Company's regulations and the Board of Directors clause set by the Stock Exchange of Thailand. Their role also includes determining the vision, 3 year-strategic plan, and annual action plan. All department heads will join in developing the annual action plan which is in line with the Company's long term strategic plan. The action plan also specifies targets, objectives, budgets, risk factors, periodical activities, and expected returns that can be measured in a concrete manner in order to achieve the overall goal.

The Company has a clear organizational structure to facilitate achievement of the Company's goals and effective internal control. A separation of responsibilities is maintained between the main operation line and the supporting operation line. A power balance mechanism has been instituted to balance the power between the Board of Directors, the administrative department, and shareholders. An investor communication mechanism has been established to regularly communicate and disseminate the Company's information to the public.

In addition, the Company realizes the importance of incentivizing, developing, and keeping knowledgeable and capable employees. With this in mind, the Company has established an individual development plan (IDP), a career management policy, and a succession plan to prepare for employee transitions, particularly at the executive level in the Company's main businesses. Key Performance Indicators (KPIs) are applied to gauge the performance of employees for merit consideration.



### Risk Assessment

The Company uses Enterprise Risk Management by requiring executives and relevant employees to indicate and analyze risk factors in terms of their probability of occurrence and impact in order to establish control measures. The Company also has a risk management division to develop risk management plans and follow up on their implementation in order to reduce risks to acceptable levels. Another duty of this division is to review risk factors and submit a report to be considered by the Risk Management Committee, and subsequently present the report to the Board of Directors on a quarterly basis. The Board of Directors then considers and gives its decision on the report for the continuity of the Company's risk management process. Meanwhile, risk management policies and regulations have been communicated to all employees to acknowledge and put into practice. This is part of the Company's culture that everyone participates in taking good care of the organization through a mutual understanding of the risk management process. In addition, the Company has created the business continuity plan (BCP) and has practice drills to ensure that the plan can be successfully executed.

### Control Activities

The Company has announced rules and regulations pertaining to procurement, budget, project investment and management, and accounting and finance. The Company has specified the boundary of each administrative department's authority and function as well as the financial amount that can be approved in order to be consistent with the principles of good internal control. A separation of responsibilities and verifications has also been established between the administrative departments, especially in areas of approval duties, accounting transaction recording, information, and asset storing duties. Furthermore, the Company has been ISO9001:2008 and ISO 14001:2004 accredited. This accreditation requires the Company to arrange a procedure manual for reference during operations and staff training programs to ensure understanding and correct operation that is consistent with the Company's procedures.

Any connected transaction between the Company and its subsidiaries and stakeholders is carefully considered and approved by the Audit Department, Audit Committee, management team, and auditors in accordance with the Stock Exchange of Thailand's regulations. Details of these connected transactions are also noted in the annex to the financial statements. The Company is required to report these transactions to the Securities and Exchange Commission (SEC). Furthermore, directors having potential conflicts of interest cannot vote on the resolution approving connected transactions.

### Information and Communication

The Company has continually adapted and developed its information system and internal database. This is part of the policy pertaining to the use of information and communication technology, which is, in turn, part of the Company's principles of good corporate governance. The Company requires that its employees understand the use of internal communication under good internal control, such as internet, email, and telecommunication media (including telephone, fax, radio telegraph, signal receiving equipment). Employees are constantly informed and made aware of how not to violate any information-related laws (including Official Information Act and Electronic Transactions Act).

The Company has set up a call center to receive external complaints. An investor relations unit was also established to communicate and organize activities with shareholders and investors. A special communication channel known as [ac\\_ew@eastwater.com](mailto:ac_ew@eastwater.com) or CEO Mail Box is provided for employees and external units to make notifications or file complaints.

### Monitoring Activities

The Company places great importance on internal audit to provide value added to the organization. This is done through internal risk assessment data and risk based audit planning. The Company has assigned the Audit Department and internal audit consultants to investigate efficiency and effectiveness of the internal control system for every working procedure. A report must be presented to executives and the Audit Committee on a quarterly basis. This gives the Board of Directors and the administrative department confidence in the efficiency and effectiveness of the Company's internal control system and accuracy of all information, including financial and accounting information and operational information. The Audit Department follows up on adjustments and corrections suggested by the Audit Committee and regularly reports to the Audit Committee. Furthermore, the Company has a constant monitoring process through the use of the ISO 9001:2008 and ISO 14001: 2004 accredited internal quality and environment audit system by certification bodies.

The Company continuously monitors the operations of its subsidiaries. A progress report on the operations of its subsidiaries is regularly submitted to the Board of Directors. In accordance with the resolution of the Board of Directors, the Company has also set up a special unit to monitor the overall operations of its subsidiaries to ensure that all subsidiaries' operations are consistent with Board of Directors' policies. Furthermore, the Company has assigned the Corporate Secretary to supervise legal and compliance matters to ensure that its operations are consistent with relevant laws and regulations.

With the main points of the assessment of the adequacy of the internal control system taken into account, the Board of Directors, the Audit Committee, and auditors have a consistent opinion that the Company's internal control system is adequate and appropriate for business operations, that the Company has enough employees to implement the system, and that the Company has an internal system to efficiently monitor the operations of its subsidiaries in order to facilitate the effectiveness of its sustainable business operations.

In addition, according to the Company's structure, the Audit Department is regulated and directly supervised by the Audit Committee. At present, the Audit Department consists of 7 personnel and the Company is in the process of recruiting the head of the Audit Department. The Company has hired KPMG Phoomchai Business Advisor Ltd. (KPMG) to be the internal audit consultant. The Audit Committee and CEO are responsible to gauge the performance of the Vice President of the Audit Department. The assessment results indicate that the Vice President's performance shows good quality and understanding of activities and operations of the Company, and is therefore befitting of the position. According the charter of the Audit Committee, appointments, transfers, layoffs, dismissals, and merit consideration of the head of the Audit Department must be approved by the Audit Committee.



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

The Board of Directors of the Company had initiated financial statement preparation to present the Company's financial positions and operating results for the year ended December 31, 2015 under the Public Company Act B.E. 2535. The Company's Board of Directors has realized its duties and responsibility as Directors of listed company in the Stock Exchange of Thailand to be responsible for financial statements and consolidated financial statements of the Company, including financial information appeared in the annual report for the year ended December 31, 2015.

Thus, the Company's Board of Director appointed the Audit Committee which consists of Independent Directors and Non-Executive Directors of the Company who are responsible for the quality of financial statements and reviewing the adequacy and effectiveness of the internal control system of the Company and its affiliated companies to reasonably ensure that the records of accounting information are accurate, complete, and adequate to protect the Company's assets, including being guidelines for the Company and its affiliated companies to significantly prevent corruption or irregular activity. The opinion of the Audit Committee shall appear in the Corporate Governance Report of the Audit Committee of the fiscal year 2015 as shown in this Annual Report.

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

**Mr. Wittaya Chaisuwan**  
Chairman

**Mr. Jaroensuk Worapansopak**  
Executive Vice President, Operation  
Acting President & CEO



## Auditor's Report

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

I have audited the accompanying consolidated and company statements of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries and of Eastern Water Resources Development and Management Public Company Limited, which comprise the consolidated and company statement of financial position as at 31 December 2015, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinion*

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries and of Eastern Water Resources Development and Management Public Company Limited as at 31 December 2015, and its consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### *Emphasis of Matter*

I draw your attention to Note 37 to the financial statements regarding compensation for the Company's pipeline connecting project. Currently, the Company pays compensation at a preliminary rate because the government agency is considering a deal in which the Company will rent or manage connecting projects. As a result, the government agency is reviewing the compensation rate and it may be subject to change. My opinion is not qualified in respect of this matter.

*S. Wong-ariyaporn*

Sukhumaporn Wong-ariyaporn  
Certified Public Accountant (Thailand) No. 4843  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
11 February 2016

# Statement of Financial Position

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2015

(Unit: Baht)

	Notes	Consolidated		Company	
		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	6	311,218,269	112,859,747	249,113,610	90,464,122
Short-term investments	7	862,597,548	55,069,783	546,522,937	-
Trade and other receivables	8	447,163,960	420,588,385	282,813,930	290,352,713
Inventories	9	9,380,954	9,231,640	-	-
Other current assets		33,849,439	61,063,020	13,644,864	39,774,457
Non-current assets held for sale	10	-	57,677,839	-	32,009,985
Total current assets		1,664,210,170	716,490,414	1,092,095,341	452,601,277
Non-current assets					
Investment in subsidiary	11	-	-	510,000,000	510,000,000
Other long-term investments	12	-	91,470,300	-	91,470,300
Investment property - net	13	216,901,860	224,620,933	231,204,029	239,476,697
Property, plant and equipment - net	14	13,265,976,381	11,747,778,313	13,066,999,015	11,592,737,268
Goodwill	15,40	103,283,004	-	-	-
Intangible assets - net	16	3,831,896,900	1,725,358,935	36,075,087	41,032,716
Deferred tax assets	17	23,287,820	12,693,150	-	-
Other non-current assets	18	521,907,368	725,033,042	488,272,036	670,483,115
Total non-current assets		17,963,253,333	14,526,954,673	14,332,550,167	13,145,200,096
Total assets		19,627,463,503	15,243,445,087	15,424,645,508	13,597,801,373
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institutions	19	1,600,000,000	233,000,000	-	139,000,000
Trade accounts payable	20	133,930,355	130,002,645	104,880,884	111,599,966
Payable for purchase of fixed assets		63,579,191	479,050,047	58,418,193	457,153,810
Current portion of long-term liabilities under finance lease agreements	21	2,856,313	2,008,414	2,856,313	2,008,414
Current portion of long-term borrowings from financial institutions	19	752,200,000	563,280,000	560,000,000	454,000,000
Corporate income tax payable		149,494,958	129,534,752	111,844,526	117,371,988
Accrued expenses	22	175,190,960	155,043,267	118,264,607	98,974,598
Other current liabilities		60,958,337	49,155,958	34,569,583	27,490,526
Liabilities included with asset classified as held-for-sale	10	-	269,099	-	-
Total current liabilities		2,938,210,114	1,741,344,182	990,834,106	1,407,599,302

The accompanying notes on pages 101 to 153 are an integral part of the financial statements.



# Statement of Financial Position (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

As at 31 December 2015

(Unit: Baht)

	Notes	Consolidated		Company	
		2015	2014	2015	2014
Liabilities and shareholders' equity (Cont'd)					
Non-current liabilities					
Long-term liabilities under finance lease agreements	21	1,842,223	3,136,321	1,842,223	3,136,321
Long-term borrowings from financial institutions	19	4,008,800,000	4,648,721,206	3,240,000,000	4,114,000,000
Debentures	19	2,396,822,358	-	2,396,822,358	-
Deferred tax liabilities	17	421,233,790	42,447,206	24,797,641	20,279,434
Employee benefit obligations	23	119,686,982	104,433,197	73,360,526	68,292,091
Long-term provisions	24	26,881,034	13,239,626	-	-
Other non-current liabilities	25	214,424,014	173,053,101	184,212,408	143,988,238
Total non-current liabilities		7,189,690,401	4,985,030,657	5,921,035,156	4,349,696,084
Total liabilities		10,127,900,515	6,726,374,839	6,911,869,262	5,757,295,386
Shareholders' equity					
Share capital	26				
Registered share capital					
Ordinary shares, 1,663,725,149 shares of par Baht 1 each		1,663,725,149	1,663,725,149	1,663,725,149	1,663,725,149
Issued and paid-up share capital					
Ordinary shares, 1,663,725,149 shares of par Baht 1 each		1,663,725,149	1,663,725,149	1,663,725,149	1,663,725,149
Share premium	26	2,138,522,279	2,138,522,279	2,138,522,279	2,138,522,279
Retained earnings					
Appropriated - legal reserve	27	166,500,000	166,500,000	166,500,000	166,500,000
Unappropriated		5,303,276,782	4,493,850,084	4,521,360,412	3,846,798,981
Other components of equity	28	22,668,406	24,959,578	22,668,406	24,959,578
Equity attributable to owners of the parent		9,294,692,616	8,487,557,090	8,512,776,246	7,840,505,987
Non-controlling interests		204,870,372	29,513,158	-	-
Total shareholders' equity		9,499,562,988	8,517,070,248	8,512,776,246	7,840,505,987
Total liabilities and shareholders' equity		19,627,463,503	15,243,445,087	15,424,645,508	13,597,801,373

The accompanying notes on pages 101 to 153 are an integral part of the financial statements.

# Statement of Comprehensive Income

Eastern Water Resources Development and Management Public Company Limited  
For the year ended 31 December 2015

(Unit: Baht)

	Notes	Consolidated		Company	
		2015	2014	2015	2014
<b>Revenues</b>	34				
Sales - raw water		2,898,665,222	2,768,375,793	2,927,586,675	2,810,731,725
Sales - tap water		1,160,235,181	988,739,040	363,987,505	335,719,500
Construction revenue under concession agreement		95,684,548	268,923,208	-	-
Rental and service income		212,228,991	216,202,093	92,881,473	86,766,051
<b>Total sales and service income</b>		4,366,813,942	4,242,240,134	3,384,455,653	3,233,217,276
Other income		292,011,900	62,519,603	307,051,878	78,941,831
<b>Total revenues</b>	30	4,658,825,842	4,304,759,737	3,691,507,531	3,312,159,107
<b>Expenses</b>	34				
Costs of sales - raw water		1,134,873,809	1,039,690,961	1,154,494,116	1,065,246,030
Costs of sales - tap water		707,275,881	590,123,299	310,468,841	283,136,381
Construction cost under concession agreement		95,684,548	268,923,208	-	-
Costs of rental and services		171,185,488	198,914,696	68,702,409	69,039,080
<b>Total costs of sales and services</b>		2,109,019,726	2,097,652,164	1,533,665,366	1,417,421,491
Selling expenses		19,627,895	14,147,147	16,168,292	10,700,793
Administrative expenses		438,982,686	398,087,249	283,477,025	262,503,597
Finance costs		114,180,633	121,225,452	80,047,215	81,224,697
<b>Total expenses</b>	31	2,681,810,940	2,631,112,012	1,913,357,898	1,771,850,578
<b>Profit before income tax</b>		1,977,014,902	1,673,647,725	1,778,149,633	1,540,308,529
Income tax expense	32	(385,775,393)	(339,197,329)	(339,225,662)	(300,982,933)
<b>Net profit for the year</b>		1,591,239,509	1,334,450,396	1,438,923,971	1,239,325,596

The accompanying notes on pages 101 to 153 are an integral part of the financial statements.

# Statement of Comprehensive Income (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated		Company	
	Notes	2015	2014	2015	2014
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	23	(14,078,675)	-	1,159,635	-
Income tax on items that will not be reclassified to profit or loss	32	2,815,735	-	(231,927)	-
Total items that will not be reclassified to profit or loss		(11,262,940)	-	927,708	-
Items that will be reclassified subsequently to profit or loss					
Asset transferred from customers		(3,397,523)	(3,397,523)	(3,397,523)	(3,397,523)
Change in fair value of available-for-sale investments	7.2	1,382,938	-	1,382,938	-
Income tax relating to items that will be reclassified subsequently to profit or loss	32	(276,587)	-	(276,587)	-
Total items that will be reclassified subsequently to profit or loss		(2,291,172)	(3,397,523)	(2,291,172)	(3,397,523)
Other comprehensive income for the year, net of tax		(13,554,112)	(3,397,523)	(1,363,464)	(3,397,523)
Total comprehensive income for the year		1,577,685,397	1,331,052,873	1,437,560,507	1,235,928,073
Profit attributable to					
Equity holders of the parent company		1,584,940,253	1,334,205,246	1,438,923,971	1,239,325,596
Non-controlling interests		6,299,256	245,150	-	-
		1,591,239,509	1,334,450,396	1,438,923,971	1,239,325,596
Total comprehensive income attributable to					
Equity holders of the parent company		1,571,386,141	1,330,807,723	1,437,560,507	1,235,928,073
Non-controlling interests		6,299,256	245,150	-	-
		1,577,685,397	1,331,052,873	1,437,560,507	1,235,928,073
Earnings per share for profit attributable to owners of the parent	33				
Basic earnings per share		0.95	0.80	0.86	0.74

The accompanying notes on pages 101 to 153 are an integral part of the financial statements.

# Statement of Changes in Shareholders' Equity

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2015

Consolidated												(Unit: Baht)
Owners of the parent												
Other components of shareholders' equity												
Other comprehensive income												
		Retained earnings			Assets transferred from customers-net	Unrealised gain from available-for-sale investments	Total other component of equity	Total owners of the parent	Non-controlling interests	Total shareholders equity		
	Notes	Issued and paid-up share capital	Premium on share capital	Appropriated - legal reserve	Unappropriated							
Opening balance as at 1 January 2014		1,663,725,149	2,138,522,279	166,500,000	3,875,024,850	28,357,101	-	28,357,101	7,872,129,379	29,799,418	7,901,928,797	
Comprehensive income for the year		-	-	-	1,334,205,246	(3,397,523)	-	(3,397,523)	1,330,807,723	245,150	1,331,052,873	
Dividend paid	29	-	-	-	(715,380,012)	-	-	-	(715,380,012)	(531,410)	(715,911,422)	
Closing balance as at 31 December 2014		1,663,725,149	2,138,522,279	166,500,000	4,493,850,084	24,959,578	-	24,959,578	8,487,557,090	29,513,158	8,517,070,248	
Opening balance as at 1 January 2015		1,663,725,149	2,138,522,279	166,500,000	4,493,850,084	24,959,578	-	24,959,578	8,487,557,090	29,513,158	8,517,070,248	
Comprehensive income for the year		-	-	-	1,573,677,313	(3,397,523)	1,106,351	(2,291,172)	1,571,386,141	6,299,256	1,577,685,397	
Dividend paid	29	-	-	-	(765,289,747)	-	-	-	(765,289,747)	(1,266,970)	(766,556,717)	
Changes in ownership interests in subsidiaries		-	-	-	1,039,132	-	-	-	1,039,132	(3,819,085)	(2,779,953)	
Sale of a subsidiary		-	-	-	-	-	-	-	-	(25,765,788)	(25,765,788)	
Non-controlling interests arising on business combination	40	-	-	-	-	-	-	-	-	199,909,801	199,909,801	
Closing balance as at 31 December 2015		1,663,725,149	2,138,522,279	166,500,000	5,303,276,782	21,562,055	1,106,351	22,668,406	9,294,692,616	204,870,372	9,499,562,988	

The accompanying notes on pages 101 to 153 are an integral part of the financial statements.

## Statement of Changes in Shareholders' Equity (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2015

(Unit: Baht)

	Company							
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of shareholders' equity		
				Appropriated - legal reserve	Unappropriated	Other comprehensive income		
						Assets transferred from customers-net	Unrealised gain from available-for-sale investments	Total other component of equity
<b>Opening balance as at 1 January 2014</b>		1,663,725,149	2,138,522,279	166,500,000	3,322,853,397	28,357,101	-	28,357,101
Comprehensive income for the year		-	-	-	1,239,325,596	(3,397,523)	-	(3,397,523)
Dividend paid	29	-	-	-	(715,380,012)	-	-	-
<b>Closing balance as at 31 December 2014</b>		1,663,725,149	2,138,522,279	166,500,000	3,846,798,981	24,959,578	-	24,959,578
<b>Opening balance as at 1 January 2015</b>		1,663,725,149	2,138,522,279	166,500,000	3,846,798,981	24,959,578	-	24,959,578
Comprehensive income for the year		-	-	-	1,439,851,679	(3,397,523)	1,106,351	(2,291,172)
Dividend paid	29	-	-	-	(765,290,248)	-	-	-
<b>Closing balance as at 31 December 2015</b>		1,663,725,149	2,138,522,279	166,500,000	4,521,360,412	21,562,055	1,106,351	22,668,406
								8,512,776,246

The accompanying notes on pages 101 to 153 are an integral part of the financial statements.



# Statement of Cash Flows

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2015

(Unit: Baht)

Notes	Consolidated		Company	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Profit before income tax	1,977,014,902	1,673,647,725	1,778,149,633	1,540,308,529
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation	13,14	372,373,173	373,967,007	356,152,182
Amortisation	16	181,677,184	116,645,961	6,208,229
Income from amortisation of assets transferred from customers		(3,397,523)	(3,397,523)	(3,397,523)
Allowance for doubtful accounts	18	32,802,184	-	-
Losses (gains) on disposals/written off of property, plant and equipment		(3,824,583)	5,023,737	(310,280)
Impairment losses on concession right	16	720,000	1,310,000	-
Impairment losses on investment in subsidiary	10	-	-	990,000
Losses (gains) on disposals/written off of subsidiaries		(518,482)	-	322,990
Gain on disposals of other long-term investments	12	-	(226,319,820)	-
Gain on fair value measurement of equity interest held before the business combination	40	(226,319,820)	-	-
Gain on sales of available for sale investments		(114,747)	(114,747)	-
Long-term provisions	24	9,991,131	3,058,741	-
Employee benefit obligations		12,718,434	13,766,791	7,707,993
Dividend income	30	(23,669,885)	(24,486,277)	(48,247,226)
Interest income	30	(8,769,306)	(6,364,488)	(10,392,443)
Interest expenses		112,938,254	120,065,993	78,950,730
				80,203,311
<b>Income from operating activities before changes in operating assets and liabilities</b>		2,433,620,916	2,273,237,667	1,938,386,728
Change in operating assets (increase) decrease				
Trade and other accounts receivables		(22,481,877)	(7,002,432)	7,538,783
Inventories		(149,314)	1,304,730	-
Other current assets		15,906,196	(16,329,796)	26,358,990
Other non-current assets		(5,440,715)	11,141,152	202,851
Change in operating liabilities increase (decrease)				
Trade accounts payable		(7,570,497)	(14,101,268)	(6,719,082)
Accrued expenses		27,318,736	15,329,952	26,461,052
Other current liabilities		36,485,962	(8,415,662)	7,287,829
Employee benefit obligations - paid		(11,543,325)	(757,137)	(1,479,925)
Long-term provisions - paid		(5,705,719)	(14,442,161)	-
Other non-current liabilities	24	41,370,913	42,159,702	40,224,170
Cash provided by operation		2,501,811,276	2,282,124,747	2,038,261,396
Income tax paid		(386,645,544)	(337,127,083)	(340,743,430)
<b>Net cash provided by operating activities</b>		2,115,165,732	1,944,997,664	1,697,517,966
				1,656,452,000

The accompanying notes on pages 101 to 153 are an integral part of the financial statements.

# Statement of Cash Flows (Cont'd)

Eastern Water Resources Development and Management Public Company Limited

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated		Company	
	Notes	2015	2014	2015	2014
Cash flows from investing activities					
Purchases of short-term investment	7	(1,324,914,033)	(109,367,779)	(945,140,000)	-
Proceeds from disposals of short-term investment	7	553,883,952	141,176,543	400,114,747	-
Acquisition of subsidiary, net of cash acquired	40	(1,456,220,816)	-	-	-
Proceeds from disposal of a subsidiary classified as non-current asset held for sales	10	32,009,985	-	32,009,985	-
Proceeds from disposals of subsidiaries		-	-	-	427,010
Payment on loans to related parties	34.3	-	-	(644,000,000)	-
Proceeds from loans to related parties	34.3	-	-	644,000,000	-
Interest received		8,386,027	7,271,028	10,163,046	1,133,118
Proceeds from disposal of other long-term investments	12	-	-	317,790,120	-
Dividend received from a related party and subsidiaries		23,669,885	24,486,277	48,247,226	48,456,273
Proceeds from disposals of property, plant and equipment		40,292,570	11,754,139	23,292,569	10,162,922
Purchase of intangible assets		(103,742,862)	(299,316,215)	(1,250,600)	(12,045,710)
Purchases of investment property		(1,535,582)	-	(1,646,439)	-
Purchases of property, plant and equipment and advance construction payment		(1,956,825,984)	(1,797,739,837)	(1,928,236,490)	(1,652,923,843)
Interest paid for fund borrowed specifically to acquire qualifying assets		(131,968,011)	(103,175,057)	(131,968,011)	(103,175,057)
Net cash used in investing activities		(4,316,964,869)	(2,124,910,901)	(2,176,623,847)	(1,707,965,287)
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions		4,067,000,000	3,816,000,000	2,142,000,000	3,514,000,000
Payment on short-term borrowings from financial institutions		(2,700,000,000)	(3,739,000,000)	(2,281,000,000)	(3,531,000,000)
Proceeds from long-term borrowings		2,773,000,000	1,384,000,000	1,812,000,000	1,320,000,000
Payment on long-term borrowings		(3,224,001,206)	(582,360,000)	(2,580,000,000)	(504,000,000)
Payment on liabilities under finance lease agreements		(446,199)	(1,818,189)	(446,199)	(1,818,189)
Proceeds from debentures		2,396,630,928	-	2,396,630,928	-
Additional purchase of interests in subsidiaries		(2,779,953)	-	-	-
Dividends paid to shareholders		(791,142,121)	(715,217,200)	(765,499,017)	(715,217,061)
Dividends paid to non-controlling interests		(1,266,970)	(531,408)	-	-
Interest paid		(116,836,820)	(111,606,671)	(85,930,343)	(73,882,074)
Net cash generated from financing activities		2,400,157,659	49,466,532	637,755,369	8,082,676
Net increase (decrease) in cash and cash equivalents		198,358,522	(130,446,705)	158,649,488	(43,430,611)
Cash and cash equivalents at beginning of the year		112,859,747	243,306,452	90,464,122	133,894,733
Cash and cash equivalents at ending of the year	6	311,218,269	112,859,747	249,113,610	90,464,122
Supplemental cash flow information					
Non-cash related transactions:					
Purchases of fixed assets on payable and financial lease agreement		63,168,190	455,121,108	58,418,192	443,256,226
Refinance of long-term borrowings	19.2	2,000,000,000	-	2,000,000,000	-

The accompanying notes on pages 101 to 153 are an integral part of the financial statements.

# Notes to consolidated and company financial statements

## Eastern Water Resources Development and Management Public Company Limited

### For the year ended 31 December 2015

#### 1 General information

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

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

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

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

The consolidated financial statements include the financial statements for the years ended 31 December 2015 and 2014 of the Company and the following subsidiaries:

Company's name	Nature of business	Country of incorporation	Percentage of Shareholding	
			2015 %	2014 %
<u>Subsidiaries held directly by the Company</u>				
Universal Utilities Public Company Limited	Production and supply of tap water, water loss treatment and investment in three tap water supply companies	Thailand	100	100
<u>Subsidiaries held by Universal Utilities Public Company Limited</u>				
Chachoengsao Water Supply Company Limited	Production and supply of tap water	Thailand	100	99
Bangpakong Water Supply Company Limited	Production and supply of tap water	Thailand	100	99
Nakornsawan Water Supply Company Limited	Production and supply of tap water	Thailand	100	100
Egcom Tara Company Limited (Has been a subsidiary since 31 August 2015)	Production and supply of tap water	Thailand	90	-

These consolidated and company financial statements were authorised for issue on 11 February 2016 by the Audit Committee of the Company under authority delegated by the Company’s Board of Directors.

#### 2 Accounting policies

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

##### 2.1 Basis of preparation of financial statements

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

The consolidated and company financial statements have been prepared under the historical cost convention except the topics which were explained in the accounting policy of investments for available for sale investments.

## 2 Accounting policies (Cont'd)

### 2.1 Basis of preparation of financial statements (Cont'd)

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

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

### 2.2 New financial reporting standards and revised financial reporting standards and interpretations

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group.

a) Financial reporting standards, which are relevant and have an impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TFRS 3 (revised 2014)	Business Combinations
TFRS 13	Fair value measurement

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The statement of comprehensive income has been represented, accordingly.

TFRS 3 (revised 2014), the Group apply new accounting policy of business combinations. The standard apply the acquisition method to business combinations. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the group, except for disclosures.

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. The Group has not yet early adopted these revised standards.

a) Financial reporting standards, which have a significant change and are relevant to the Group:

TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 36 (revised 2015)	Impairment of assets
TFRS 8 (revised 2015)	Operating segments

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards and interpretations (Cont'd)

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. The Group has not yet early adopted these revised standards. (Cont'd)

a) Financial reporting standards, which have a significant change and are relevant to the Group: (Cont'd)

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.

### 2.3 Group Accounting

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

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

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.



## 2 Accounting policies (Cont'd)

### 2.3 Group Accounting (Cont'd)

#### (2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

### 2.5 Cash and cash equivalents

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

### 2.6 Trade accounts receivable

Trade accounts receivable is carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in profit or loss within administrative expense.

### 2.7 Inventories

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

### 2.8 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into four categories. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

## 2 Accounting policies (Cont'd)

### 2.8 Investments (Cont'd)

(3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

(4) Investments in non-marketable equity securities are classified as general investments.

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

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

Available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

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

A test for impairment is carried out when there is a factor indicating that an investment might be impaired.

If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

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

### 2.9 Non-current assets held-for-sale

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

### 2.10 Investment property

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

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

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

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

Building	20 and 35 years
Building improvement	10 years

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

## 2 Accounting policies (Cont'd)

### 2.11 Property, plant and equipment

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

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

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

Pumping plants	20, 35 years
Building	20, 35 years
Leasehold and building improvements	5, 10 years but not more than leased term
Machinery and equipment	
- Machinery	30, 40 years
- Tap water production system	5, 15, 20 years
- Tools and equipment	5 years
Office equipment	3, 5 years
Vehicles	5 years

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

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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

### 2.12 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

## 2 Accounting policies (Cont'd)

### 2.13 Service concession arrangements

Service concession arrangements are arrangements between government (the grantor) and a private sector entity (an operator) which involve the operator constructing the infrastructure used to provide the public service or upgrading it and operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement. The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price and the grantor control-through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

If the Group as the operator provides construction or upgrade services, revenue and costs relating to construction or upgrade services shall be accounted for based on the stage of completion on the construction contract. The consideration received or receivable by the operator shall be recognised at its fair value of a financial asset or an intangible asset.

The Group shall recognise a financial asset to extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services and recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. Revenue and costs relating to operation services shall be recognised when service is provided by reference to the contract term.

Contractual obligations to maintain or restore infrastructure, except for any upgrade element shall be recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

### 2.14 Intangible assets

#### Rights from service concession arrangements

Rights from service concession arrangements is the right from service concession arrangements to produce and supply tap water with the government as described in the accounting policies in Note 2.13. Rights from service concession arrangements are amortised using the straight-line method over concession period and recorded as expense in profit and loss.

#### Computer software

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

### 2.15 Impairment of assets

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

### 2.16 Deferred income taxes

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

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

## 2 Accounting policies (Cont'd)

### 2.16 Deferred income taxes (Cont'd)

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

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

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

### 2.17 Borrowings

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

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

### 2.18 Leases

#### Where a Group company is the lessee

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

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

#### Where a Group company is the lessor

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

### 2.19 Employee benefits

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



## 2 Accounting policies (Cont'd)

### 2.19 Employee benefits (Cont'd)

#### 2.19.1 Post-employment benefits

- **Defined contribution plan**

##### Provident fund

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Defined benefit plan**

##### Retirement benefit

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss

#### 2.19.2 Other long-term benefits

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

Actuarial gains and losses and past-service costs are recognised immediately in profit or loss.

### 2.20 Provisions

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

### 2.21 Revenue recognition

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

#### (a) Sales

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

## 2 Accounting policies (Cont'd)

### 2.21 Revenue recognition (Cont'd)

#### (b) Rental and service income

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

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

#### (c) Interest and dividend income

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

#### (d) Other income

Other income is recognised on an accrual basis.

### 2.22 Dividends distribution

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

### 2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer (CEO) that makes strategic decisions.

## 3 Critical accounting estimates, judgments and assumptions

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

### 3.1 Allowance for doubtful accounts

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

### 3.2 Value in use

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

The Group assesses for impairment loss of right from service concession arrangements at the cash-generating unit level being the concession contracts of each location. The recoverable amount is determined by the value in use method. The discounted net cash flows from continuing use of assets is calculated over the remaining concession period of each contract. The revenues are calculated from tap water volume usages which do not exceed their capacity and estimated growth rate during 5 years based on customers' demands at each location and steady for a subsequent 5 years. The tap water rate charge is based on an agreed price as stipulated in the contract. The Group applies a discount rate by pre-tax weighted average cost of capital at 6.99% per annum.

In addition, the Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as described in Note 15.

### 3.3 Critical accounting estimates, judgments and assumptions (Cont'd)

#### 3.3 Employee Benefits

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

The key assumptions for defined benefit obligations and other long-term benefits are based in part on current market conditions is disclosed in Note 23.

#### 3.4 Provision and contingent liabilities

The Group has contractual obligations to maintain or restore infrastructure which be estimated from maintenance plan over concession period.

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

#### 3.5 Significant uncertainty

The Group has an uncertainty regarding to a deal for the Company to rent or manage the two pipeline connecting projects which disclosed the information in Note 37. Based on the Group's management judgement, the projected compensation was recorded in the financial statements using the best estimation of compensation rate based on the current information.

#### 3.6 Fair value estimation

The Group estimates fair value for available for sale investments, investment property and long-term borrowings from financial institutions. The different levels of fair value estimation have been defined as follows

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group discloses the fair value measurement of above items in related notes to financial statement.

### 4 Capital risk management

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

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

### 5 Segment information

The principal business operations of the Group are development and management of the major water distribution pipeline systems in the Eastern Seaboard area of Thailand. The reportable segment based on business activities which comprised the supply of raw water, production and supply of tap water, waterworks management, and engineering services. Other business activities, such as office building rental, were aggregated under the segment "Others".

These business operations are only conducted Thailand. Therefore, no geographic information is presented.

## 5 Segment information (Cont'd)

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group accounts for intersegment sales and transfers between segment as if the sales or transfers were made to third parties. For resource management and evaluation of operating segments, the chief operating decision maker evaluates performance by segment operating profit.

The segment information for the year ended 31 December 2015 and 2014 is summarised as follows:

(Unit: Baht'000)

	Consolidated						
	2015						
	Sales		Service income				Total
	Supply of raw water business	Supply of Tap water business	Waterworks management business	Engineering services	Others	Elimination	
<b>Revenue</b>							
Revenue from third parties	2,898,665	1,203,623	89,643	86,473	88,410	-	4,366,814
Revenue from inter-segment	28,921	-	224,892	-	4,471	(258,283)	-
<b>Total revenue</b>	2,927,586	1,203,623	314,535	86,473	92,881	(258,283)	4,366,814
<b>Cost of sales and services</b>	(1,154,494)	(825,298)	(239,706)	(79,005)	(68,800)	258,283	(2,109,020)
Segment operating profit	1,773,092	378,325	74,829	7,468	24,080	-	2,257,794
<b>Unallocated revenue (expenses)</b>							
Other income							292,012
Selling expenses							(19,628)
Administrative expenses							(438,983)
Finance costs							(114,181)
Income tax							(385,775)
<b>Net profit</b>							1,591,239

(Unit: Baht'000)

	Consolidated						
	2014						
	Sales		Service income				Total
	Supply of raw water business	Supply of Tap water business	Waterworks management business	Engineering services	Others	Elimination	
<b>Revenue</b>							
Revenue from third parties	2,768,376	1,049,290	267,538	75,093	81,943	-	4,242,240
Revenue from inter-segment	42,356	-	206,435	-	4,823	(253,614)	-
<b>Total revenue</b>	2,810,732	1,049,290	473,973	75,093	86,766	(253,614)	4,242,240
<b>Cost of sales and services</b>	(1,065,246)	(735,799)	(404,212)	(77,003)	(69,006)	253,614	(2,097,652)
Segment operating profit	1,745,486	313,491	69,761	(1,910)	17,760	-	2,144,588
<b>Unallocated revenue (expenses)</b>							
Other income							62,519
Selling expenses							(14,147)
Administrative expenses							(398,087)
Finance costs							(121,226)
Income tax							(339,197)
<b>Net profit</b>							1,334,450

## 5 Segment information (Cont'd)

### Information about major customer

The Group had major revenues from entities under the control of a government from supply of raw water, supply of tap water and engineering services segments. The revenues for the year ending 31 December 2015 represent approximately Baht 2,740.8 million (2014: Baht 2,419.9 million).

## 6 Cash and cash equivalents

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Cash on hand	635,627	544,045	131,626	90,045
Deposits with banks - current accounts	1,390,035	3,000	1,385,035	-
- savings accounts	159,189,798	52,309,920	97,594,140	30,371,295
- fixed accounts	150,002,809	2,782	150,002,809	2,782
Securities under repurchase agreement	-	60,000,000	-	60,000,000
	311,218,269	112,859,747	249,113,610	90,464,122

As at 31 December 2015, the interest rate on savings deposits with banks was 0.35% - 1.65% per annum (2014: 0.40% - 2.70% per annum). The fixed deposits with banks have maturity date within three months and interest rate at 1.30-1.80% per annum (2014: 1.15% per annum). The securities under repurchase agreement have maturity date within one month and interest rate at 1.95% per annum.

## 7 Short-term investments

The detail of short-term investments as at 31 December 2015 and 2014 is as follows:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Fixed deposits	316,074,611	55,069,783	-	-
Available for sale investments	546,522,937	-	546,522,937	-
Total	862,597,548	55,069,783	546,522,937	-

### 7.1 Fixed deposits

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Opening net book amount	55,069,783	86,878,547	-	-
Business acquisitions (Note 40)	35,000,000	-	-	-
Additions during the year	379,774,033	109,367,779	-	-
Redeem during the year	(153,769,205)	(141,176,543)	-	-
Closing net book amount	316,074,611	55,069,783	-	-



## 7 Short-term investments (Cont'd)

### 7.1 Fixed deposits (Cont'd)

As at 31 December 2015, fixed deposits with financial institutions in consolidated financial statement have maturity date more than three months but within one year and interest rate of 1.90% - 3.15% per annum (2014 : 2.60% - 3.15% per annum).

### 7.2 Available for sale investments

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Opening net book amount	-	-	-	-
Additions	945,140,000	-	945,140,000	-
Disposals	(400,000,000)	-	(400,000,000)	-
Add Re-measuring of fair value	1,382,937	-	1,382,937	-
Closing net book amount	546,522,937	-	546,522,937	-

The fair values of the investments are as follows:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Cost as at 31 December 2015	545,140,000	-	545,140,000	-
Unrealised gain	1,382,937	-	1,382,937	-
Fair value as at 31 December 2015	546,522,937	-	546,522,937	-

Available-for-sale investments are open-ended funds. As at 31 December 2015, they are carried at fair value at quoted prices in active markets for identical assets which were Level 1 (Note 3.6).

## 8 Trade and other receivables

The detail of trade and other receivables as at 31 December 2015 and 2014 is as follows:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Trade receivables	394,769,548	381,656,399	260,330,609	272,889,485
Others receivables	18,700,336	11,401,566	727,473	1,112,416
Water loss treatment service income receivable - related party (Note 34.2)	4,440,444	5,507,372	-	-
Prepayments	23,495,717	20,808,156	17,189,760	15,512,362
Others	5,757,915	1,214,892	4,566,087	838,450
	447,163,960	420,588,385	282,813,929	290,352,713

## 8 Trade and other receivables (Cont'd)

The detail of trade account receivables as at 31 December 2015 and 2014 is as follows:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Trade accounts receivable - billed				
- Third parties	102,960,542	111,317,722	102,646,349	105,089,839
- Related parties (Note 34.2)	197,755,076	204,310,185	157,684,260	164,774,034
Total trade account receivable - billed	300,715,618	315,627,907	260,330,609	269,863,873
Unbilled receivables				
- Third parties	417,311	6,361,378	-	-
- Related parties (Note 34.2)	93,636,619	59,667,114	-	3,025,612
Total unilled receivables	94,053,930	66,028,492	-	3,025,612
	394,769,548	381,656,399	260,330,609	272,889,485

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

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Within credit term	299,761,258	314,889,964	259,397,719	269,133,853
Overdue below 3 months	942,773	361,697	932,890	360,871
Overdue 3 - 6 months	1,131	136,967	-	129,870
Overdue 6 - 12 months	10,456	164,732	-	164,732
Overdue more than 12 months	615,153	689,700	615,153	689,700
	301,330,771	316,243,060	260,945,762	270,479,026
<u>Less</u> Allowance for doubtful accounts	(615,153)	(615,153)	(615,153)	(615,153)
	300,715,618	315,627,907	260,330,609	269,863,873

The age analysis of other receivables is as follows:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Within credit term	18,700,336	971,566	727,473	1,112,416
Overdue more than 12 months	-	10,430,000	-	-
	18,700,336	11,401,566	727,473	1,112,416

## 9 Inventories

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Spare parts and supplies	9,380,954	9,231,640	-	-
	9,380,954	9,231,640	-	-

## 10 Non-current assets held for sale

On 9 October 2014, the Management and Investment Committee meeting no. 14/2014, as authorised by the Company's Board of Directors, approved the sale of shares in Samed Utilities Company Limited, a subsidiary, to a private company. The Company presented this investment as other non-current assets held-for-sale in the company financial. On 7 April 2015, the Company entered into an agreement to sell or buy with a private company to sell whole investment in subsidiary 55% which was 6.6 million shares at Baht 4.85 per share, totalling Baht 32.0 million. On 14 August 2015, the Company had already sold and transferred the shares to the private company.

As at 31 December 2014, assets and liabilities of Samed Utilities Company Limited were classified as held for sale in consolidated financial statement of Baht 57.7 million and Baht 0.3 million, respectively.

## 11 Investment in subsidiary

Movements in the investment in subsidiary for the year ended 31 December 2015 and 2014 are as follows:

(Unit: Baht)

	Company	
	2015	2014
As at 1 January	510,000,000	543,749,985
Disposal	-	(750,000)
As at 31 December	510,000,000	542,999,985
Reclassify to non-current assets held for sale	-	(32,999,985)
As at 31 December	510,000,000	510,000,000

As at 31 December 2015 and 2014, investment in subsidiary presented in the company financial statements is as follows:

Company's name	Nature of business	Country of incorporation	Company							
			ทุนชำระแล้ว		สัดส่วนมรดก		มูลค่าเงินลงทุน		เงินปันผลรับ	
			2015	2014	2015	2014	2015	2014	2015	2014
			Million Baht	Million Baht	%	%	Baht	Baht	Baht	Baht
Universal Utilities Public Company Limited	Produce and Supply of tap water	Thailand	510	510	100	100	510,000,000	510,000,000	35,699,995	23,969,997
Total investment in subsidiary							510,000,000	510,000,000	35,699,995	23,969,997

## 12 Other long-term investments

	Consolidated and Company					
	Number of shares		Ownership interest		Investment value	
	2015 Shares	2014 Shares	2015 %	2014 %	2015 Baht	2014 Baht
Opening net book amount	5,479,140	5,479,140	15.88	15.88	91,470,300	91,470,300
Decreased	(5,479,140)	-	(15.88)	-	(91,470,300)	-
Closing net book amount	-	5,479,140	-	15.88	-	91,470,300

## 12 Other long-term investments (Cont'd)

Other long-term investments are investments in non-marketable equity security.

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
<b>General investments</b>				
- Egcom Tara Company Limited	-	91,470,300	-	91,470,300
Total long-term investments	-	91,470,300	-	91,470,300

Egcom Tara Company Limited operates in production and supply tap water to the Provincial Waterworks Authority.

On 17 June 2015, the Company sold all investment in Egcom Tara Company Limited to Universal Utilities Public Company Limited at Baht 58 per share for 5,479,140 shares, totalling Baht 317.79 million. Gain from the sale of investment of Baht 226.32 million is presented as other income in the Company's financial statements.

On 10 August 2015, the Company's Extraordinary General Meeting no. 1/2015 passed a resolution to approve Universal Utilities Public Company Limited to purchase additional ordinary shares of Egcom Tara Company Limited of 25,597,096 shares or 74.19% of total shares from EGCO Engineering & Service Company Limited, totalling Baht 1,600.00 million. On 31 August 2015, the subsidiary completed the purchase of shares of Egcom Tara as stated in Note 40.

## 13 Investment property - net

(Unit: Baht)

	Consolidated		
	Land	Building and building improvement	Total
<b>At 1 January 2014</b>			
Cost	47,388,642	235,108,855	282,497,497
<u>Less</u> Accumulated depreciation	-	(54,507,407)	(54,507,407)
<b>Net book amount</b>	47,388,642	180,601,448	227,990,090
<b>For the year ended 31 December 2014</b>			
Opening net book amount	47,388,642	180,601,448	227,990,090
Additions	635,906	6,247,460	6,883,366
Depreciation charged	-	(10,252,523)	(10,252,523)
<b>Closing net book amount</b>	48,024,548	176,596,385	224,620,933
<b>At 31 December 2014</b>			
Cost	48,024,548	241,356,314	289,380,862
<u>Less</u> Accumulated depreciation	-	(64,759,929)	(64,759,929)
<b>Net book amount</b>	48,024,548	176,596,385	224,620,933
<b>For the year ended 31 December 2015</b>			
Opening net book amount	48,024,548	176,596,385	224,620,933
Additions	-	1,535,582	1,535,582
Depreciation charged	-	(9,254,655)	(9,254,655)
<b>Closing net book amount</b>	48,024,548	168,877,312	216,901,860

## 13 Investment property - net (Cont'd)

(Unit: Baht)

	Consolidated		
	Land	Building and building improvement	Total
<b>At 31 December 2015</b>			
Cost	48,024,548	242,891,896	290,916,444
<u>Less</u> Accumulated depreciation	-	(74,014,584)	(74,014,584)
<b>Net book amount</b>	48,024,548	168,877,312	216,901,860
<b>Fair value</b>	121,824,910	183,750,530	305,575,440

Depreciation expense of Baht 9.3 million (2014: Baht 10.3 million) was included in costs of rental and services.

(Unit: Baht)

	Company		
	Land	Building and building improvement	Total
<b>At 1 January 2014</b>			
Cost	49,349,351	251,347,040	300,696,391
<u>Less</u> Accumulated depreciation	-	(58,272,052)	(58,272,052)
<b>Net book amount</b>	49,349,351	193,074,988	242,424,339
<b>For the year ended 31 December 2014</b>			
Opening net book amount	49,349,351	193,074,988	242,424,339
Additions	772,171	7,618,678	8,390,849
Net disposal	-	(171,819)	(171,819)
Depreciation charged	-	(11,166,672)	(11,166,672)
<b>Closing net book amount</b>	50,121,522	189,355,175	239,476,697
<b>At 31 December 2014</b>			
Cost	50,121,522	258,793,899	308,915,421
<u>Less</u> Accumulated depreciation	-	(69,438,724)	(69,438,724)
<b>Net book amount</b>	50,121,522	189,355,175	239,476,697
<b>For the year ended 31 December 2015</b>			
Opening net book amount	50,121,522	189,355,175	239,476,697
Additions	-	1,646,439	1,646,439
Depreciation charged	-	(9,919,107)	(9,919,107)
<b>Closing net book amount</b>	50,121,522	181,082,507	231,204,029
<b>At 31 December 2015</b>			
Cost	50,121,522	260,440,338	310,561,860
<u>Less</u> Accumulated depreciation	-	(79,357,831)	(79,357,831)
<b>Net book amount</b>	50,121,522	181,082,507	231,204,029
<b>Fair value</b>	129,229,998	196,983,597	326,213,595

Depreciation expense of Baht 9.9 million (2014: Baht 11.2 million) was included in costs of rental and services.



### 13 Investment property - net (Cont'd)

In 2014, the fair value of investment property was reassessed by valuer. Fair values of land was valued by markets comparison approach. Land is valued by comparable sale price and adjusted by land in close proximity, level 2 of fair values hierarchy (Note 3.6). Building and building improvement were valued by revenue approach which were level 3 of fair values hierarchy (Note 3.6) due to the use of significant unobservable inputs such as rental rate per metres and estimated future profits.

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

(Unit: Baht)				
	Consolidated		Company	
	2015	2014	2015	2014
Rental and service income of building	74,396,739	69,170,657	78,867,823	74,130,931
Direct operating expense arising from investment property that generated rental income (Building)	(61,113,219)	(62,050,192)	(61,113,219)	(62,050,192)
Direct operating expense arising from investment property that did not generate rental income (Land)	(375,979)	(203,536)	(375,979)	(203,536)
	12,907,541	6,916,929	17,378,625	11,877,203

## 14 Property, plant and equipment - net

Consolidated										(Unit: Baht)
	Land	Pumping plants	Buildings	Leasehold and building improvement	Machinery and equipment	Office equipment	Vehicles	Construction in progress	Total	
At 1 January 2014										
Cost	427,049,159	1,018,478,931	515,438,689	266,057,820	8,398,886,813	339,825,860	1,240,736	1,974,871,822	12,941,849,830	
Less Accumulated depreciation	-	(188,428,714)	(163,067,183)	(127,330,758)	(1,880,805,836)	(297,365,184)	(699,196)	-	(2,657,696,871)	
Net book amount	427,049,159	830,050,217	352,371,506	138,727,062	6,518,080,977	42,460,676	541,540	1,974,871,822	10,284,152,959	
For the year ended 31 December 2014										
Opening net book amount	427,049,159	830,050,217	352,371,506	138,727,062	6,518,080,977	42,460,676	541,540	1,974,871,822	10,284,152,959	
Additions	-	880,000	3,887,329	5,344,401	50,836,958	9,545,846	-	1,776,409,663	1,846,904,197	
Transfer	-	474,369,403	5,166,346	8,027,626	685,009,603	7,865,865	-	(1,171,498,893)	8,939,950	
Disposal/write-off, net	-	-	(191,027)	(189,258)	(9,369,140)	(333,463)	-	(18,421,421)	(28,504,309)	
Depreciation charge	-	(37,358,523)	(27,962,141)	(24,319,680)	(259,899,469)	(14,062,072)	(112,599)	-	(363,714,484)	
Closing net book amount	427,049,159	1,267,941,097	333,272,013	127,590,151	6,984,658,929	45,476,852	428,941	2,561,361,171	11,747,778,313	
At 31 December 2014										
Cost	427,049,159	1,493,728,334	524,251,914	278,770,397	9,109,167,346	350,555,230	1,205,786	2,561,361,171	14,746,089,337	
Less Accumulated depreciation	-	(225,787,237)	(190,979,901)	(151,180,246)	(2,124,508,417)	(305,078,378)	(776,845)	-	(2,998,311,024)	
Net book amount	427,049,159	1,267,941,097	333,272,013	127,590,151	6,984,658,929	45,476,852	428,941	2,561,361,171	11,747,778,313	

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

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

	Company								(Unit: Baht)
	Land	Pumping plants	Buildings	Leasehold and building improvement	Machinery and equipment	Office equipment	Vehicles	Construction in progress	
At 1 January 2014									
Cost	374,438,297	1,018,987,142	500,050,189	250,791,680	8,315,642,148	315,322,428	1,092,894	1,973,947,944	12,750,272,722
Less Accumulated depreciation	-	(189,406,288)	(159,744,932)	(120,626,594)	(1,831,695,873)	(278,436,825)	(590,556)	-	(2,580,501,068)
Net book amount	374,438,297	829,580,854	340,305,257	130,165,086	6,483,946,275	36,885,603	502,338	1,973,947,944	10,169,771,654
For the year ended 31 December 2014									
Opening net book amount	374,438,297	829,580,854	340,305,257	130,165,086	6,483,946,275	36,885,603	502,338	1,973,947,944	10,169,771,654
Additions	-	-	3,887,329	3,461,413	16,988,394	7,584,404	-	1,745,883,790	1,777,805,330
Transfer	-	477,601,516	5,166,346	6,884,688	659,314,456	2,518,630	-	(1,151,485,636)	-
Disposal/write-off, net	(772,170)	-	(191,027)	(177,077)	(8,437,739)	(330,239)	-	(18,421,421)	(28,329,673)
Depreciation charged	-	(36,886,466)	(27,490,083)	(23,124,009)	(227,324,736)	(11,580,749)	(104,000)	-	(326,510,043)
Closing net book amount	373,666,127	1,270,295,904	321,677,822	117,210,101	6,924,486,650	35,077,649	398,338	2,549,924,677	11,592,737,268
At 31 December 2014									
Cost	373,666,127	1,496,588,658	499,260,598	258,934,475	8,983,422,352	319,385,191	1,092,894	2,549,924,677	14,482,274,972
Less Accumulated depreciation	-	(226,292,754)	(177,582,776)	(141,724,374)	(2,058,935,702)	(284,307,542)	(694,556)	-	(2,889,537,704)
Net book amount	373,666,127	1,270,295,904	321,677,822	117,210,101	6,924,486,650	35,077,649	398,338	2,549,924,677	11,592,737,268

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

(Unit: Baht)

	Company							Total	
	Land	Pumping plants	Buildings	Leasehold and building improvement	Machinery and equipment	Office equipment	Vehicles		Construction in progress
For the year ended 31 December 2015									
Opening net book amount	373,666,127	1,270,295,904	321,677,822	117,210,101	6,924,486,650	35,077,649	398,338	2,549,924,677	11,592,737,268
Additions	-	1,222,400	585,657	2,002,418	21,963,519	4,682,844	-	1,813,020,211	1,843,477,049
Transfer	19,192,000	25,918,296	410,330	1,380,000	227,327,705	181,274	-	(274,409,605)	-
Disposal/write-off, net	-	-	-	-	(9,082,982)	(22,986)	-	(13,876,259)	(22,982,227)
Depreciation charged	-	(50,252,208)	(19,329,655)	(22,265,557)	(242,824,983)	(11,456,672)	(104,000)	-	(346,233,075)
Closing net book amount	392,858,127	1,247,184,392	303,344,154	98,326,962	6,921,869,909	28,462,109	294,338	4,074,659,024	13,066,999,015
At 31 December 2015									
Cost	392,858,127	1,523,729,354	500,256,585	262,299,894	9,223,596,869	302,959,223	1,090,095	4,074,659,024	16,281,449,171
Less Accumulated depreciation	-	(276,544,962)	(196,912,431)	(163,972,932)	(2,301,726,960)	(274,497,114)	(795,757)	-	(3,214,450,156)
Net book amount	392,858,127	1,247,184,392	303,344,154	98,326,962	6,921,869,909	28,462,109	294,338	4,074,659,024	13,066,999,015

Depreciation expense of Baht 317.2 million (2014: Baht 291.8 million) was charged in cost of goods sold and Baht 35.3 million (2014: Baht 34.7 million) in administrative expense.

The purchase above was comprised of an acquisition of assets under financial lease agreements that the Company was a lessee, amounting to Baht 1.7 million. As at 31 December 2015, the Company had office equipment under financial lease agreements with cost and net book value amounting to Baht 8.4 million and Baht 4.1 million, respectively (2014: Baht 6.6 million and Baht 4.7 million, respectively).

Borrowing costs of Baht 131.9 million (2014: Baht 103.2 million) arresting from financing specifically entered into a pipeline constructing project and tap water production system were capitalised during the year and are included in "Additions". The Group used capitalisation rates based on actual interest rate of borrowings at 1.95% - 4.75% (2014: 2.38% - 4.75%).



## 15 Goodwill

(Unit: Baht)

	Consolidated	
	2015	2014
<b>At 1 January</b>		
Cost	-	-
Less Provision for impairment	-	-
<b>Net book amount</b>	-	-
<b>Year ended 31 December</b>		
Opening net book amount	-	-
Business acquisition (Note 40)	103,283,004	-
<b>Closing net book amount</b>	103,283,004	-
<b>At 31 December</b>		
Cost	103,283,004	-
Less Provision for impairment	-	-
<b>Net book amount</b>	103,283,004	-

The Group tests whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets covering the remaining concession period of tap water production contract acquiring from business acquisition. The significant assumptions are fixed minimum tap water volume and price as stipulated in contracts growing by the average of 10-year of consumer prices index. The Group applies a discount rate by pre-tax weighted average cost of capital at 6.99% per annum.

## 16 Intangible assets - net

(Unit: Baht)

	Consolidated		
	Right from service concession arrangements	Computer software	Total
<b>At 1 January 2014</b>			
Cost	2,121,921,709	41,602,831	2,163,524,540
Less Accumulated amortisation	(616,099,507)	(7,439,579)	(623,539,086)
Less Allowance for impairment	(6,830,000)	-	(6,830,000)
<b>Net book amount</b>	1,498,992,202	34,163,252	1,533,155,454
<b>For the year ended 31 December 2014</b>			
Opening net book amount	1,498,992,202	34,163,252	1,533,155,454
Additions	298,113,733	12,045,709	310,159,442
Amortisation charge	(111,469,716)	(5,176,245)	(116,645,961)
Impairment charge	(1,310,000)	-	(1,310,000)
<b>Closing net book amount</b>	1,684,326,219	41,032,716	1,725,358,935

## 16 Intangible assets - net (Cont'd)

(Unit: Baht)

	Consolidated		
	Right from service concession arrangements	Computer software	Total
<b>At 31 December 2014</b>			
Cost	2,421,345,442	53,648,540	2,474,993,982
Less Accumulated amortisation	(728,879,223)	(12,615,824)	(741,495,047)
Less Allowance for impairment	(8,140,000)	-	(8,140,000)
<b>Net book amount</b>	<b>1,684,326,219</b>	<b>41,032,716</b>	<b>1,725,358,935</b>
<b>For the year ended 31 December 2015</b>			
Opening net book amount	1,684,326,219	41,032,716	1,725,358,935
Business acquisitions (Note 40)	2,192,000,000	-	2,192,000,000
Additions	95,684,549	1,250,600	96,935,149
Amortisation charge	(175,468,955)	(6,208,229)	(181,677,184)
Impairment charge	(720,000)	-	(720,000)
<b>Closing net book amount</b>	<b>3,795,821,813</b>	<b>36,075,087</b>	<b>3,831,896,900</b>
<b>At 31 December 2015</b>			
Cost	4,709,029,991	54,899,140	4,763,929,131
Less Accumulated amortisation	(904,348,178)	(18,824,053)	(923,172,231)
Less Allowance for impairment	(8,860,000)	-	(8,860,000)
<b>Net book amount</b>	<b>3,795,821,813</b>	<b>36,075,087</b>	<b>3,831,896,900</b>

Amortisation was included in the cost of goods sold Baht 176.6 million (2014: Baht 112.1 million) and administrative expenses Baht 5.1 million (2014: Baht 4.5 million).

The allowance for impairment of assets as at 31 December 2015 was Baht 8.9 million for right from service concession arrangements at Lan Island. Sales of tap water at this location were lower than the budget because of the uncertainty of customers' demand. Other natural water resources can be used in lieu of tap water.

(Unit: Baht)

	Company
	Computer software
<b>At 1 January 2014</b>	
Cost	41,602,831
Less Accumulated amortisation	(7,439,579)
<b>Net book amount</b>	<b>34,163,252</b>
<b>For the year ended 31 December 2014</b>	
Opening net book amount	34,163,252
Additions	12,045,709
Amortisation charge	(5,176,245)
<b>Closing net book amount</b>	<b>41,032,716</b>

## 16 Intangible assets - net (Cont'd)

(Unit: Baht)

	Company
	Computer software
<b>At 31 December 2014</b>	
Cost	53,648,540
<u>Less</u> Accumulated amortisation	(12,615,824)
<b>Net book amount</b>	<b>41,032,716</b>
<b>For the year ended 31 December 2015</b>	
Opening net book amount	41,032,716
Additions	1,250,600
Amortisation charge	(6,208,229)
<b>Closing net book amount</b>	<b>36,075,087</b>
<b>At 31 December 2015</b>	
Cost	54,899,140
<u>Less</u> Accumulated amortisation	(18,824,053)
<b>Net book amount</b>	<b>36,075,087</b>

Amortisation was included in the cost of goods sold Baht 1.1 million (2014: Baht 0.7 million) and administrative expenses Baht 5.1 million (2014: Baht 4.5million).

## 17 Deferred income tax

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

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	7,810,957	422,131	5,136,337	422,131
Deferred tax assets to be recovered after more than 12 months	35,285,303	26,351,568	14,672,103	13,658,418
	43,096,260	26,773,699	19,808,440	14,080,549
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	276,587	-	276,587	-
Deferred tax liabilities to be settled after more than 12 months	440,765,643	56,527,755	44,329,494	34,359,983
	441,042,230	56,527,755	44,606,081	34,359,983
Present in statement of financial position as following:				
Deferred tax assets	23,287,820	12,693,150	-	-
Deferred tax liabilities	421,233,790	42,447,206	24,797,641	20,279,434

## 17 Deferred income tax (Cont'd)

The movement in deferred tax assets and liabilities is as follows:

(Unit: Baht)

	Consolidated				Total
	Allowance for doubtful accounts	Plant and equipment and impairment - assets	Employee benefit	Others	
<b>Deferred tax assets</b>					
As at 1 January 2014	364,571	4,511,442	18,284,708	408	23,161,129
Transaction recorded in profit or loss	-	953,488	2,601,931	57,151	3,612,570
As at 31 December 2014	364,571	5,464,930	20,886,639	57,559	26,773,699
Transaction recorded in profit or loss	6,560,437	1,997,161	235,022	4,714,206	13,506,826
Transaction recorded in other comprehensive income	-	-	2,815,735	-	2,815,735
As at 31 December 2015	6,925,008	7,462,091	23,937,396	4,771,765	43,096,260

(Unit: Baht)

	Consolidated			Total
	Intangible asset	Plant and equipment	Available for sale investments	
<b>Deferred tax liabilities</b>				
As at 1 January 2014	21,681,195	27,179,729	-	48,860,924
Transaction recorded in profit or loss	(1,521,312)	9,188,143	-	7,666,831
As at 31 December 2014	20,159,883	36,367,872	-	56,527,755
Acquisitions (Note 40)	384,823,843	-	-	384,823,843
Transaction recorded in profit or loss	(8,547,575)	7,961,620	-	(585,955)
Transaction recorded in other comprehensive income	-	-	276,587	276,587
As at 31 December 2015	396,436,151	44,329,492	276,587	441,042,230

(Unit: Baht)

	Company			Total
	Allowance for doubtful accounts	Employee benefit	Others	
<b>Deferred tax assets</b>				
As at 1 January 2014	364,571	12,059,031	408	12,424,010
Transaction recorded in profit or loss	-	1,599,387	57,152	1,656,539
As at 31 December 2014	364,571	13,658,418	57,560	14,080,549
Transaction recorded in profit or loss	-	1,245,613	4,714,205	5,959,818
Transaction recorded in other comprehensive income	-	(231,927)	-	(231,927)
As at 31 December 2015	364,571	14,672,104	4,771,765	19,808,440

## 17 Deferred income tax (Cont'd)

(Unit: Baht)

	งบการเงินเฉพาะบริษัท		
	Plant and equipment	Available for sale investments	Total
<b>Deferred tax liabilities</b>			
As at 1 January 2014	25,608,616	-	25,608,616
Transaction recorded in profit or loss	8,751,367	-	8,751,367
As at 31 December 2014	34,359,983	-	34,359,983
Transaction recorded in profit or loss	9,969,511	-	9,969,511
Transaction recorded in other comprehensive income	-	276,587	276,587
As at 31 December 2015	44,329,494	276,587	44,606,081

## 18 Other non-current assets

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Advance construction payment	469,640,301	678,298,969	469,640,301	651,648,469
Prepaid expenses	31,033,992	2,099,373	-	-
Deposit and Retention	20,753,197	19,974,084	18,603,670	18,806,521
Other receivables	32,802,184	24,180,702	-	-
Allowance for doubtful accounts	(32,802,184)	-	-	-
Other	479,878	479,914	28,065	28,125
	521,907,368	725,033,042	488,272,036	670,483,115

Other receivable of Baht 32.8 million is transactions between Universal Utilities Public Company Limited and a private company. This related to the fines from the production of tap water that did not meet the minimum volume (31 December 2014, presented as other receivables under trade and other receivables of Baht 10.4 million and other non-current assets of Baht 24.2 million). On 26 October 2015 the subsidiary's Board of Directors approved to record an allowance for doubtful accounts for all outstanding balance of a private company totalling Baht 32.8 million. This is because the subsidiary terminated a contract to purchase raw water with such company and there is a potential that debt might not be collectable.

## 19 Borrowings

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
<b>Current</b>				
Short-term borrowings from financial institutions	1,600,000,000	233,000,000	-	139,000,000
Current portion of long-term borrowings				
borrowings from financial institutions	752,200,000	563,280,000	560,000,000	454,000,000
Total current borrowings	2,352,200,000	796,280,000	560,000,000	593,000,000
<b>Non-current</b>				
Borrowings from financial institutions	4,008,800,000	4,648,721,206	3,240,000,000	4,114,000,000
Debentures	2,396,822,358	-	2,396,822,358	-
Total non-current borrowings	6,405,622,358	4,648,721,206	5,636,822,358	4,114,000,000
Total	8,757,822,358	5,445,001,206	6,196,822,358	4,707,000,000



## 19 Borrowings (Cont'd)

### 19.1 Short-term loans from financial institutions

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Promissory Note	-	233,000,000	-	139,000,000
Borrowing from financial institution	1,600,000,000	-	-	-
	1,600,000,000	233,000,000	-	139,000,000

Universal Utilities Public Company Limited borrows from a financial institution for the purpose of purchasing shares of Egcom Tara Company Limited. Principal is repayable within one year from the agreement date. The loan bears interest rate at BIBOR + fixed rate per annum.

### 19.2 Long-term loans from financial institutions

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

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
As at 1 January	5,212,001,206	4,410,361,206	4,568,000,000	3,752,000,000
Add Increase	4,773,000,000	1,384,000,000	3,812,000,000	1,320,000,000
Less Decrease	(5,224,001,206)	(582,360,000)	(4,580,000,000)	(504,000,000)
As at 31 December	4,761,000,000	5,212,001,206	3,800,000,000	4,568,000,000

During the year, the Company refinanced loan from a financial institution to another financial institution. The principle is Baht 2,000 million. New interest rate is lower than the old contract.

	Credit limit Million Baht	Outstanding credit facilities		Consolidated		Company	
		2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
The Company							
a)	1,000.0	-	-	-	137.3	-	137.3
b)	1,700.0	-	-	-	1,168.7	-	1,168.7
c)	1,520.0	-	595.0	-	925.0	-	925.0
d)	975.0	-	37.0	-	938.0	-	938.0
e)	1,215.0	-	841.0	-	374.0	-	374.0
f)	2,900.0	-	1,875.0	-	1,025.0	-	1,025.0
g)	800.0	-	-	800.0	-	800.0	-
h)	2,000.0	-	-	2,000.0	-	2,000.0	-
i)	1,000.0	-	-	1,000.0	-	1,000.0	-
j)	1,700.0	1,700.0	-	-	-	-	-
The subsidiary							
a)	474.4	-	-	-	363.7	-	-
b)	525.6	-	214.4	-	280.3	-	-
c)	317.0	-	-	317.0	-	-	-
d)	644.0	-	-	644.0	-	-	-
Total	16,771.0	1,700.0	3,562.4	4,761.0	5,212.0	3,800.0	4,568.0
Less Current portion				(752.2)	(563.3)	(560.0)	(454.0)
Long-term loans from financial institutions - net of current portion				4,008.8	4,648.7	3,240.0	4,114.0

## 19 Borrowings (Cont'd)

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

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

#### Long-term loans of the Company

Credit facility (Million Baht)	Date of agreement	Objective	Period	Interest rate	Repayment schedule
a) 1,000.0	22 May 2009	To invest in pipeline maintenance project	7 years	- The 1 <sup>st</sup> year at fixed rate per annum - The 2 <sup>nd</sup> - 7 <sup>th</sup> year at THBFX plus required surcharge rate	Repayment for total outstanding loans on 27 June 2015.
b) 1,700.0	25 Aug 2009	To invest in pipeline project	10 years	- The 1 <sup>st</sup> - 4 <sup>th</sup> year at fixed rate per annum - The 5 <sup>th</sup> - 10 <sup>th</sup> year at MLR minus fixed rate per annum	Repayment for total outstanding loans on 23 March 2015.
c) 1,520.0	23 May 2012	To invest in Tubma project	10 years	- The 1 <sup>st</sup> - 3 <sup>rd</sup> year at fixed rate per annum - The 4 <sup>th</sup> - 10 <sup>th</sup> year at fixed deposit interest rate plus fixed surcharge rate per annum.	Repayment for total outstanding loans on 16 June 2015.
d) 975.0	16 July 2012	To invest in Bangphra project	10 years	- The 1 <sup>st</sup> - 3 <sup>rd</sup> year at fixed rate per annum - The 4 <sup>th</sup> year onwards at MLR minus fixed rate per annum	Repayment for total outstanding loans on 23 March 2015.
e) 1,215.0	21 September 2012	To invest in Tubma project	10 years	- The 1 <sup>st</sup> - 3 <sup>rd</sup> year at fixed rate per annum - The 4 <sup>th</sup> - 10 <sup>th</sup> year at 6 months fixed deposit interest rate plus fixed surcharge rate per annum	Repayment for total outstanding loans on 16 June 2015.
f) 2,900.0	7 July 2014	To refinance	10 years	- The 1 <sup>st</sup> - 3 <sup>rd</sup> year at fixed rate per annum - The 4 <sup>th</sup> - 10 <sup>th</sup> year at minimum average 6 months fixed deposit interest rate plus fixed rate per annum	Repayment for total outstanding loans on 16 June 2015.

## 19 Borrowings (Cont'd)

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

#### Long-term loans of the Company (Cont'd)

	Credit facility (Million Baht)	Date of agreement	Objective	Period	Interest rate	Repayment schedule
g)	800.0	20 March 2015	To invest in pipeline project	5 years	- At fixed rate per annum	Principal is repayable in 5 annual installments, beginning 23 March 2016. - The 1 <sup>st</sup> - 5 <sup>th</sup> installments Baht 160 million each
h)	2,000.0	20 March 2015	To refinance	5 years	- At fixed rate per annum	Principal is repayable in 5 annual installments, beginning 23 March 2016. - The 1 <sup>st</sup> - 5 <sup>th</sup> installments Baht 400 million each
i)	1,000.0	5 June 2015	To invest in pipeline project	10 years	- At fixed rate per annum	Principal is repayable in 9 annual installments, beginning 23 March 2016. - The 1 <sup>st</sup> - 2 <sup>nd</sup> installments Baht 56 million each - The 3 <sup>rd</sup> - 4 <sup>th</sup> installments Baht 74 million each - The 5 <sup>th</sup> - 6 <sup>th</sup> installments Baht 148 million each - The 7 <sup>th</sup> installments Baht 166.50 million - The 8 <sup>th</sup> installments Baht 185 million - The 9 <sup>th</sup> installments Baht 92 million
j)	1,700.0	12 November 2015	To invest in pipeline project	10 years	- The 1 <sup>st</sup> - 17 <sup>th</sup> year at rate BIBOR 6 months plus fixed rate per annum	Principal is repayable in 17 installments, beginning at the end of second year after first drawdown (There is no first drawdown as at 31 December 2015). - The 1 <sup>st</sup> - 4 <sup>th</sup> installments Baht 47.5 million each - The 5 <sup>th</sup> - 8 <sup>th</sup> installments Baht 62.5 million each - The 9 <sup>th</sup> - 16 <sup>th</sup> installments Baht 126.25 million each - The 17 <sup>th</sup> installments Baht 250 million.

## 19 Borrowings (Cont'd)

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

Long-term loans of subsidiary - Universal Utilities Public Company Limited.

	Credit facility (Million Baht)	Date of agreement	Objective	Period	Interest rate	Repayment schedule
a)	474.4	21 September 2012	To settle an existing loan from the Company	10 years	- The 1 <sup>st</sup> - 3 <sup>rd</sup> year at fixed rate per annum - The 4 <sup>th</sup> year onwards at MLR minus fixed rate per annum	Repayment for total outstanding loans on 23 March 2015.
b)	525.6	21 September 2012	To investment project	10 years	- The 1 <sup>st</sup> - 3 <sup>rd</sup> year at fixed rate per annum - The 4 <sup>th</sup> year onwards at MLR minus fixed rate per annum	Repayment for total outstanding loans on 23 March 2015.
c)	317.0	12 June 2015	To refinance	5 years	- At fixed rate per annum	Principal is repayable in 5 annual installments, beginning 12 June 2016. The 1 <sup>st</sup> - 5 <sup>th</sup> instalments.
d)	644.0	8 June 2015	To refinance	5 years	- At fixed rate per annum	Principal is repayable in 5 annual installments, beginning 10 June 2016. The 1 <sup>st</sup> - 5 <sup>th</sup> instalments.

Long-term loans from financial institutions of the Group are unsecured loan. the Group is required to comply with certain conditions including debt to equity ratio not exceeding 2:1 and debt service coverage ratio not below than 1.1. The average interest rate of loans for the year 2015 was 3.97%.

During 2015, Universal Utilities Public Company Limited could not comply with debt to equity ratio. Universal Utilities Public Company Limited sent a letter to the bank for the relaxation of this condition. Later, the Bank, letter dated 3 August 2015, allowed the beach of debt to equity ratio for the period during 1 August 2015 to 1 August 2016.

## 19 Borrowings (Cont'd)

### 19.3 Debentures

On 16 June 2015, the Company issued two tranches of unsecured and unsubordinated debentures No.1/2015 amounting to Baht 2,400 million for private placement to institutional investors and high net worth, the details of which are as follows:

The first tranche: 'Debentures of Eastern Water Resources Development and Management Public Company Limited No.1/2015 Series 1 Due 2022', bears interest at a fixed rate at 3.84% per annum, with the value Baht 1,200 million. The interest will be paid semi-annually on 16 June and 16 December.

The second tranche of debentures named 'Debentures of Eastern Water Resources Development and Management Public Company Limited No.1/2015 Series 2 Due 2025' bears interest at a fixed rate at 4.18% per annum, with the total value Baht 1,200 million. The interest will be paid semi-annually on 16 June and 16 December.

## 20 Trade accounts payable

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Third parties	109,978,723	111,877,388	83,569,041	85,274,912
Related parties (Note 34.2)	23,951,632	18,125,257	21,311,843	26,325,054
	133,930,355	130,002,645	104,880,884	111,599,966

## 21 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Not later than 1 year	3,169,794	2,584,794	3,169,794	2,584,794
Later than 1 year but not later than 5 years	1,885,348	3,446,392	1,885,348	3,446,392
	5,055,142	6,031,186	5,055,142	6,031,186
Less Future finance charges on finance leases	(356,606)	(886,451)	(356,606)	(886,451)
Present value of finance lease liabilities	4,698,536	5,144,735	4,698,536	5,144,735

The present value of finance lease liabilities is as follows:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Not later than 1 year (short-term portion)	2,856,313	2,008,414	2,856,313	2,008,414
Later than 1 year but not later than 5 years (long-term portion)	1,842,223	3,136,321	1,842,223	3,136,321
	4,698,536	5,144,735	4,698,536	5,144,735



## 22 Accrued expenses

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Accrued bonus	77,684,868	71,385,580	53,462,938	47,841,666
Accrued project compensation	55,199,655	33,997,407	55,199,655	33,997,407
Accrued utilities expenses	19,184,061	18,493,691	-	-
Others	23,122,376	31,166,589	9,602,014	17,135,525
	175,190,960	155,043,267	118,264,607	98,974,598

## 23 Employee benefit obligations

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Statement of Financial Position				
Post-employment benefits	115,851,824	100,120,901	71,565,422	65,583,389
Other long-term benefits	3,835,158	4,312,296	1,795,104	2,708,702
Liability in the statement of financial position	119,686,982	104,433,197	73,360,526	68,292,091
Profit or loss:				
Post-employment benefits	12,907,539	12,843,264	8,415,109	8,098,076
Other long-term benefits	1,844,810	923,525	489,985	574,203
	14,752,349	13,766,789	8,905,094	8,672,279
Other comprehensive income				
Remeasurement for:				
Post-employment benefits	14,078,676	-	(1,159,634)	-
	14,078,676	-	(1,159,634)	-

### 23.1 Defined benefit plan

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

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

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Present value of funded obligations	115,851,824	100,120,901	71,565,422	65,583,389
Liability in the statement of financial position	115,851,824	100,120,901	71,565,422	65,583,389

## 23 Employee benefit obligations (Cont'd)

### 23.1 Defined benefit plan (Cont'd)

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

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
At 1 January	100,120,901	87,840,407	65,583,389	58,048,083
Current service cost	8,881,352	9,096,578	5,714,465	5,626,389
Interest expense	4,026,187	3,746,686	2,700,644	2,471,687
Remeasurements:				
(Gain)/loss from change in demographic assumptions	1,755,348	-	1,755,348	-
(Gain)/loss from change in financial assumptions	10,330,369	-	5,970,077	-
Experience (gain)/loss	1,992,959	-	(8,885,059)	-
Benefits paid	(11,255,292)	(562,770)	(1,273,442)	(562,770)
At 31 December	115,851,824	100,120,901	71,565,422	65,583,389

The principal actuarial assumptions used were as follows:

(Unit : % per annum)

	2015	2014
Discount rate	3.3	4.1
Inflation rate	3.0	3.5
Salary growth rate	0.0 - 10.0	0.0 - 10.0

Impact on post-employment benefits obligations		
	Change in assumption	Increase/ (decrease) in assumption (Baht)
Discount rate	Increase 1%	(7,349,170)
	Decrease 1%	8,630,255
Salary growth rate	Increase 1%	8,292,316
	Decrease 1%	(7,233,431)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (the projected unit credit method) has been applied as when calculating the post-employment benefit liability recognised within the statement of financial position.

## 23 Employee benefit obligations (Cont'd)

### 23.2 Other long-term benefits

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

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Present value of funded obligations	3,835,158	4,312,296	1,795,104	2,708,702
Liability in the statement of financial position	3,835,158	4,312,296	1,795,104	2,708,702

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

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
At 1 January	4,312,296	3,583,136	2,708,702	2,247,072
Current service cost	853,508	793,875	493,934	491,618
Interest expense	142,202	129,650	93,945	82,585
Past service cost	849,099	-	(97,892)	-
Remeasurements:				
(Gain)/loss from change in demographic assumptions	64,904	-	64,904	-
(Gain)/loss from change in financial assumptions	(768,538)	-	(475,868)	-
Experience (gain)/loss	(1,330,280)	-	(786,138)	-
Benefits paid	(288,033)	(194,365)	(206,483)	(112,573)
At 31 December	3,835,158	4,312,296	1,795,104	2,708,702

The principal actuarial assumptions used were as follows:

	2015	2014
Gold price	18,950 Baht	24,500 Baht
Gold price inflation rate	6.0%	6.0%

## 24 Long term provisions

(Unit: Baht)

	Consolidated
	Contractual obligations from service concession arrangements
At 1 January 2015	13,239,626
Acquisitions (Note 40)	7,443,243
Additional provisions	9,991,131
Unwinding of discount	1,912,753
Utilised during period	(5,705,719)
At 31 December 2015	26,881,034

## 25 Other non-current liabilities

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Retentions payable	214,424,014	173,053,101	184,154,408	143,930,238
Rental guarantees received from related party (Note 34.2)	-	-	58,000	58,000
	214,424,014	173,053,101	184,212,408	143,988,238

## 26 Share capital

(Unit: Baht)

	Number of shares	Ordinary shares	Share premium	Total
At 1 January 2014	1,663,725,149	1,663,725,149	2,138,522,279	3,802,247,428
Issue of shares	-	-	-	-
At 31 December 2014	1,663,725,149	1,663,725,149	2,138,522,279	3,802,247,428
Issue of shares	-	-	-	-
At 31 December 2015	1,663,725,149	1,663,725,149	2,138,522,279	3,802,247,428

The total registered of ordinary shares has a par value of Baht 1 per share (2014: Baht 1 per share). All issued shares are fully paid.

## 27 Legal reserve

Pursuant to section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve equal to at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of the Company's registered share capital. The legal reserve is non-distributable. As at 31 December 2015 and 2014, the Company's legal reserve has been fully reached.

## 28 Other component of equity

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
At 1 January	24,959,578	28,357,101	24,959,578	28,357,101
Amortisation of assets transferred from customers	(3,397,523)	(3,397,523)	(3,397,523)	(3,397,523)
Unrealised gain from available-for-sale investments	1,106,350	-	1,106,350	-
At 31 December	22,668,405	24,959,578	22,668,405	24,959,578

Assets transferred from customers represent water distribution pipeline systems and water measured equipment transferred to the Company in accordance with the water supply agreement. The Company recorded property, plant and equipment transferred from customers in equity and recognised to revenue over the useful life of asset.

## 29 Dividends

Dividends declared during the year consist of the following.

Approved by		Total dividends Million Baht	Dividend per share Million Baht	Paid on
<b>Year 2015</b>				
Dividend for the year 2014	Annual General Meeting of the shareholders on 27 April 2015	399.3	0.24	26 May 2015
Interim dividends on operating results for the six-month period ended 30 June 2015	Board of Director's meeting on 21 August 2015	366.0	0.22	17 September 2015
		765.3		
<b>Year 2014</b>				
Dividend for the year 2013	Annual General Meeting of the shareholders on 22 April 2014	366.0	0.22	21 May 2014
Interim dividends on operating results for the six-month period ended 30 June 2014	Board of Director's meeting on 27 August 2014	349.4	0.21	26 September 2014
		715.4		

## 30 Other income

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Interest income	8,769,306	6,364,488	10,392,443	915,278
Dividend income	23,669,885	24,486,277	48,247,226	48,456,273
Gain on disposal of other long-term investments	-	-	226,319,820	-
Gain on fair value measurement of equity interest held before the business combination	226,319,820	-	-	-
Others	33,252,889	31,668,838	22,092,389	29,570,280
	292,011,900	62,519,603	307,051,878	78,941,831

## 31 Expenses by nature

Significant expenses by nature are as follow:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Salary and wages and other employee benefits	288,733,409	272,129,433	186,519,032	176,463,996
Depreciation and amortisation expenses	548,911,070	445,173,679	357,244,243	331,631,477
Rental expenses	104,776,678	85,548,341	83,275,710	64,977,656
Raw materials and consumables used	25,854,764	22,728,946	-	-
Electricity expenses	657,381,004	609,119,010	499,039,027	450,222,432
Purchases of raw water	214,365,417	186,450,309	141,301,297	149,994,680

### 31 Expenses by nature (Cont'd)

Significant expenses by nature are as follow: (Cont'd)

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Purchases of tap water	-	-	61,061,260	60,009,986
Hiring and service expenses	206,374,545	202,186,122	48,032,568	54,796,623
Repair and maintenance expenses	128,719,050	139,055,337	84,102,974	92,068,482
Losses on impairment of assets	720,000	2,300,000	-	990,000
Waterworks management expense	-	-	156,870,340	146,424,693
Expenses for development of life quality and environment	18,369,159	14,501,465	18,369,159	14,501,465
Finance costs	114,180,633	121,225,452	80,047,215	81,224,697

### 32 Income tax

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Current tax:				
Current tax on profits for the year	407,036,060	334,931,997	344,015,702	293,677,034
Adjustments in respect of prior year	(15,184,204)	211,071	(9,308,247)	211,071
<b>Total current tax</b>	<b>391,851,856</b>	<b>335,143,068</b>	<b>334,707,455</b>	<b>293,888,105</b>
Deferred tax:				
Origination and reversal of Temporary differences	(6,076,463)	4,054,261	4,518,207	7,094,828
<b>Total deferred tax</b>	<b>(6,076,463)</b>	<b>4,054,261</b>	<b>4,518,207</b>	<b>7,094,828</b>
<b>Total tax expense</b>	<b>385,775,393</b>	<b>339,197,329</b>	<b>339,225,662</b>	<b>300,982,933</b>

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

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Profit before tax	1,977,014,902	1,673,647,725	1,778,149,633	1,540,308,529
Tax calculated at a tax rate of 20% (2014: 20%)	395,402,980	334,729,545	355,629,927	308,061,706
Tax effect of:				
Income not subject to tax	(2,170,211)	(4,897,255)	(9,310,210)	(9,691,255)
Expenses not deductible for tax purpose	7,726,828	9,153,968	2,214,192	2,401,411
Adjustment in respect of prior year	(15,184,204)	211,071	(9,308,247)	211,071
Tax charge	385,775,393	339,197,329	339,225,662	300,982,933

The effective tax rate was 19.60% (2014: 19.05%).



### 32 Income tax (Cont'd)

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

(Unit : Baht)

	Consolidated					
	2015			2014		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Fair value gains: available-for-sale investments	(1,382,938)	268,152	(1,114,786)	-	-	-
Actuarial gain/loss on post- employment benefits obligations	14,078,675	(2,815,735)	11,262,940	-	-	-
<b>Other comprehensive income</b>	<b>(12,695,737)</b>	<b>(2,547,583)</b>	<b>10,148,154</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Unit : Baht)

	Company					
	2015			2014		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Fair value gains: available-for-sale investments	(1,382,938)	268,152	(1,114,786)	-	-	-
Actuarial gain/loss on post- employment benefits obligations	(1,159,635)	231,927	(927,708)	-	-	-
<b>Other comprehensive income</b>	<b>(2,542,573)</b>	<b>500,079</b>	<b>(2,042,494)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 33 Earnings per share

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

(Unit : Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Net profit attributable to ordinary shareholders (Baht)	1,584,940,253	1,334,205,246	1,438,923,971	1,239,325,596
Weighted average number of ordinary shares in issue (Share)	1,663,725,149	1,663,725,149	1,663,725,149	1,663,725,149
Basic earnings per share (Baht)	0.95	0.80	0.86	0.74

There are no potential dilutive ordinary shares in issue for the years ended 2015 and 2014.

### 34 Related parties transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning an, indirectly or directly, interest in the

voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

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

The following transactions were carried out with related parties:

### 34.1 Transactions incurred during the year

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
<b>Sales - raw water</b>				
<b>Major shareholders</b>				
Industrial Estate Authority of Thailand	940,478,781	949,876,928	940,478,781	949,876,928
Provincial Waterworks Authority	800,131,108	623,795,674	800,131,108	623,795,674
Electricity Generating Public Company Limited	-	18,566,020	-	18,566,020
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	28,921,453	42,355,931
	1,740,609,889	1,592,238,622	1,769,531,342	1,634,594,553
<b>Sales - tap water</b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	974,594,144	816,505,865	183,007,465	167,879,960
<b>Construction revenue under concession agreement</b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	95,684,548	268,923,208	-	-
<b>Rental and service income</b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	24,230,754	29,706,329	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	4,471,084	4,822,826
	24,230,754	29,706,329	4,471,084	4,822,826
<b>Interest income (include in other income)</b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	4,878,521	-
<b>Dividend income</b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	35,699,995	23,969,997

### 34 Related parties transactions (Cont'd)

#### 34.1 Transactions incurred during the year (Cont'd)

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
<b>Other income</b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	5,322,083	5,713,807
<b>Costs of sales and costs of services</b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	224,891,600	206,434,679

Sales of raw water are charged at mutually - agreed prices as stipulated in the contracts.

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

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

#### 34.2 Outstanding balances at end of the years

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
<b>Trade accounts receivable - billed</b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	109,931,914	123,970,272	68,278,536	82,045,194
Industrial Estate Authority of Thailand	87,823,162	80,338,818	87,823,162	80,338,818
Electricity Generating Public Company Limited	-	1,095	-	1,095
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	1,582,562	2,388,927
	197,755,076	204,310,185	157,684,260	164,774,034
<b>Unbilled receivables</b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	93,636,619	59,667,114	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	-	3,025,612
	93,636,619	59,667,114	-	3,025,612
<b>Water loss treatment service income receivables</b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority				
- billed	482,766	771,962	-	-
- unbilled	3,957,678	4,735,410	-	-
	4,440,444	5,507,372	-	-

### 34 Related parties transactions (Cont'd)

#### 34.2 Outstanding balances at end of the years (Cont'd)

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
<u>Other receivable</u>				
(include in trade and other receivables)				
<u>Major shareholder</u>				
Provincial Waterworks Authority	20,660	18,969	-	-
<u>Subsidiary</u>				
Universal Utilities Public Company Limited	-	-	650,947	582,516
	20,660	18,969	650,947	582,516
<u>Trade accounts payable</u>				
<u>Major shareholders</u>				
Provincial Waterworks Authority	24,682,385	18,125,257	1,465,998	5,163,765
<u>Subsidiary</u>				
Universal Utilities Public Company Limited	-	-	20,576,632	21,161,289
	24,682,385	18,125,257	22,042,630	26,325,054
<u>Rental guarantees</u>				
(include in other non-current liabilities)				
<u>Subsidiaries</u>				
Universal Utilities Public Company Limited	-	-	58,000	58,000

#### 34.3 Loan to a related party

Movements loan to related party during the nine-month period ended 30 September 2015 consisted of the following

(Unit: Baht)

	Company		
	31 December 2014	During the year	
		Increase	Decrease
<u>Loan to a related party</u>			
<u>Subsidiary</u>			
Universal Utilities Public Company Limited	-	644,000,000	(644,000,000)
	-	644,000,000	(644,000,000)

On 20 March 2015, the Company entered into a loan agreement with Universal Utilities Public Company Limited, a subsidiary, to use in operation and working capital. The credit facility is Baht 800.0 million. The loan bears interest at a fixed rate per annum as stipulated in the agreement. The principal is a repayable amount of Baht 160.0 million in five annual installments. However, on 10 June 2015, all outstanding balance of this loan has been settled.

### 34 Related parties transactions (Cont'd)

#### 34.4 Key management compensation

Key management compensation can be categorised as follows:

(Unit: Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Short-term employee benefits	90,211,898	91,263,501	54,764,550	59,702,186
Post-employment benefits	2,309,710	5,393,644	1,105,571	4,239,516
Other long-term employee benefits	24,960	56,589	12,194	45,136
	92,546,568	96,713,734	55,882,315	63,986,838

### 35 Commitments and contingent liabilities

#### 35.1 Capital commitments

As at 31 December 2015, the Group had commitments in respect of in-progress construction and installation of the water distribution pipeline in the consolidated and company financial statements totaling Baht 1,789.9 million and Baht 1,740.8 million, respectively (2014: Baht 3,139.2 million and Baht 3,072.8 million, respectively).

#### 35.2 Operating lease commitments

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

(Unit: Million Baht)

	Consolidated		Company	
	2015	2014	2015	2014
Within 1 year	23.8	25.3	12.4	12.8
1 to 5 years	17.1	29.2	8.4	11.4
More than 5 years	4.1	4.1	-	-
	45.0	58.6	20.8	24.2

#### 35.3 Raw water and tap water purchase agreements and long-term service commitments

35.3.1 As at 31 December 2015 and 2014, the Group had commitment in respect of a raw water purchase agreement with the Royal Irrigation Department whereby it is to purchase raw water at the price specified in a Ministerial Regulation. The agreement has no specific the end date.

35.3.2 As at 31 December 2015, the Group had commitments in respect of raw water purchase agreements with private company. The future payables were totalling Baht 3,639.3 million (as at December 2014: Baht 5,340.3 million).

35.3.3 As at 31 December 2015, the Group had commitments in respect of service agreements payable in the future of approximately Baht 49.8 million (2014: Baht 82.8 million).

#### 35.4 Guarantees

35.4.1 As at 31 December 2015, the Group and the Company had contingent liabilities from letters of guarantee issued by local commercial banks to the Provincial Electricity Authority for electricity consumption, to the Ministry of Finance for management and operation of the major water distribution pipeline systems in the Eastern Seaboard area, to the Provincial Electricity Authority and the Royal Irrigation Department for compliance to agreements, and to counterparty for bid bonds and performance bonds totalling Baht 187.4 million and Baht 92.2 million, respectively. (2014: Baht 133.8 million and Baht 83.9 million, respectively).

## 35 Commitments and contingent liabilities (Cont'd)

### 35.4 Guarantees (Cont'd)

35.4.2 As at 31 December 2015 and 2014, the Group had contingent liabilities in respect of being a guarantor to its three subsidiaries for letters of guarantee issued by local commercial banks to those subsidiaries in a credit limit of Baht 200 million for compliance to agreements with respect to their electricity consumption guarantee, tap water production and distribution and water consumers information records.

## 36 Litigation

As at 31 December 2015 and 2014, the Company and its subsidiary were sued as defendants in significant litigation cases as follows:

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

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

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

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

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

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

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

The Company has recorded liabilities of the construction costs and the retention costs of Baht 16.8 million. The amount of Baht 7.0 million of the additional costs was not recorded.

On 9 July 2013, The Appeal Court delivered its judgement to decrease additional costs that the Company is required to pay from Baht 7.0 million to Baht 1.9 million. Other judgements are remained the same. In the third quarter of 2013, the company has recorded additional liabilities of fee of bank guarantees and interest totalling Baht 5.6 million. Therefore, the Company has recorded liabilities in the financial statements totalling Baht 22.4 million.

On 7 August 2013, the litigant filed a petition with the court regarding the fine and the additional costs.

As at 31 December 2015, this case is in process of consideration by the Supreme Court.



## 36 Litigation (Cont'd)

- 36.2 On 9 January 2015, the Company was sued as a co-defendant together with State Railway of Thailand in a lawsuit of a black case number Por62/2558 by a private company regarding a pipeline construction in the overlapping rental area that the plaintiff rent from the State Railway of Thailand in Chachoengsao Province. The litigation filed with the Civil Court by the plaintiff requested the Company to pay for damages totalling Baht 295.9 million with the interest of 7.50% per annum. On 13 March 2015, the Company made a pleading and counterclaim. The Court considered the request and set a date for the settlement of issues on 20 July 2015 but the litigants cannot conciliate. Therefore, the Court set a date to investigate the witness during 17-20 November 2015. On 20 January 2016, the Court decided to dismiss the case according to the fact that the Company and the State Railway of Thailand have already made a settlement of the dispute with the private company. Therefore, the private company cannot re-file the dispute to the Court.
- 36.3 On 12 March 2015, the Company was sued at the Administrative Court of a black case number 601/2558 by a private company claiming for damages totalling Baht 76.42 million plus interest of 7.50% per annum on the principal of Baht 63.07 million starting on the next day of litigation until the settlement date. On 19 May 2015, a private company requested the Court to withdraw the case and struck the case out of the caselist. On 22 May 2015, the Court approved the request. Therefore, the case is finalised.
- 36.4 On 24 February 2015, the Company and Samed Utilities Company Limited, a subsidiary were sued by a private company who is a managing partner of the joint venture for compensation and damages in a lawsuit of black case number Por 808/2558 regarding a breach of an agreement. The private company filed with the Civil Court requested the Company and the subsidiary to pay damages totalling Baht 30.9 million. On 27 March 2015, the Company made a pleading. The Court considered the request and set a date for the settlement of issues on 5 June 2015 but the litigants cannot conciliate. Therefore, the Court set a date to investigate the witness during 15-17 September 2015. On 17 November 2015, the Court made the decision that Samed Utilities Company Limited must paid for the private company Bath 20.5 million plus interest of 7.50% per annum. On 16 December 2015, a lawyer filed a request for an extension of time to lodge an appeal and the Court has allowed the extension of the appeal until 17 February 2016.

## 37 Project compensation

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

On 8 January 2010, the government agency issued a letter to the Company notifying it that a deal for the Company to rent/manage the projects and the adjusting of compensation must be processed in accordance with the Act on Private Participation in a State Undertaking B.E. 2535, whereby a committee has, under Section 13, authority to set the compensation rate and negotiate benefits with the Company in order to reach a preliminary conclusion. On 9 May 2011, the Committee under section 13 had a resolution to approve the Company's rental of a pipeline without auction.

In 2015, the Company and the government agency hold a meeting to agree on project compensation rate. On 21 July 2015, the Company sent a letter to the government agency to inform that the Company was willing to pay the compensation for the current year at a higher rate and keep the previous rate for the past years. Subsequently, the government agency issued a letter dated 14 October 2015 to the Company notifying that the compensation rate must be processed and considered in accordance with the Act on Private Participation in a State Undertaking B.E. 2556 and then submitted to the Cabinet for approval. In the meanwhile, the government agency accepted the temporary payment with the new compensation rate from the year 2015 onwards.

The Company recorded the project compensation by changing to use the new compensation rate since the year 2015 and use the previous rate for the past years. The management considered that these rates are the best estimation based on the current information.

### 38 Significant agreements

#### 38.1 Concession arrangements

The Company and its subsidiaries have significant concession arrangements as follows:

- 1) Concession arrangements which the Group has to transfer assets under concession at the end of the concession period (BOOT)

No.	Arrangement title	Arrangement date	Signatories	Period	Classification of concession arrangement
1	Agreement to manage the water system at Sattahip Waterworks	28 July 2000	The Company and the Provincial Waterworks Authority	30 years from the date that the Provincial Waterworks Authority appointed the Company to manage Sattahip Waterworks (1 March 2001)	Intangible assets
2	Agreement to produce and sell tap water to the Provincial Waterworks Authority's Nakornsawan office, Nakornsawan Province	7 November 2000	Nakornsawan Water Supply Company Limited and the Provincial Waterworks Authority	25 years from the date of the first tap water sale (1 March 2003)	Intangible assets
3	Agreement to produce and sell tap water to the Provincial Waterworks Authority's Chachoengsao office, Chachoengsao Province	9 November 2000	Chachoengsao Water Supply Company Limited and the Provincial Waterworks Authority	25 years from the date of the first tap water sale (1 April 2003)	Intangible assets
4	Agreement to produce and sell tap water to the Provincial Waterworks Authority's Bangkok office, Chachoengsao Province	9 November 2000	Bangkok Water Supply Company Limited and the Provincial Waterworks Authority	25 years from the date of the first tap water sale (1 April 2003)	Intangible assets
5	Agreement to provide water works management services in Bo Win Municipal area	30 March 2004/ 5 August 2005	The Company and the Chaopraya Surasak Municipality / the Bo Win Sub-district Administrative Organisation	25 years from the date of the first tap water sale ( 11 March 2005)	Intangible assets
6	Agreement to provide water works management services at Koh Lan	17 September 2004	The Company and Pattaya City	15 years from the date of the first tap water sale (October 2006)	Intangible assets

## 38 Significant agreements (Cont'd)

## 38.1 Concession arrangements (Cont'd)

2) Concession arrangements which the Group has to transfer assets under concession when the construction is completed (BTO).

No.	Arrangement title	Arrangement date	Signatories	Period	Classification of concession arrangement
7	Revised agreement to manage water system of Sattahip Waterworks (Sattahip – Pattaya)	18 October 2004	The Company and the Provincial Waterworks Authority	30 years from the date that the Provincial Waterworks Authority appointed the Company to manage Sattahip Waterworks (1 March 2001)	Intangible assets
8	Agreement to produce and sell tap water to Rayong Waterworks, Rayong Province	14 March 2006	Universal Utilities Public Company Limited and the Provincial Waterworks Authority	25 years from the date of the first tap water sale (12 July 2006)	Intangible assets
9	Agreement to operate and manage waterworks system of the Nong Kham Sub-district Administrative Organisation	29 December 2010	Universal Utilities Public Company Limited and Nong Kham Sub-district Administrative Organisation	25 years from the date of the first tap water sale (4 January 2011)	Intangible assets
10	Agreement to operate and manage waterworks system in Huaro Sub-district area, Phitsanulok Province	28 March 2014	Between Universal Utilities Public Company Limited and Huaro Sub-district Municipality	30 years from the date of the first tap water sale under the agreement or new agreed date of tap water sale (Currently under construction)	Intangible assets

### 38 Significant agreements (Cont'd)

#### 38.1 Concession arrangements (Cont'd)

Concession arrangements which the Group has no condition to transfer assets under concession to grantor but grantor has option to purchase the assets when the operator operates to the half of concession period.

ลำดับ	Arrangement title	Arrangement date	Signatories	Period	Classification of concession arrangement
11	Agreement to produce and sell tap water to Koh Samui Waterworks	7 July 2004	The Company and the Provincial Waterworks Authority	15 years from the date of the first tap water sale (12 May 2005)	Intangible assets
12	Agreement to produce and sell tap water to Chonburi Waterworks, Chonburi Province	3 June 2009	Universal Utilities Public Company Limited and the Provincial Waterworks Authority	20 years from the date of the first tap water sale (April 2010)	Intangible assets
13	Agreement to produce and sell tap water to Ratchaburi Waterworks, Rayong and Samut Songkram Province	7 April 2001	Egcom Tara Company Limited and the Provincial Waterworks Authority	30 years from the date of the first tap water sale 7 April 2001	Intangible assets

The significant terms of the concession arrangements mentioned above such as the operator has to provide construction, maintenance and management of the tap water production systems to meet quantity, quality and tap water price requirements. In some arrangements, the price will be increased linked to consumer price index.

Arrangements No. 1-7, No 11 and No 13, the Company entered into a contract with Universal Utilities Public Company Limited to be the operator for the tap water production and the construction or improvement of infrastructure in the concession arrangements.

## 38 Significant agreements (Cont'd)

### 38.2 Other agreements

#### The Company

- 1) On 26 December 1993, the Company entered into an agreement with the Ministry of Finance to manage and operate the major water distribution pipeline systems in the Eastern Seaboard area. The contract term is 30 years, from 1 January 1994 to 30 September 2023 and the Company is required to pay a minimum of Baht 2 million per annum to the Ministry of Finance. In any years when the Company's revenues from the sales of raw water exceed Baht 200 million, it is required to pay the Ministry of Finance with a sharing benefit at a rate of 1 percent of sales of raw water from the Nong Khor and Dok Krai reservoirs. In addition, when the Company's annual rate of return on equity exceeds 20 percent, an additional sharing benefit at the rate of 15 percent of the return in excess of the paid 20 percent is to be paid to the Ministry of Finance. Nevertheless, the total sharing benefit is not to exceed 6 percent of the real value of the assets leased from the Ministry of Finance, as assessed according to the agreed time frame.
- 2) On 13 December 2007, the Company entered into the raw water purchase agreements with a private company whereby the Company is required to purchase a minimum of 10 million cubic meters per annum over a 10-year period.
- 3) On 29 January 2014, the Company entered into raw water purchase agreements with a private company. Under these the Company is required to purchase a minimum of 15 - 20 million cubic meters per annum over a 40-year period from 1 March 2015 - 28 February 2055. On 10 July 2015, the raw water purchase agreement period between the Company and a private company was changed from 40 years to 30 years starting from 1 March 2015 to 28 February 2045. The agreement period will be extended every 10 years until it reaches the 30<sup>th</sup> year. The Company is required to purchase a minimum of 15 million cubic metres per annum for the 1<sup>st</sup>-5<sup>th</sup> year and 20 million cubic metres per annum from the 6<sup>th</sup> year onward's.

#### The Subsidiaries

- 4) On 28 May 2015, Universal Utilities Public Company Limited entered into an agreement with a private company to service and maintain the tap water production system of the Lakchai Muang Yang Industrial Estate, Rayong province. The agreement period for the temporary tap water production system is 1 year 6 months, starting from 1 July 2015. The agreement period for the permanent tap water production system is 30 years, starting from 1 January 2017. Universal Utilities Public Company Limited is required to construct the tap water production system and produce tap water for the Lakchai Muang Yang Industrial Estate. At the end of the agreement, the subsidiary has the right to move back the property under this agreement.
- 5) On 28 July 2015, Universal Utilities Public Company Limited entered into an agreement with a private company to service and maintain the wastewater treatment system of the Lakchai Muang Yang Industrial Estate, Rayong province. The agreement period is 30 years, starting from 1 January 2017. Universal Utilities Public Company Limited is required to construction the wastewater treatment system. At the end of the agreement, Universal Utilities Public Company Limited has to transfer ownership of all invested assets in the wastewater treatment system to Lakchai Muang Yang Industrial Estate, Rayong province.

## 39 Financial instruments

### 39.1 Financial risk factors

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

## 39 Financial instruments (Cont'd)

### 39.1 Financial risk factors (Cont'd)

#### 39.1.1 Credit risk

The Group are exposed to credit risk primarily with respect to, trade accounts receivable, and other receivable. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Although the Group may expose to concentration risk due to their having a few large customers, those customers are in government sector. The management believes that such risk is therefore low. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables, and other receivable as stated in the statement of financial position.

#### 39.1.2 Interest rate risk

The Group's exposure to interest rate risk relate primarily to their deposits with financial institutions and short-term and long-term loans arising from future movements in market interest rates will affect the results of the Group's operations and its cash flows. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate. The Group does not use the financial instruments which is derivative to manage exposure from fluctuation in interest rate.

### 39.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term. The Group expect that their fair values are not materially different from the amounts presented in the balance sheets except for long-term loans from financial institutions which as at 31 December 2015 have the net book values and fair values of Baht 4,761.0 million and Baht 5,149.8 million, respectively (Company: Baht 3,800.0 million and Baht 4,143.6 million respectively). This fair value is categorised within level 3 (note 3.6).

## 40 Business acquisition

On 16 June 2015, the Company sold the investment 15.88% equity interest in Egcom Tara Company Limited to Universal Utilities Public Company Limited for Baht 317.79 million. On 31 August 2015, Universal Utilities Public Company Limited acquired 74.19% equity interest of Egcom Tara Company Limited for Baht 1,600.00 million from EGCO Engineering and Service Company Limited. This made Universal Utilities Public Company Limited totally holds 90.07% of the share capital of Egcom Tara Company Limited and has the control over Egcom Tara Company Limited since 31 August 2015.

There was a goodwill of Baht 103.3 million arising from the above transaction. Goodwill represents the excess capacity of water production and synergies in managing costs and expenses.

None of the goodwill recognised is expected to be deductible for income tax purposes.

The consideration paid, fair value of equity interest in Egcom Tara Company Limited held before the business combination and the assets acquired and liabilities assumed recognised at the acquisition date, are summarised as follows:

	(Unit: Baht)
Cash paid	1,600,000,000
Fair value of 15.88% equity interest in Egcom Tara Company Limited held before the business combination	317,790,120
	<u>1,917,790,120</u>



## 40 Business acquisition (Cont'd)

(Unit: Baht)

**Recognised amounts of identifiable assets acquired and liabilities assumed**

Cash and cash equivalents	143,779,184
Temporary investments	35,000,000
Trade receivables	28,779,409
Inventories	462,957
Other current assets	1,344,935
Property, plant and equipment	54,596,000
Intangible assets	2,192,000,000
Other non-current assets	15,254
Deferred tax assets	261,679
Trade payables	(12,660,237)
Other current liabilities	(36,895,179)
Long-term provisions	(7,443,242)
Deferred tax liabilities	(384,823,843)
<b>Total identifiable net assets</b>	<b>2,014,416,917</b>
Non-controlling interest	(199,909,801)
<b>Total fair value of net assets</b>	<b>1,814,507,116</b>
Goodwill	103,283,004
<b>Total</b>	<b>1,917,790,120</b>

Acquisition-related costs of Baht 1.4 million have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2015.

**a) Non-controlling interest**

The Group has chosen to recognise non-controlling interest at the NCI's proportionate share of the acquiree's identifiable net assets for this acquisition.

**b) Revenue and profit contribution**

The revenue and net profit included in the consolidated income statement for a period during 31 August 2015 to 31 December 2015 contributed by Egcom Tara Company Limited were Baht 89.3 million and Baht 60.3 million, respectively.

Had Egcom Tara Company Limited been acquired since 1 January 2015, the consolidated income statement for the year ended 31 December 2015 of the Group would show revenue of Baht 4,836.5 million and profit of Baht 1,630.2 million.

**c) Fair value of equity interest held before the business combination**

The consolidated comprehensive income statement included profit of Baht 226.3 million from a step acquisition in valuing fair value of 15.88% equity interest in Egcom Tara Company Limited.

#### 41 Raw water usage and sales classified by distribution networks

A government agency who owns the pipeline of distribution networks required the Company to disclose information regarding raw water usage and sales classified by distribution networks using for calculation of compensation amount as follows;

##### 41.1 Usage and sales volume of raw water classified by distribution networks

	Company			
	2015		2014	
	Volume Cubic Metres '000	Amount Baht'000	Volume Cubic Metres '000	Amount Baht'000
<b>Total used volume of raw water</b>				
Nong Pla Lai - Map Ta Pud Network	103,554	1,105,182	88,398	943,126
Dok Krai - Map Ta Pud Network	71,505	800,000	85,389	951,041
Chachoengsao - Chonburi Network	97,813	983,988	83,208	833,891
Nong Pla Lai - Nong Khor Network	23,678	251,386	24,995	267,311
Total	296,550	3,140,556	281,990	2,995,369
<b>Less raw water used to produce tap water</b>				
Dok Krai - Map Ta Pud Network	(16,680)	(165,134)	(14,937)	(147,875)
Nong Pla Lai - Nong Khor Network	(4,832)	(47,835)	(3,713)	(36,762)
Total sales of water	275,038	2,927,587	263,340	2,810,732

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

(Unit: Baht'000)

	Company	
	2015	2014
Nong Khor - Laem Chabang Network 1	681,931	552,137
Nong Khor - Laem Chabang Network 2	163,271	158,159
Chachoengsao Network	138,786	123,595
Total	983,988	833,891

##### 41.2 Proportion of raw water sold to end users

(Unit: %)

	Company	
	W.F. 2558	W.F. 2557
Industrial Estates	53	56
Waterworks Authority	27	22
Factories	20	22
Total	100	100



## Related Parties Transactions

The Company and its affiliates engaged in the related parties transactions with the major shareholders; comprising the Provincial Waterworks Authority (PWA), the Industrial Estate Authority of Thailand (IEAT) and Electricity Generating Public Company Limited (EGCO) Fair and at arms' length In this regard, the related parties transactions are presented in the Notes to the financial statements item 34.

### Policy and Direction of the Future Related Parties Transactions

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

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

### Related Party Transactions

The Company and its subsidiaries engaged in related party transactions with entities with possible conflicts of interest. The Company's auditor has disclosed the related party transactions in the Notes to the Financial Statements for the year ended 31 December 2015, with details as follows:

#### 1. Revenue from sales of raw water and tap water between East Water Group and major shareholders, with sales amount and pricing policy as follows:

Juristic persons with possible conflicts of interest	Nature of the relationship	Nature of the transaction	Amount and value of the transaction	Necessity/Note	Pricing policy
Provincial Waterworks Authority ("PWA")	<ul style="list-style-type: none"> <li>The Provincial Waterworks Authority ("PWA") is a major shareholder of the Company. As of 31 December 2015, PWA holds 40.20% of the Company's issued and paid-up share capital.</li> </ul>	<u>Transaction amount</u> Amount of raw water sales (million cubic meters) Sales value (million Baht)	85.30 800.13	The Company sold raw water to PWA in Nong Kho - Laem Chabang - Pattaya - Bang Phra area and Dok Krai - Map Ta Phut - Sattahip area.	<ul style="list-style-type: none"> <li>The price of raw water sold to PWA is the same as the price sold to other water consumers. There is a clear written contract regarding the price. The reduced price is set by the resolution of the general meeting of shareholders. Directors and shareholders with possible conflicts of interest have no right to vote on the resolution relating to water tariffs.</li> </ul>
		<u>Transaction amount</u> Amount of tap water sales (million cubic meters) Tap water sales value (million Baht)	0.98 61.68		
	<ul style="list-style-type: none"> <li>Mr. Eakachai Attakanna, PWA Deputy Governor (Operation 3), is also the Company's director.</li> </ul>	Amount of tap water sales (million cubic meters)	7.57	The Company sold tap water to PWA in Pattaya.	<ul style="list-style-type: none"> <li>The Company sells tap water to PWA according to the price jointly agreed in the contract.</li> </ul>
		Tap water sales value (million Baht)	121.33		

Juristic persons with possible conflicts of interest	Nature of the relationship	Nature of the transaction	Amount and value of the transaction	Necessity/Note	Pricing policy
Industrial Estate Authority of Thailand ("IEAT")	<ul style="list-style-type: none"> <li>IEAT is a shareholder of the Company. As of 31 December 2015, IEAT holds 4.57% of the Company's issued and paid-up share capital.</li> <li>Mr. Verapong Chaiperm, IEAT Governor, is also the Company's Director.</li> </ul>	<u>Transaction amount</u> Amount of raw water sales (million cubic meters)  Sales value (million Baht)	85.50  940.48	The Company sold raw water to IEAT in Nong Kho - Laem Chabang - Pattaya - Bang Phra area and Dok Krai - Map Ta Phut - Sattahip area.	The price of raw water sold to IEAT is the same as the price sold to other industrial estate groups. There is a clear written contract regarding the price. The reduced price is set by the resolution of the general meeting of shareholders. Directors and shareholders with possible conflicts of interest have no right to vote on the resolution relating to water tariffs or changes of water tariff for IEAT.
Universal Utilities Public Company Limited ("UU")	<ul style="list-style-type: none"> <li>The Company has 100% shareholding and has shared directors.</li> </ul>	<u>Transaction amount</u> Amount of raw water sales (million cubic meters)  Sales value (million Baht)	4.25  28.92	The Company sold raw water to Universal Utilities Public Company Limited (Chonburi Project) in Chachoengsao - Chonburi area.	The price of raw water sold to Universal Utilities Public Company Limited is the same as the price sold to other industrial estate groups. There is a clear written contract regarding the price. The reduced price is set by the resolution of the general meeting of shareholders. Directors and shareholders with possible conflicts of interest have no right to vote on the resolution relating to water tariffs or changes of water tariff for Universal Utilities Public Company Limited.
Provincial Waterworks Authority ("PWA") and Universal Utilities Company Limited ("UU")	<ul style="list-style-type: none"> <li>UU is a subsidiary of the Company. The Company holds 100% of UU's issued and paid-up share capital.</li> </ul>	Revenue from tap water Bangkokong Water Supply • (million cubic meters) • (million Baht)  Chachoengsao Water Supply • (million cubic meters) • (million Baht)  Nakornsawan Water Supply • (million cubic meters) • (million Baht)	12.13 138.24  13.33 156.68  3.96 48.79	These transactions occurred from tap water sales between UU and PWA, according to concession contracts of Chachoengsao Water Supply, Bangkokong Water Supply, Nakornsawan Water Supply, Rayong Waterworks and Chonburi Waterworks.	UU sold tap water to PWA at the price and water tariff adjustment method in accordance with conditions specified in concession contracts.
Universal Utilities Public Company Limited ("UU")	<ul style="list-style-type: none"> <li>The Company has 100% shareholding and has shared directors.</li> </ul>	Rayong Water Supply • (million cubic meters) • (million Baht)  Chonburi Water Supply • (million cubic meters) • (million Baht)  Ratchaburi Water Supply • (million cubic meters) • (million Baht)	20.27 231.46  9.72 105.57  4.33 110.85		



## Remuneration of the Auditor

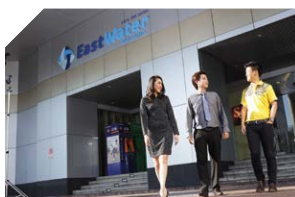
### 1. Audit fee

The Company and its subsidiaries paid the audit fee of 2,296,000 Baht to Pricewaterhouse Coopers ABAS Ltd. (PwC).

### 2. Other services

The Company paid remuneration for other services including preparation of the Pro Forma Financial Information and consultancy for listing on the Stock Exchange of Thailand in the amount of 1,550,000 Baht to PricewaterhouseCoopers ABAS Ltd. (PwC).





## General Information

**Name of the company:** Eastern Water Resources Development and Management Public Company Limited

**Business type:** East Water is engaged in the management of water resources with a raw water distribution pipeline network 394.5 km long, supplying water to industries and households for consumption in 3 Eastern provinces of Thailand - Rayong, Chonburi, and Chachoengsao. Its main mission is development of main water distribution pipelines systems and procurement of reserve water sources to support expansion of the industrial and tourism sectors, whose demand for water is continuously increasing.

**Location of the head office:** 1 Soi Vibhavadi Rangsit 5, Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900

**Registration number:** 0107539000316 (old number: Bor Mor Jor. 632)

**Website:** [www.eastwater.com](http://www.eastwater.com)

**Phone:** (662) 272-1600

**Fax:** (662) 272-1601-3

**Common stock:** As of December 31, 2015, the company's authorized capital and paid-up capital can be summarized as follows  
 Authorized capital: 1,663,725,149 shares, each of which is worth 1 Baht, with a total value of 1,663,725,149 Baht.  
 Paid-up capital: 1,663,725,149 shares, each of which is worth 1 Baht, with a total value of 1,663,725,149 Baht.





## List of companies in which East Water hold more than 10% of shares

Name	Business type	Stock type	Paid-up capital (million Baht)	Shareholding proportion (percentage)
<b>Universal Utilities Public Company Limited (UU)</b> 23 <sup>rd</sup> Floor, East Water Building, 1 Soi Vibhavadi Rangsit 5, Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900 Phone: (662) 272-1688 Fax: (662) 272-1690-2	Water supply businesses and operating wastewater treatment systems in the form of concession contracts, hired management contracts, and rental management contracts.	common	510	100
<b>Nakornsawan Water Supply Company Limited</b> 23 <sup>rd</sup> Floor, East Water Building, 1 Soi Vibhavadi Rangsit 5, Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900 Phone: (66 56) 256-690 and (662) 272-1688 Fax: (66 56) 256-526 and (662) 272-1690-2	Water supply businesses, producing and selling water supply to Nakornsawan Provincial Waterworks Authority, and providing water-user services.	common	40	(UU holds 99.99% of shares)
<b>Bangpakong Water Supply Company Limited</b> 23 <sup>rd</sup> Floor, East Water Building, 1 Soi Vibhavadi Rangsit 5, Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900 Phone: (66 38) 539-365-7 and (662) 272-1688 Fax: (66 38) 539-368 and (662) 272-1690-2	Water supply businesses, producing and selling water supply to Bangpakong Provincial Waterworks Authority, and providing water-user services.	common	40	(UU holds 99.99% of shares)
<b>Chachoengsao Water Supply Company Limited</b> 23 <sup>rd</sup> Floor, East Water Building, 1 Soi Vibhavadi Rangsit 5, Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900 Phone: (66 38) 814-427-9 and (662) 272-1688 Fax: (66 38) 814-427 and (662) 272-1690-2	Water supply businesses, producing and selling water supply to Chachoengsao Provincial Waterworks Authority, and providing water-user services.	common	100	(UU holds 98.99% of shares)

## Referees

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### Securities Registrar

(common stock)

Phone:

Fax:

### Thailand Securities Depository Co. Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400

(662) 009-9000

(662) 009-9991

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### Auditor

### PricewaterhouseCoopers ABAS Company Limited

179/74-80 15<sup>th</sup> Floor, Bangkok City Tower, South Sathorn Road,

Thung Maha Mek, Sathorn Bangkok 10120

Phone:

(662) 286-9999

Fax:

(662) 286-5050

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## Top 10 Major Shareholders

As of 30 December 2015, the top 10 major shareholders of Eastern Water Resources Development and Management Public Company Limited are as follows.

Rank	Shareholder name	Number of shares	proportion (%)
1	Provincial Waterworks Authority	668,800,000	40.20
2	Electricity Generating Public Company Limited	311,443,190	18.72
3	NORBAX INC.,13	106,165,400	6.38
4	Industrial Estate Authority of Thailand (IEAT)	76,000,000	4.57
5	NORTRUST NOMINEES LTD.	42,184,575	2.54
6	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	29,812,100	1.79
7	Thai NVDR Company Limited (Thai NVDR)	28,346,620	1.70
8	Aberdeen Long Term Equity Fund	27,465,700	1.65
9	Aberdeen Growth Fund	25,598,900	1.54
10	Aberdeen Small Cap Fund	25,133,300	1.51
	Other shareholders	322,775,364	19.40
		1,663,725,149	100.00

**Source:** Thailand Securities Depository Co., Ltd. (TSD)

**Note:** The first and the fourth major shareholders are representatives of the government. The second major shareholder is a juristic person. The aforementioned shareholders take part in setting up East Water's management policies by nominating representatives who will be appointed as a board of directors at an annual general meeting.

## Dividend policy

The Board of Directors has a policy to propose to shareholders at an annual general meeting to consider the dividend payment of at least 30% of the consolidated net profit attributable to shareholders of the parent company after deducting annual legal reserve. The dividend payout ratio is also subject to other necessities and suitability as deemed appropriate by the company.



**Water is Life** Because water changes everything.



**Eastern Water Resources Development and Management PCL**

East Water Building, Floor 23-26, 1 Soi Vibhavadi Rangsit 5,  
Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900  
Tel: (66) 2272-1600 Fax: (66) 2272-1602



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