



Form 56-1

As at 31 December 2015

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



Contents

Page

PART 1 :	BUSINESS OVERVIEW	PART 1
	1. Policy and Business Overview	1
	2. Business Overview	3
	3. Risk Factors	51
	4. Operating Assets	54
	5. Litigation	73
	6. General Information and Other Information	75
PART 2 :	Management and Corporate Governance	PART 2
	7. Securities and shareholders	1
	8. Organizational Structure	4
	9. Corporate Governance	20
	10. Social Responsibility	47
	11. Internal Control and Risk Management	48
	12. Connected Transaction	83
PART 3 :	Comprehensive Financial Statements and Operational Performance	PART 3
	13. Key Financial Information	1
	14. Management Discussion and Analysis	12

Verification for information accuracy

Attachment

Attachment 1	Profiles of Board of Directors, Executive and Corporate Secretary of Eastern Water Resources Development and Management Public Company Limited
Attachment 2	List of Subsidiary companies' Directors
Attachment 3	Profiles of the President of Internal Audit and Corporate Governance
Attachment 4	Details of Assets Appraisal (Property Valuation)

PART 1

Business Overview

1. Policy and Business Overview

1.1. Business Strategy

The Board of Directors reviewed business strategy of the Company to support future business growth, strengthen current business expansion and determine to improve the management system and enhance the transparency in corporate governance to meet international standard. Moreover, the Board also attempted to control the business operation with risk management, ethical practices and good corporate governance. The Vision and Mission of the Company are revised accordingly as follow:

Vision

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

Mission

1. To expand the investment and develop the water business as well as other relevant businesses for continuous and sustainable growth.
2. To increase the competitiveness with the right and up-to-date technology and innovation.
3. To develop the competency of the staff and improve its structure to be more appropriate.
4. To manage the business with efficiency and transparency according to the good governance principles.
5. To be responsible for communities, societies and environment and maintain good relationships with the stakeholders.

Strategy

Business strategy covers in 5 areas:

1. Grow business efficiently and develop value added product.
2. Continually develop new business to support the future growth in both short term and long term plan.
3. Manage financial and business investment plan with high efficiency.
4. Develop competency of personnel, manage know-how, technology and new innovation.

The Company is truly focused on quality of business services and environmental awareness. The Company has improved and expanded water pipelines network to the customers in service areas and to ensure sufficiency and sustainability for future growth of water consumption and business, including water, energy and environmental business development. The Company continually supports local communities, societies and environment, which significantly drive the company forward to sustainability growth in the future. A recent report from Thai Institute of Directors awarded "Excellent" to the Company on the Corporate Governance practice. Moreover, TRIS Rating affirms Company Rating of "EASTW" at "A+" with "Stable" Outlook. The recent announcement confirmed continuity of the Company's strong financial position and operation performance.

1.2 Relationship with major shareholders of the Company

The Company is founded by the Cabinet Resolutions on September 12th, 1992 assigned the Provincial Waterworks Authority (PWA) to establish “Eastern Water Resources Development and Management Public Company Limited” (“the Company”), to develop and operate major water pipelines system in the Eastern region covering Chonburi, Rayong, Chachoengsao, Prachinburi, Sakaeo, Chantaburi and Trat. The Provincial Waterworks Authority owned 100 percent of the Company’s total share.

In 1996, the Company registered as a public company limited. Afterward, the Company had initial public offering and registered in the Thai Stock Exchange of Thailand in 1997. The Provincial Waterworks Authority is the major shareholder held 40.2 percent of total registered paid-up capital before initial public offered.

However, the Company’s business operation is not significantly depending or competing with the Provincial Waterworks Authority such as granting or receiving financial support, technical support, cooperative sourcing and procurement and branding.

2. Business Overview

2.1 Company History and Milestones

September 1992

The Cabinet Resolutions (September 12th, 1992) concluded that the Royal Irrigation Department shall be the main government agency responsible for water resources development and reservoirs, and assigned the Provincial Waterworks Authority (PWA) to establish “Eastern Water Resources Development and Management Company Limited” to develop and operate water pipelines in the Eastern region by transferring existing assets and liabilities of the pipeline system to the Company. As a result, the Company is eligible to trade raw water from government agency to public in the responsible areas, and also qualified to joint venture with other private sectors.

October 1992

The Company was registered on October 15th, 1992 (registration No. 13571/2535) with authorized capital of THB 10,000,000, which is separated into 100,000 ordinary shares with par value of THB 100 per share. The Provincial Waterworks Authority (PWA) held 100 percent of shares.

August 1996

The Cabinet Resolution (August 6th, 1996) agreed with the proposal to raise fund and increase the Company’s authorized capital by partnering with the Industrial Estates Authority of Thailand (IEAT).

September 1996

The Company increased the authorized capital to THB 490,000,000, held by the Provincial Waterworks Authority (PWA) 43,999,870 shares (89.80% of total paid up share capital) and the Industrial Estates Authority of Thailand (IEAT) 5,000,000 shares (10.20% of total paid up share capital).

November 1996

The Company registered as a public company limited (registration No. 632) under the name “Eastern Water Resources Development and Management Public Company Limited” (“the Company”).

July 1997

The Company increased its authorized capital by initial public offering of 51,000,000 shares in the capital market with par value of THB 10 per share. Consequently, the Company had total paid up capital of THB 1,000,000,000. The Company’s common stock started trading in the Stock Exchange of Thailand under the name “EASTW”.

January 2004

The Company raised its authorized capital to THB 1,050,000,000 or 105,000,000 ordinary shares with par value of THB 10 per share. With the Company’s paid up capital of THB1,000,000,000 an additional of 5,000,000 ordinary shares were issued as stock warrants and offered to the Company’s employees, executives and directors, the Board’s advisors.

June 2004

The Company increased the authorized capital to THB 1,665,000,000, which included 166,500,000 ordinary shares at par value of THB 10 per share. The issuance of 61,500,000 shares responded to new common stock issuance and stock warrants of the Company.

May 2005

The Company adjusted the par value of THB 10 to THB 1 per share in accordance with the resolutions of the Extraordinary Meeting of the Shareholders No. 1/2005.

January 2008

The authorized capital was decreased to THB 1,663,730,000, or 1,663,730,000 ordinary shares with par value of THB 1 per share due to the expired non-exercise warrants.

In December 2015, the authorized capital stands at THB 1,663,725,149 with total paid up stocks valued of THB 1,663,725,149 and its major shareholders are the Provincial Waterworks Authority (40.20%), the Electricity Generating Public Company Limited (18.72%), NORBAX Inc., 13 (6.38%), the Industrial Estate Authority of Thailand (4.57%) and the public (30.13%)

2.2 Business Overview

The core business of the Company is to develop and manage the main raw water distribution pipeline system in the area of Eastern Seaboard to meet the demand of consumers in the region. Currently, the raw water transmission facilities covers sufficiently in the three main Eastern provinces; Chachoengsao, Chonburi and Rayong. In addition, the Company also invests in related business as below:

- 1) To provide engineering consulting services in clarified water system, water pipeline and distribution system, maintenance service for water pipeline system including associated equipment and providing other equipment and spare parts for water pipelines system.
- 2) To expand the Company's business or to develop and manage new water resources or other associated business in the new development area. Furthermore, the Company also expand to tap water and water treatment business as shown in Diagram 2.2

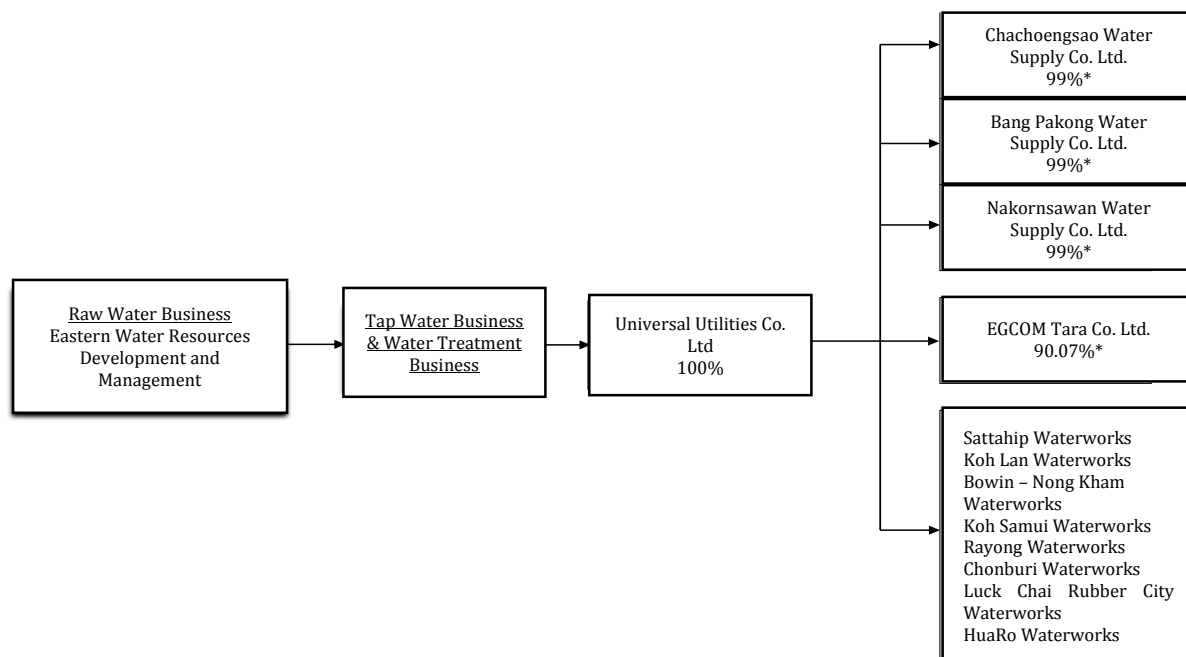


Diagram 2.2 Business Structure

Note:

*The Company holds shares in percentage (%) of total authorized capital.

1. On June 17th, 2015, Eastern Water Resources Development and Management Public Company Limited sold its total shares in EGCOM Tara Co. Ltd. at amount of 5,479,140 shares (15.88%) to Universal Utilities Co. Ltd. Afterward, Universal Utilities Co. Ltd. bought EGCOM Tara's share at the amount of 25,597,096 shares or 74.19% from EGCO Engineering and Service Co. Ltd. on August 31st, 2015. Universal Utilities Co. Ltd. became the main shareholder of EGCOM Tara Co. Ltd. after acquiring 31,076,236 shares which is 90.07%.

2. On August 14th, 2015 Universal Utilities Co. Ltd. sold its shares in Samed Utilities Co. Ltd. which is 55% of total shares to a private company.

3. On September 9th 2015, Universal Utilities Public Company Limited, known as "Universal Utilities Co. Ltd.", is registered as a public company with the Department of Business Development, Ministry of Commerce.

4. Universal Utilities Public Company Limited signed the tap water sales and purchase contract with Hua Ro Sub district Municipality in the area of Hua Ro sub district, Muang District in Phitsanulok Province on March 28th, 2014 but not yet begin commercial operation.

2.3 Current Projects

In the past 5 years (2011-2015), the Company has the major development as follows:

2.3.1 Raw Water Business

Rayong Province

October 2009

The Company started constructing the Nongplalai - Maptaphut line no. 3 with the annual capacity to of 105 million cubic metres to serve the increasing demand of water consumption within Maptaphut area for next 10 years. This project sustained water supply and increased the opportunity to distribute to new customers along with the pipeline. The project completed in April 2013.

June 2010

The project of Mabkha Water Reserved Pond 2 was constructed with an objective to increase water supply at least 220,000 cubic metres for any emergency cases in the area of Maptaphut. With an addition water supply from Mabkha Water Reserved Pond 2, total reserved water is not less than 336,000 cubic metres, which is able to supply the water in Maptaphut area for at least 20 hours in case of emergency. Total project investment was THB 155 million and completed in March 2013.

November 2010

The Company upgraded Maptaphut Pumping Station by installing two new water pumps in response with the growing water demand in Sattahip and Banchang area in next 10 years with investment of THB 8 million. The project finished in March 2011.

April 2011

1. Dokkrai Pumping Station installed two new high capacity pumps and constructed water pipes with total diameter at 1,200 mm and 1.5 km long to serve the water distribution from the Royal Irrigation Department. Total investment of the project was THB 192 million. The project finished in August 2012.

2. The electrical substation and transmission system (115 kV) was constructed in Dokkrai Pumping Station area to ensure electrical transmission stability, reduce risks from power outage and decrease power consumption in the pumping station. The project costs approximately THB 31.20 million. The construction finished in January 2012.

January 2012

The Company started developing the Klong Thapma water reserved pond to increase more water sources for future water demand in Rayong province. The capacity is not less than 47 million cubic metres per year with investment budget at THB 2,203 million. The project is expected to finish in December 2015, however, due to the flood in the construction area, the developing plan has to be adjusted to raise the wall of pumping station and lift up the platform of the electricity room over the water level. At present, the construction timeline is extended to be finished in July 2016.

July 2013

The Company started constructing the water pipeline system from Prasae to Nongplalai Reservoir with the purpose to increase water sources of the Company, in responding to higher water demand in Rayong, Pluak Daeng and Bowin. The water pipeline system is capable to

distribute water at 70 million cubic metres annually with the investment budget of THB 2,835 million. The system is expected to finish in September 2016.

March 2014

In the area of Nongplalai Pumping Station, the electrical sub-station and transmission system (115 kV) was constructed to build the electrical transmission stability, to lessen risks from electrical blackout and to limit power consumption. Investment budget was THB 37.90 million. The project finished in November 2014.

Pluak Daeng and Bowin Area**January 2010**

The Company replaced the by-pass pipeline no. 2 with 800 mm. diameter to ensure water distribution stability from Nongplalai Reservoir to Chonburi area. Total replacement budget was THB 20 million and finished in July 2011.

April 2013

Started the installation of water pump in Nong Kho Pumping Station (to discharge water back to Bowin–Pluak Daeng area) to serve Bowin–Pluak Daeng area in case of emergency, especially when the water distribution system in Nongplalai Reservoir is obstructed. Total investment was THB 29.2 million and the project is concluded in January 2014.

December 2015

The Nongplalai to Nong Kho pipeline no. 2 has been constructed to improve the capacity of water distribution to consumers in the area of Pluak Daeng and Bowin and to serve the demand of the Independent Power Producer (IPP). The first phase has started on the pipeline installation and is expected to finish in July 2016. Investment budget is approximately THB 407 million and the project is expected to finish in July 2016.

Chonburi Area**September 2010**

The Company increased capacity of the Nong Kho to Laem Chabang pipeline system to meet growing demand of water and to serve the new Bang Lamung Water Filtration Plant. The development included the construction of new water pipeline system to the new Bang Lamung Water Filtration Plant, new booster pump station at Nong Kho Reservoir with total investment budget at THB 107 million. The construction ended in March 2011.

November 2011

The project was to enhance capacity of Laemchabang (Bangpra) pumping and distributing pipeline system in the area of Chonburi province. The primary objective of this project is to sufficiently serve the increasing demand of water consumers, to reduce the dependency on water supply from Rayong province and to stabilize water distribution pumping system. Total investment budget is at the amount of THB 922 million. The project concluded in November 2013.

April 2012

The regulation well project (Bang Pakong – Bangpra - Chonburi water pipeline) was initiated to reduce electricity costs on pumping and distributing of water over the pipelines, increase raw water sources (reserved water pond and head tank) for emergency in Chonburi province and improve the stability of water pressure in distribution pumping system to be more smooth and stable. Total investment budget is approximately THB 71.2 million.

December 2012

The Company replaced the CC-GRP pipeline with 800 mm steel water pipeline, in order to stabilize water distribution system in the area of Chonburi province, minimize frequency of undeliverable of water and reduce non-revenue water. Investment budget is approximate THB 36 million. The construction ended in September 2013.

December 2013

The construction of pipeline system from Nong Kho Reservoir to Sriracha Waterworks allowed the Company to reduce electricity costs for water distribution while improve water distribution stability to Sriracha Waterworks. The Company invested THB 32.2 million and the construction completed in April 2014.

November 2014

Developed the water intake system from contracted private ponds (a construction of pipelines and low pressure pumping station) in Chonburi province to support the short term and long term solution to prevent drought and to build the stability of the Company's water sources by procuring water from private water sources. The budget of the project is approximately THB 450 million. The construction finished in August 2015.

October 2015

The Company started constructing the booster pump station to prevent water shortage in both short term and long term period and secure source of water by means of water purchase agreement with private ponds in the areas. Total budget is THB 202 million and the project is expected to complete in July 2016.

Prasae and Klong Yai Water Pipeline System**June 2009**

The Cabinet Resolutions (June 9th, 2009) appointed Ministry of Agriculture and Cooperatives (Royal Irrigation Department) with other related government agencies to review the project detail before approving budget to settle the construction cost of the Company's project.

July 2009

The Cabinet Resolutions (July 14th, 2009) appointed Ministry of Agriculture and Cooperatives (Royal Irrigation Department) to purchase the project's assets at the budget not exceeding THB 1,677,665,681, complied with the Regulations of the Office of the Prime Minister on Procurement B.E.2535 (1992) and the Amendments.

April 2010

The Company transferred the assets constructed in the project of water pipeline linkage from Prasae to Klong Yai Reservoir in Rayong province to the Royal Irrigation Department and received the payment at the amount of THB 1,677,000,000 from the Royal Irrigation Department.

2.3.2 Controlling System**January 2011**

The Supervisory Control and Data Acquisition (SCADA) and the communication networks were upgraded to covers three main provinces, including Chachoengsao, Chonburi and Rayong. Those upgrades allow the Company to control pumping and distribution system

with more efficiency and reduce the costs of personnel, electricity and non-revenue water due to the capacity of the SCADA system to closely monitor and precisely measure water usage and distribution. Total investment budget was THB 41.70 million. The project ended in March 2013.

2.4 Business Management

August 2011

The Company earned the “Excellent” on the quality of Annual General Meeting of Shareholders 2011 arrangement from the Thai Investors Association.

December 2011

The Company achieved CG scores at “Excellent” level from the Corporate Governance Assessment of Thai Listed Companies in 2011 from Thai Institute of Directors (IOD).

August 2012

The Company was rated “Excellent” on the Quality of Annual General Meeting of Shareholders 2012 from Thai Investors Association in 2012.

November 2012

Earned the “Excellent” level of recognition from the Corporate Governance Assessment of Thai Listed Companies in 2012 from Thai Institute of Directors (IOD).

July 2013

Awarded with the score level of “Excellent” on the Quality of Annual General Meeting of Shareholders 2013 from Thai Investors Association in 2013.

August 2013

The Company received CSR-DIW in Supply Chain Award, giving to an organization with social responsibility.

November 2013

The Company received CSRI Recognition Awards 2013 from Corporate Social Responsibility Institute (CSRI).

June 2014

The Company earned the score level of “Excellent” on the Quality of Annual General Meeting of Shareholders 2014 arranged by Thai Investors Association in 2014.

TRIS Rating affirmed the rating at A+ Stable in 2014 to the Company for the strong financial profile.

July 2014

The Company was ranked in Top 50 of Thai listed companies with 80-89 scores in ASEAN CG Scorecard 2013/2014.

November 2014

The Company was rated with score level “Excellent” from the Corporate Governance Assessment of Thai Listed Companies in 2014 carried out by Thai Institute of Directors (IOD).

December 2014

Received the “One Company looks after One Community” Award from the Chamber of Commerce , giving to an organization supporting and driving the project with the policy to decrease inequality in income distribution.

April 2015

The Company was accredited to be a member of the Private Sector Collective Action Coalition Against Corruption (CAC) hosted by the Institute of Directors (IOD)

TRIS Rating affirmed the rating at A+ Stable in 2015 to the Company.

June 2015

The Company reached 100 scores on the Quality of Annual General Meeting of Shareholders 2015 arranged by Thai Investors Association.

October 2015

Achieved the assessment score in level 4 (the highest level is 5) in the assessment of operation for the sustainability in Anti-Corruption criteria from Thaipat Institute.

Listed in Thailand Sustainability Investment or known as “Sustainable Share” by the Stock Exchange of Thailand giving to praise the listed companies operating with sustainability and outstanding responsibility to Environmental, Social and Governance (ESG).

Achieved score at 94 percent from the Assessment of Corporate Governance Rating (CGR) of Thai Listed Companies in 2015 from Thai Institute of Directors (IOD)

November 2015

Received 2 awards from ASEAN CG Scorecard 2015 project in Top 50 ASEAN PLCs and Top 2 Outstanding Achievement Awards

2.5 Tap Water Business and Waste Water Treatment Business

The Company registered Universal Utilities Co. Ltd. (UU) on December 15th, 1998 with an initial investment of THB 50 million and the Company held 100% of total shares with the main business objectives as follows:

- 1) To produce and sell clarified water
- 2) To produce and sell waste water collection and treatment system.

Development and Milestones**January 2011**

The Universal Utilities started its business operation to produce and sell the tap water service to Nongkham Subdistrict Administration Organization on January 4th, 2011.

December 2012

According to the policy of Investment Promotion of Thailand Board of Investment (BOI), the Universal Utilities and Chonburi waterworks project has received the benefit of income tax exemption from the Ministry of Industry Thailand for 8 years

March 2014

The Universal Utilities signed the tap water sales and purchase contract with Hua Ro Subdistrict Municipality in the area of Hua Ro subdistrict, Muang District in Phitsanulok Province on March 28th, 2014 for 30 years with the capacity starting from 7,200 cubic metres daily.

September 2014

The Universal Utilities signed the sales contract of chilled water with Yodpiman Flower City on September 15th, 2014 with capacity started from BTU 450 per hour.

May 2015

The Universal Utilities signed the contract with Tribeca Enterprise Co. Ltd. to provide service and maintenance of the tap water production system in the Luckchai Rubber City Industrial Estate Project on May 28th, 2015 for 30 years. Total capacity is 19,200 cubic metres daily.

June 2015

The Universal Utilities bought 5,479,140 shares (par value THB 10 per share) of EGCOT Tara Co. Ltd. from Eastern Water Resources Development and Management Company Limited (EASTW) on June 16th, 2015, which is 15.88% of total authorized capitals. The purchase price is at THB 58.00 per share valued THB 317.79 million in total.

July 2015

On July 28th, 2015, the Universal Utilities signed the agreement with Tribeca Enterprise Co. Ltd to provide service and maintenance for the wastewater treatment system in Luckchai Rubber City Industrial Estate Project for 30 years. The capacity is at 6,000 cubic metres daily.

August 2015

On August 31st, 2015, the Universal Utilities bought 25,597,096 shares (par value THB 10 per share) of EGCOT Tara Co. Ltd. from EGGO Engineering and Services PLC, which is 74.19% of total authorized capitals. Total purchase values THB 1,600 million.

September 2015

The Universal Utilities was listed as a public company limited on September 9th, 2015.

As of December 31st, 2015, the Universal Utilities PLC has 13 subsidiary waterworks companies, which are Sattahip Waterworks, Bang Pakong Waterworks, Chachoengsao Waterworks, Nakornsawan Waterworks, Bowin Waterworks, Koh Samui Waterworks, Koh Lan Waterworks, Rayong Waterworks, Chonburi Waterworks, Nong Kham Waterworks, Hua Ro Waterworks, Ratchaburi-Samutsongkram Waterworks and Luckchai Rubber City Waterworks. Total production capacity is 140.84 million cubic metres annually.

Important Financial Statement As of December 31st, 2015 ^{3/}	Universal Utilities ^{1/}	Chachoengsao Waterworks	Bangpakong Waterworks	Nakornsawan Waterworks	EGCOM Tara
Total Capacity: Tap Water Production (Cubic Metre/day)	217,860.00	51,600.00	43,200.00	25,200.00	48,000.00
Operating Income (MB) ^{2/}					
Net Profit (MB)	1,128.78	173.44	152.01	52.60	336.06
Total Assets (MB)	173.39	31.59	26.59	7.36	184.83
Total Liabilities (MB)	3,934.78	250.36	188.53	76.30	614.35
Paid-up Share Capital (MB)	2,760.40	39.78	33.35	22.17	56.62
Retained Earnings (MB)	510.00	100.00	40.00	40.00	345.00
	664.38	110.58	115.18	14.13	212.73

1/ Consisted of Sattahip, Rayong, Bowin, Koh Lan, Koh Samui, Chonburi, Nong Kham, Hua Ro and Luckchai Rubber City

2.6 Revenue structure

Eastern Water Resources Development and Management Company Limited's raw water revenue structure, breakdown by operating areas

Raw Water Revenue (breakdown by operating areas)	As of December 31 st 2014		As of December 31 st 2015		As of December 31 st 2016	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
- Dok Krai -Maptaphut -Sattahip	944,469	33.09	803,166	28.57	634,866	21.69
- Nongplalai-Maptaphut	788,297	27.62	943,126	33.55	1,105,182	37.75
- Nong Kor –Laemchabang – Pattaya -Bangpra	782,532	27.42	710,296	25.27	845,202	28.87
- Nongplalai – Nong Kor	236,649	8.29	230,549	8.20	203,551	6.95
- Chachoengsao	102,180	3.58	123,595	4.41	138,786	4.74
Total Raw water revenue	2,854,127	100.00	2,810,732	100.00	2,927,587	100.00

Eastern Water Resources Development and Management Company Limited and its subsidiaries' total revenue structure, breakdown by revenue sources

Sources of revenue	As of December 31 st 2013		As of December 31 st 2014		As of December 31 st 2015	
	Audited		Audited		Audited	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Income from raw water sales	2,694,295	68.11	2,768,376	64.31	2,898,665	62.22
Income from tap water sales	876,385	22.15	988,739	22.97	1,160,235	24.90
Construction revenue under concession agreement	139,782	3.53	268,923	6.25	95,685	2.05
Rental and service income	189,171	4.78	216,202	5.02	212,229	4.56
Other incomes*	56,288	1.43	62,520	1.45	292,012	6.27
Total revenue	3,955,921	100.00	4,304,760	100.00	4,658,826	100.00

[* Other incomes include Gain on fair value measurement of equity interest held before the business combination, income from interest, dividends and others]

2.7 Business characteristics by product lines

Business characteristics

The Company focuses on develop and manage of pipeline systems in three primary areas including Chonburi, Rayong and Chachoengsao provinces; to service of both raw and tap water for industrial and residential customers. In Chonburi and Rayong provinces, Royal Irrigation Department allocates raw water from Nong Kho, Dok Krai and Nongplalai reservoirs to the Company. In addition, the Company also pumped water from Bang Pakong and Rayong Rivers to secure water supply in those regions via four pipelines that are leased from the Ministry of Finance and owned by the Company. Raw water from those sources are distributed and traded to industrial and residential customers, who is classified into three groups, namely

Industrial Estates¹, factory outside industrial estate and residential. Those customers are obligated by raw water sell contract with the company. For customers in Chachoengsao province, the Company pumps water from Bang Pakong River and Nakong Neung Kate canal during the rainy season and intakes water from private pond during summer. Raw water from those sources is distributed to users in Bang Pakong area, Chachoengsao province and later to Chonburi.

The operating areas of raw water pumping and distributing services are described below:

1) Rayong area

The Company delivers water service on three major pipeline systems, including (1) Dok Krai -Maptaphut- Sattahip; (2) Nongplalai-Maptaphut; and (3) Nongplalai-Maptaphut line no. 3. The pipeline systems in this region employ electricity to pump water from the Royal Irrigation Department's water sources. The first source started from Dok Krai reservoir to Sattahip via Dok Krai -Maptaphut- Sattahip pipeline system. The second source started from Nongplalai reservoir to Maptaphut via Nongplalai-Maptaphut pipeline system. The last is the water transfer from Nongplalai-Maptaphut no. 3 pipeline system to water head tank in Mapka district before distributing to customer along the pipeline. Major water customers in these areas are Industrial estates, followed by factories outside industrial estates and waterworks of the Provincial Authority of Thailand.

Regarding to the water reserve development, the Company constructs a water reserve pond with capacity of 12 million cubic metres in Tabma subdistrict, Meung district, Rayong province and establishes the pipeline system to link with Prasae Reservoir and Nongplalai Reservoir. These development projects intended to additional water sources to increase levels of water reserve for the sufficient distribution in Rayong area.

2) Chonburi area

The Company operates the water logistics service through three pipeline systems in the area, which are Nong Kho-Laemchabang, Laemchabang-Pattaya and Laemchabang-Bangpra. Major water sources for water distribution in this area are Nong Kho reservoir, Nongplalai reservoir (via Nongplalai-Nong Kho pipeline) and Bang Pakong River (via Bang Pakong-Chonburi pipeline). Gravity and electricity are used to pump and transfer water from Nong Kho reservoir to the area. Water is transferred from Nongplalai to Nong Kho and regulating well by electricity before allocating water to Nong Kho-Laemchabang and Laemchabang-Pattaya pipeline systems. Water sources at another end, Bang Pakong River, use electricity to drive water from the source through Bang Pakong-Chonburi pipeline before distributing to Nong Kho-Laemchabang and Laemchabang-Pattaya pipeline systems. In addition, the Company has reserved water from Bang Pakong River and contracted private ponds during the rainy season in Bangpra reservoir for water distribution to customers during the dry season. Major customers in Chonburi area are residential and industrial estates respectively.

The Company leased two parallel water distribution pipeline systems from Nong Kho to Laemchabang with annual distribution capacity of 110 Million Cu.M, from Ministry of Finance.

Remarks ¹ Industrial Estates includes the industrial estates owned by Industrial Estates Authority of Thailand (IEAT), and co-invested with Industrial Estates Authority of Thailand (IEAT) and private industrial parks and private industrial area.

3) Pluak Daeng - Bowin area

Pluak Daeng – Bowin is a border of Chonburi province and Pluak Daeng district in Rayong province, which is located close to Nongplalai - Nong Kho pipeline constructed by the Department of Public Works and Town and Country Planning with the aim to distribute water from Nongplalai Reservoir in Rayong province to Chonburi area and at the same time, distribute water to water consumers in Pluak Daeng - Bowin area. The water pipeline system uses electricity for pumping and distributing water from Nongplalai to Nong Kho reservoir through Nongplalai – Nong Kho pipeline system before transferring to Bangpra reservoir via Nong Kho-Laemchabang - Bangpra pipeline. Major customers are Eastern Seaboard industrial estates, Chonburi (Bowin) industrial estates and Pattaya Waterworks (Nong Krang Dong Water Filtration Plant).

4) Chachoengsao area

The Company provides raw water distribution service in Chachoengsao area via Chachoengsao pipeline. The system uses electricity to pump water from Bang Pakong River, over Bang Pakong diversion dam of the Royal Irrigation Department to the head tank before distributing water by means of gravity to customers. The Company also signed the contract with private ponds for additional water reserves for Chachoengsao area in the drought period. Furthermore, the Company also has two water reserve ponds, one with capacity of two million Cu.M in Chachoengsao province and Samnakbok raw water reserve pond with capacity of 7.4 million Cu.M in Samnakbok subdistrict, Muang district, Chonburi province located in the Bang Pakong-Chonburi pipeline system area. The additional raw water reserve ponds are the Company's water source for water distribution during drought period in Chachoengsao and Chonburi area.

Bang Pakong-Chonburi pipeline has been constructed to pump water from Bang Pakong River in Chachoengsao province during the rainy season (which is approximately 5 to 6 months a year) and transfer to Chonburi province, where the water source is limited and not sufficient. The pipeline system is capable to distribute 50 million Cu.M water annually by using electricity to intake raw water from Bang Pakong River and drive into Bang Pakong – Chonburi pipeline system before direct transfer to Nong Kho – Laemchabang – Pattaya - Bangpra pipeline. The remaining is reserved in Bangpra reservoir for drought season.

**Diagram 2.7 Maps of the Company's pipeline network in Rayong, Chonburi and
Chachoengsao provinces**



2.8 Rights to operate the business

The characteristics of the core and related businesses are under the rights to operate in the forms of contract or concession from government bodies or agencies. Currently, the Company is holding contracts, concessions and licenses to operate the businesses from different government bodies or agencies, which are summarized below;

Permits to use water from the Royal Irrigation Authority's water sources.

The Royal Irrigation Department granted permits to the Company for accessing and using water from five different sources, including Nong Kho reservoir, Dok Krai reservoir, Nongplalai reservoir, Nakhon Nueang Khet canal and Bangpra reservoir.

Substances of licenses are show in Table 2.8 below;

Table 2.8 Summary of water licenses and permits granted by the Royal Irrigation Authority

<u>Permits</u>	<u>Authorized bodies / Date of approval</u>	<u>Permit duration</u>	<u>Detail of the permits*</u>
1. Permits to use water from Dok Krai reservoir	Director General: January 18 th , 2012	- Five years immediate after signed by permit holders	- Eligible to use water not exceeding 6,000,000 Cu.M
2. Permits to use water from Nong Kho reservoir	Director General: January 16 th , 2012		- Eligible to use water not exceeding 1,372,500 Cu.M
3. Permits to use water from Bangpra reservoir**	Director General: June 11 th , 2015		- The Company built the pipeline to the reservoir and eligible to deposit and withdraw water from the reservoir. Water withdrawal shall not exceed annual water deposited in the reservoir. - Exceeding water withdrawal is allowed only when the water reserve in Bangpra Reservoir is high and causes no impact to annual water allocation plan.
4. Permits to use water from Nakhon Nueang Khet canal **	Director General: August 3 rd , 2009		- Eligible to use water not exceeding 3,000,000 Cu.M during January to May only.
5. Permits to use water from Nongplalai reservoir	Director General: January 14 th , 2016		- Eligible to use water not greater than 10,000,000 Cu.M

Remark:

*The Company is obligated to pay monthly water bill to the Royal Irrigation Department, in the pre-defined tariff of THB 0.50, according to the Ministerial regulation no. 42, B.E. 2540.

**In the process of renewing the permit.

2.9 Concessions to manage and operate water pipelines in the Eastern regions.

Ministry of Finance has transferred rights to manage and operate major water pipelines in the Eastern region to the Company. Details of the contract are shown below.

Summary of the contract to manage and operate major pipelines in the Eastern region

Counterparty	:	Ministry of Finance Eastern Water Resources Development and Management Public Company Limited (“The Company”)
Signed date of the contract	:	December 26 th , 1993
Contract duration	:	30 years from January 1 st , 1995 to December 31 st , 2023
Contract substance	:	The Company received rights to operate the pipeline system from the Ministry of Finance.
Pipeline system	:	“Pipeline system” in the contract is defined as pumping station, overhead water tank, machines, joints and other equipments that are used as part of the water distribution system of the Nong Kho-Laemchabang, Laemchabang-Pattaya, Dok Krai–Maptaphut and Maptaphut-Sattahip pipelines.
Compensation (Profit sharing)	:	Within 120 days after end of accounting date or within January of each year, started from January 1996. Compensation agreement to the Ministry of Finance is shown as follow; <ol style="list-style-type: none"> 1. The Company agrees to pay at minimum of THB 2,000,000 annually to the Ministry of Finance. 2. If the company generates revenue from the pipeline system more than THB 200 million, the Company shall compensate 1 percent of total revenue generated from pipeline system to the Ministry of Finance. 3. In addition to commitment number 1 and 2, the Company shall pay the Ministry of Finance 15 percent on additional revenue in case the Company’s return on equity (ROE) exceeds 20 percent <p>However, the combination of benefit in the commitment number 1 or 2 with benefit number 3 shall not exceed 6 percent of real assets value, evaluated based on accounting standards and economic life of assets leased from the Ministry of Finance.</p>

2.10 Concession Contracts for Tab water Businesses

1) Sattahip Waterworks

Contract/Concession	:	Leasing contract to operate and manage Sattahip Provincial Waterworks Authority (PWA)
Counterparty	:	Provincial Waterworks Authority (PWA) and Eastern Water Resources Development and Management Public Company Limited (“The Company”)
Signed date of the contract	:	July 28 th , 2000 and amendment on October 18 th , 2004
Contract Duration	:	30 years
Status	:	Started operation since February 28 th , 2001
Service Area	:	Sattahip – Baan Km. 10 Baan Samaesarn Bang Saray

Production Capacity	:	43,200 Cu.M. per day
Contract/Concession	:	Purchase contract of tap water for Pattaya Provincial Waterworks Authority (PWA)
Counterparty	:	Provincial Waterworks Authority (PWA) and Eastern Water Resources Development and Management Public Company Limited
Signed date of the contract	:	October 18 th , 2004
Contract Duration	:	30 years
Status	:	Business operations start from November 1 st , 2005
Minimum Commitment	:	18,000 Cu.M per day (2015)
Tariff	:	THB 16.9993 Cu.M and shall be adjusted according to annual average consumer price index for Central region, as announced by the Ministry of Commerce.

2) Nakornsawan Waterworks

Contract/Concession	:	Permits for the private company to produce and sell tap water to Nakhonsawan Waterworks (PWA.)
Counterparty	:	Provincial Waterworks Authority (PWA) and Nakornsawan Water Supply Company Limited
Signing date of the contract	:	November 7 th , 2000
Contract Duration	:	2 + 25 years (pre-operation for 2 consecutive years)
Status	:	Started operating since March 1 st , 2003
Service Area	:	Eastern Nakornsawan Nong Pling Municipality Nong Ban Municipality
Production Capacity	:	25,200 Cu.M per day
Minimum commitment	:	6,450 Cu.M per day (2015)
Tariff	:	THB 14.069 (2015) per Cu.M. and shall be adjusted in accordance with the annual average consumer price index for Central region, announced by the Ministry of Commerce.

3) Bang Pakong Waterworks

Contract/Concession	:	Permits for private company to produce and sell tap water to Bang Pakong Waterworks, Chachoengsao Province. (PWA.)
Counterparty	:	Provincial Waterworks Authority and Bang Pakong Water Supply Company Limited.
Signed date of the contract	:	November 9 th , 2000
Contract Duration	:	2 + 25 years (pre-operation for 2 consecutive years)
Status	:	Started operation from April 1 st , 2003
Service Area	:	Bang Pakong Thasaarn Municipality Bang Wua Municipality
Production Capacity	:	43,200 Cu.M. per day (former capacity of 24,000 Cu.M/day and extended capacity of 19,200 Cu.M/ day)
Minimum Commitment	:	27,000 Cu.M per day (2015)
Tariff	:	THB 12.139 Cu.M (2015) and shall be adjusted according to annual average consumer price index for

Central region, as announced by the Ministry of
Commerce.

4) Chachoengsao Waterworks

Contract/Concession	:	Permits for private company to operate and sell tap Water to Chachoengsao Waterworks, Chachoengsao Province (PWA.)
Counterparty	:	Provincial Waterworks Authority and Chachoengsao Water Supply Co. Ltd.
Signed date of the contract	:	November 9 th , 2000
Contract Duration	:	2 + 25 years (pre-operation for 2 consecutive years)
Status	:	Started operating since April 1 st , 2003
Service Area	:	Muang District, Chachoengsao Province Suwinthawong District
Production Capacity	:	51,600 Cu.M. per day
Minimum Commitment	:	27,000 Cu.M per day (2015)
Tariff	:	THB 12.819 (2015) per Cu.M and shall be adjusted according to annual average consumer price index for Central region, as announced by the Ministry of Commerce.

5) Bor Win Waterworks

Contract/Concession	:	Permits to operate and sell tap Water in the area of Chaopraya Surasak Municipality, Sriracha district, Chonburi province
Counterparty	:	Chaopraya Surasak Municipality and Eastern Water Resources Development and Management Public Company Limited
Signed date of the contract	:	March 30 th , 2004
Contract/Concession	:	Permits to operate Bor Win Sub district Administrative Organization's tap water system and sell tap Water in Bor Win Sub district
Counterparty	:	Bor Win Sub district Administrative Organization and Eastern Water Resources Development and Management Public Company Limited
Signed date of the contract	:	August 5 th , 2005
Contract Duration	:	25 years
Status	:	Started business operating since June 2006.
Service Area	:	Chaopraya Surasak Municipality and Bor Win Sub district, Sriracha district, Chonburi province
Production Capacity	:	16,800 Cu.M per day
Minimum Commitment	:	None
Tariff	:	As written in the contract (tariff by groups of customers)

6) Samui Island Waterworks

Contract/Concession	:	Sell and purchase contract of tap water to Samui Island Waterworks, Surat Thani Provincial Waterworks Authority (PWA)
Counterparty	:	Provincial Waterworks Authority and Eastern Water Resources Development and Management Public Company Limited
Signed date of the contract	:	July 7 th , 2004
Contract Duration	:	15 years
Status	:	Started business operation since May 12 th , 2005
Service Area	:	Samui Island
Minimum Commitment	:	2,500 Cu.M per day (+/- 10%)
Tariff	:	THB 63.742 per Cu.M (2015)
Production Capacity	:	3,000 Cu.M per day
Operating Technology	:	: Sea water reverses osmosis

7) Larn Island Waterworks

Contract/Concession	:	Permits to operate and sell tap water to populations on Larn Island, Chonburi province
Counterparty	:	Pattaya City and Eastern Water Resources Development and Management Public Company Limited
Signed date of the contract	:	September 17 th , 2004
Contract Duration	:	15 years
Status	:	Started business operating from September 2006
Service Area	:	Larn Island
Minimum Commitment	:	None
Tariff	:	THB 68.69 Cu. M (2015) and shall be increased by five percent in every five years.
Production Capacity	:	300 Cu.M per day
Operating Technology	:	:Sea water reverses osmosis

8) Rayong Waterworks

Contract/Concession	:	Permits for private company to produce and sell tap water to the Provincial Waterworks Authority (PWA) at Chachoengsao Waterworks office, Rayong Province
Counterparty	:	Provincial Waterworks Authority and UU Group Consortium
Signed date of the contract	:	March 14 th , 2006
Contract Duration	:	25 years
Status	:	Started business operation since July 2006
Service Area	:	Rayong City Municipality and most areas of sub-districts in Rayong province
Production capacity	:	86,400 Cu.M. per day
Minimum Commitment	:	49,655 Cu.M per day (2015)
Tariff	:	THB 11.562 per Cu.M (2015)

9) Chonburi Tap water

Contract/Concession	:	Sell and purchase contract of tap water to Chonburi Waterworks office, Chonburi province
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Counterparty	:	Provincial Waterworks Authority and Universal Utilities Public Company Limited
Signed date of the contract	:	June 3 rd , 2009
Contract Duration	:	20 years
Status	:	Started business operation from April 2010
Service Area	:	Chonburi province
Production capacity	:	40,800 Cu.M per day
Minimum Commitment	:	24,000 Cu.M per day (2015)
Tariff	:	THB 11.083 per Cu.M (2015)

10) Ratchburi-Samut Songkhram Waterworks

Contract/Concession	:	Permits for private company to produce and sell tap water to Provincial Waterworks Authority offices in Ratchaburi and Samut Songkhram provinces
Counterparty	:	Provincial Waterworks Authority (PWA) and EGCOM Tara Company Limited
Signed date of the contract	:	June 23 rd , 1999
Contract Duration	:	30 years
Status	:	Started business operating since April 7 th 2001
Service Area	:	Samut Songkhram Waterworks, Damnoen Saduak Waterworks and Pak Tho district Waterworks
Production Capacity	:	35,400 Cu.M per day (2015)
Minimum Commitment	:	48,000 Cu.M per day
Tariff	:	THB 25.64 (2015) per Cu. M and shall attuned according to annual average consumer price index for Central region, announced by the Ministry of Commerce.

11) Nong Kham Waterworks

Contract/Concession	:	Permits to operate Nong Kham Sub-district Administration Organization's tap water system
Counterparty	:	Nong Kham Sub-district Administration Organization and Universal Utilities Public Company Limited
Signed date of the contract	:	December 29 th , 2010
Contract Duration	:	25 years
Status	:	Started business operating from January 2011
Service Areas	:	Nong Kham sub-district, Sriracha district, Chonburi province.
Production Capacity	:	960 Cu.M per day
Tariff	:	As written in the contract (tariff by groups of customers)

12) Luck Chai Rubber City Waterworks

Contract/Concession	:	Contract to service and provide maintenance of tap water system in the Luck Chai Rubber City Industrial Estate.
Counterparty	:	Tribeca Enterprise Co. Ltd. and Universal Utilities Public Company Limited.
Signed date of the contract	:	May 28 th , 2015

Contract Duration	:	30 years
Status	:	Operating the temporary tap water system for 1 year and 6 months
Service Area	:	Luck Chai Rubber City Industrial Estate, Rayong province
Production Capacity	:	Temporary tap water system at 800 Cu.M per day
Tariff	:	THB 11.00 Cu.M (2015)

13) The Wastewater Treatment System in Luck Chai Rubber City Industrial Estate Project

Contract/Concession	:	The agreement to provide service and maintenance for the wastewater treatment system in Luck Chai Rubber City Industrial Estate.
Counterparty	:	Tribeca Enterprise Co.Ltd. and Universal Utilities Public Company Limited.
Signed date of the contract	:	July 28 th , 2015
Contract Duration	:	30 years
Status	:	Under Construction
Service Areas	:	Luck Chai Rubber City Industrial Estate Project, Rayong province.
Production Capacity	:	6,000 Cu.M per day
Tariff	:	THB 12.25 per Cu.M (2015)

14) Hua Ro Waterworks

Contract/Concession	:	Sell and purchase contract of tap water to Hua Ro Sub-district Municipality, Muang Phitsanulok district, Phitsanulok province.
Counterparty	:	Hua Ro Sub-district Municipality and Universal Utilities Public Company Limited.
Signed date of the contract	:	March 28 th , 2014
Contract Duration	:	30 years
Status	:	Under Construction
Service Areas	:	Hua Ro Sub-district, Phitsanulok District, Phitsanulok province
Production Capacity	:	7,200 Cu.M per day
Tariff	:	THB 7.00 per Cu.M (2016)

2.11 Limitations for the business operation

- None -

2.12 Market and Competition

1. Water Resources Management Industry in Thailand

Water resources development and management is the main responsibility of the government agencies such as Royal Irrigation Department, Department of Water Resources and Department of Groundwater Resources, etc. To utilize water resources for the benefits of residential and industrial consumption, there are many government agencies involving such as the Provincial Waterworks Authority (PWA) responsible to develop raw water sources, produce and distribute to water consumers in the service area, some Municipality or Sub-

district Administrative Organization (SAO) providing tap water production service to people in each sub-district area, and the Industrial Estate Authority of Thailand (IEAT) responsible to provide water sources and service to their industrial estate networks.

Since tap water consumption in some area exceeds the system investment of the Provincial Waterworks Authority (PWA), PWA thus partners with private sector by giving authority to invest in tap water system and to produce and sell tap water to PWA to service the consumers in each area afterward. Today, the Company has previously signed in 6 contracts with the Provincial Waterworks Authority (PWA).

Raw water business in the Eastern of Thailand is established to support the National Economic and Social Development Plan in accordance with the Eastern Seaboard Development Program targeted to be an industrial center of the country.

2. Water Supply in Thailand

Total area of Thailand are 512,870 square kilometers with average rainfall at 800,000 million cubic metres annually, which 75% is evaporated, used by plant or infiltrated into underground aquifers. The rest (25%) or approximately 200,000 million cubic metres flows to natural sources called “surface water” including lakes and rivers etc. To utilize the surface water is difficult during drought season when the water level in the river is low and the storm surge is high. Therefore, the Royal Irrigation Department has started to build reservoir and dam to reserve the surface water. According to the data of the Royal Irrigation Department, total capacity of dam and reservoir under the responsibility of the Royal Irrigation Department and the Electricity Generating Authority of Thailand is approximately 76,002 million cubic metres as of 2014.

Apart from surface water in rivers and lakes, reserve water in reservoir and dam, there are also the groundwater resources beneath Earth’s surface, where water infiltrates into the subsurface soil and rock and remains in the shallow soil layer or infiltrates deeper to groundwater aquifers. The biggest groundwater resource in Thailand is Chao Phraya watershed in the central. However, overuse of groundwater affects the balance of nature such as seawater contamination in water supply and land subsidence etc. Today, groundwater usage in Thailand is controlled by the Groundwater Act (No.3), B.E. 2543, specifying the groundwater abstraction area and licensing system. According to the Notification of the Ministry of Industry Thailand No8/1994, the groundwater area is stipulated and groundwater tariff is set at THB 3.50 per cubic metre nationwide. In addition, the groundwater conservation fee is THB 4.50 per cubic metre in accordance with the Notification of the Ministry of Industry Thailand No.2/2012 regarding tariff rate, regulations, procedure and conditions of groundwater conservation fee.

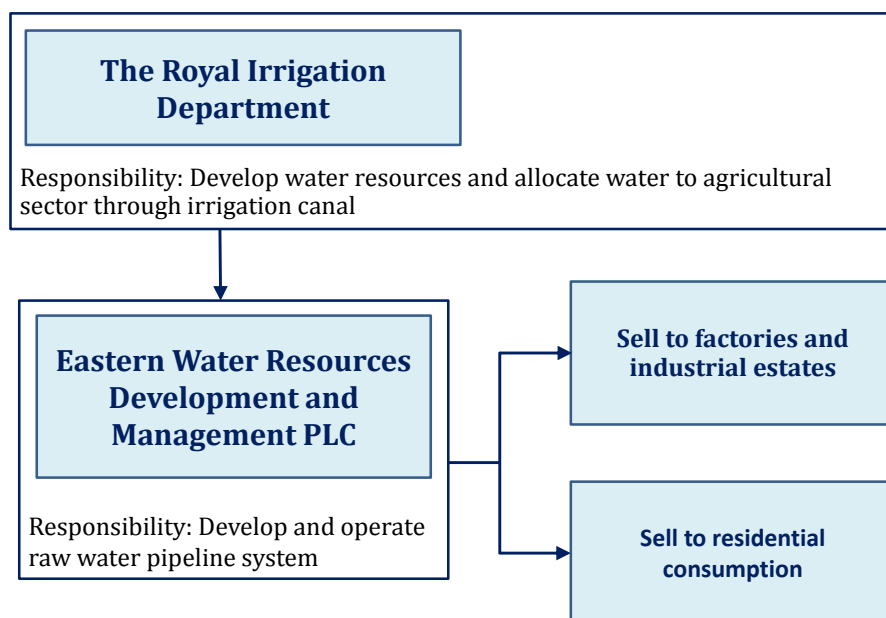
In 2001, the Ministry of Industry Thailand assigned the Department of Mineral Resources to study guideline and measure to solve problem of land subsidence. The Government Resolution agreed to raise the groundwater use fee from THB 3.50 to THB 8.50 within 2003 and to discontinue groundwater use in the critical area that tap water system is available since January 2004.

3. Water Resources Development Industry in the Eastern region

In the past, water resources development and management in the East of Thailand is under the responsibility of many government agencies similar to other regions. The Royal Irrigation Department is in charge of raw water resource development, especially constructing reservoir according to the government policy. The pipeline system development is under the responsibility of the Royal Irrigation Department and the Department of Public Works and

Town and Country Planning for construction. However, the operation of pipeline system is controlled by different organizations that caused unclear management and responsibility. The operation of pipeline system Dokkrai – Maptaphut and Maptaphut – Sattahip are under the responsibility of the Industrial Estate Authority of Thailand. On the other hand, the Department of Public Works and Town and Country Planning operates the pipeline system Nongkho – Laemchabang and Laemchabang – Pattaya. Therefore, the cabinet resolution in 1992 concluded that the Provincial Waterworks Authority (PWA) shall establish the company named “Eastern Water Resources Development and Management Co. Ltd. to operate the raw water pipeline system, including developing and managing water pipeline system in the Eastern coast of Thailand with the aim to reduce the complication of government agencies involved and enhance efficiency and effectiveness of water resources management. Detail is shown in the following Diagram 3.1

Diagram 3.1 Structure of Responsible Organizations for water resources management in the Eastern coast



4. Water Supply in the Eastern region

Surface Water Resource

Nowadays, there are major 16 reservoir development projects in the Eastern coast with total capacity of 1,314.09 million cubic metres as of today. Total water reserve for consumption is approximately 1,638.37 million cubic metres annually. Detail is shown in table 4.1.

Table 4.1 Water Sources in the Eastern region

Water Source	Province	Capacity (Unit: Million Cu. M)	Average Available Water Use Average Draft Rate (Unit: Million Cu.M / year)
1. Bangpra Reservoir	Chonburi	117.00	44.96
2. Nongkho Reservoir	Chonburi	21.10	15.78
3. Maprachan Reservoir	Chonburi	15.60	14.03
4. Dokkrai Reservoir	Rayong	79.41	146.57
5. Nongplalai Reservoir	Rayong	163.75	126.31
6. Nongklangdong Reservoir	Chonburi	7.90	6.96
7. Huaichaknok Reservoir	Chonburi	7.03	5.86
8. Huaikhunchit Reservoir	Chonburi	4.87	3.98
9. Huaisaphan Reservoir	Chonburi	3.84	5.59
10. Bangphai Reservoir	Chonburi	10.00	7.00
11. Khlongrabom Reservoir	Chachoengsao	55.50	48.84
12. Bangpakong Diversion Dam	Chachoengsao	30.00	493.00
13. Khlong Si Yat Reservoir	Chachoengsao	420.00	285.62
14. Khlong Yai Reservoir	Rayong	45.46	50.93
15. Prasae Reservoir	Rayong	295.00	265.18
16. Khlong Luang Rachalothorn	Chonburi	98.00	117.76
Total		1,314.09	1,638.37

Source: The Royal Irrigation Department

Remarks:

1. Today, water from Nongkho and Dokkrai Reservoir is distributed for residential and industrial consumption as there is no agricultural activity in Nongkho service area. In Dokkrai area, water from Nongplalai and Khlong Yai reservoir is distributed for agricultural consumption instead.

2. Annual availability of water use is presented in average draft rate per year. The data shown is variable to water volume from rainfall amount and other water sources in each year. However, the data presented excludes capacity of reserve water in the reservoir that can be utilized.

Referring to water source data in Table 4.1, the Royal Irrigation Department plans to develop 12 water sources to cope with future water consumption in the area of Chachoengsao, Chonburi and Rayong province. Total capacity is 310.19 million cubic metres and available water use capacity is 303.29 million cubic metres. Detail is described in table 4.2

Table 4.2 Water Source Development Plan in the East

Water Source	Province	Capacity (Million Cu.M)	Average Available Water Use Average Draft Rate (Million Cu.M / year)	Construction Duration	
				start	finish
1. Khlong Bangkapong Reservoir	Chachoengsao	27.50	26.00	2559	2562
2. Khlong Huaijorktien Reservoir	Chachoengsao	19.20	16.00	2560	2563
3. Ban Nongkrating Reservoir	Chachoengsao	15.00	13.00	2560	2563
4. Mapwaisom 9 Reservoir	Chonburi	6.43	8.00	2560	2562
5. Huaikainao Reservoir	Chonburi	1.61	6.00	2560	2562
6. Prasae Reservoir	Chonburi	18.21	15.00	2560	
7. Khlong Luang Reservoir	Chonburi	98.00	95.05	2553	2560
8. Khlong Phlo Reservoir	Rayong	40.00	40.00	2560	2562
9. Prasae Reservoir Capacity Expansion	Rayong	47.00	47.00	2558	2558
10. Dokkrai Reservoir Capacity Expansion	Rayong	8.01	8.01	2558	2558
11. Nongplalai Reservoir Capacity Expansion	Rayong	23.87	23.87	2560	2560
12. Khlong Yai Reservoir Capacity Expansion	Rayong	5.36	5.36	2560	2560
Total		310.19	303.29		

Source: Regional Irrigation Office 9, the Royal Irrigation Department

Groundwater Source

Groundwater source is quite limited in the Eastern region. Referring to the data from the Department of Public Works and Town and Country Planning collected from Chonburi, Rayong, Prachinburi and Sakaeo, the majority of artesian well can discharge groundwater at the rate 2.5-7.0 cubic metres per hour which is sufficient for local water consumption demand. Moreover, groundwater in the Eastern region is found contaminated by high level of chloride from seawater stored in the sediment layer and seawater intrusion due to excessive extraction of groundwater in coastal area. Both reasons are the main limitation to improve quality and quantity of groundwater in the Eastern coast. The development of groundwater resources in this area as a major water source is not possible.

5. Trend of Water Resource Management in the Eastern region

Demand of water consumption in the Eastern region is growing continually due to the government support in both encouraging investment and implementing the Eastern Seaboard

Development Plan phase 2 (1995-2000), targeted to develop inner land which is far from the Eastern coast area in the first phase. The government also drafts the town planning including current Maptaphut area (under the operating process) and plans to expand the manufacturing zone. Therefore, the trend of water management in the East is projected to link resources from other main rivers such as lower Chao Phraya River and Chantaburi River to cope with the increasing water consumption demand, together with balancing water resources management and working closely with related sectors; residential, industrial and agricultural. Furthermore, the demand side management is of focus, as well as drought management preparation for further coordination with related government agencies and water consumer to ensure the maximum efficacy of water usage.

6. Water Demand in Thailand

Water consumption demand in Thailand is not only for the purpose of living but also facilitating in many activities such as agricultural, industrial, tourism and other recreations, etc. The consumption demand in each year is growing continuously in accordance with increasing populations and growing economy, industry and agriculture. Water consumption demand can be divided into three main purposes:

1) Water consumption for residential use

Water consumption for residential is basically for living, such as drinking water, food preparation, washing, cleaning and the like. The demand is increasing in according to number of populations, expansion rate of service and tourism sector in some area. Water consumption demand tends to grow constantly as said by the statistics of water consumption in 2015 of the Provincial Waterworks Authority (PWA) that total water consumption demand for production is about 1,284.74 million cubic metres.*

Remark: Water consumption and production quantity is reported annually accumulated from January to September 2015 (referent to the data of Water Resource Development Division, Provincial Waterworks Authority).

2) Water consumption for industrial use

Demand of water consumption in industrial sector is mostly related to the production process such as cooling system, cleaning and waste disposal. The water demand of industrial sector generally depends on the economic condition and growth. Moreover, the demand is also diverse in different sectors. The petrochemical industry, power plant, textile bleaching and dyeing industry and iron and steel industry require high demand of water consumption, especially in the last decade, the demand from these industries is raising rapidly due to the industrial expansion in Thailand.

3) Water consumption for agricultural sector

Water use in agricultural sector is approximately 90% of total water consumption in Thailand since agricultural production is the fundamental of Thai economy. Demand of water consumption in this sector is basically for rice cultivation, plantation, fish farming, vegetable and fruit farming, livestock and prawn farming and 25% of total water consumption will return to natural water system.

7. Water Demand in the Eastern region

Referring to the study of water resources development and management in the Eastern region for the Royal Irrigation Department conducted by Kasetsart University, it is found that water consumption in the East coast, covering Chonburi, Rayong, Chachoengsao, Chantaburi, Trad, Nakhonnayok, Prachinburi and Sakaeo, are growing regularly from 1996 to 2016. Total water consumption in 2016 is expected to reach 6,593.5 million cubic metres, separated to agricultural usage 5,649.5 million cubic metres, residential consumption and tourism 373.1

million cubic metres and industrial use 570.9 million cubic metres. Main water consumption is from the agricultural sector, however, considering the growth of each sector, water consumption in industrial sectors shows the consistent growth rate at average 7% per year. Due to the policy to specify the industrial zone in the Eastern coast, for example, Maptaphut Industrial Estate, Hemaraj Chonburi Industrial Estate (Borwin), Hemaraj Eastern Industrial Estate (Maptaphut) and Laemchabang Industrial Estate, etc., it effects the consistent city and community expansion to nearby locations which causes increasing demand of water consumption in the area. Detail is shown in Table 7.1.

Table 7.1 Demand of Water Consumption in the East from 1996 to 2016

Province	Industry	1996		2006		2016	
		Million Cu.M.	%	Million Cu.M.	%	Million Cu.M.	%
Chonburi	Residential & Tourism	81.1	15.27	116.2	18.65	161.6	22.66
	Industrial	63.5	11.95	120.4	19.32	165.1	3.15
	Agricultural	386.6	72.78	386.6	62.03	386.6	4.20
	Total	531.2	100.00	623.2	100.00	713.3	100.00
Rayong	Residential & Tourism	26.7	2.75	41.0	3.88	49.4	4.46
	Industrial	77.7	8.00	149.0	14.10	191.1	17.26
	Agricultural	867.0	89.25	867.0	82.02	867.0	78.28
	Total	971.4	100.00	1,057.0	100.00	1,107.5	100.00
Chachoengsao	Residential & Tourism	22.3	1.21	30.8	1.64	38.2	2.01
	Industrial	24.7	1.34	50.0	2.67	70.6	3.71
	Agricultural	1,792.7	97.45	1,792.7	95.69	1,792.7	94.28
	Total	1,839.7	100.00	1,873.5	100.00	1,901.5	100.00
Chantaburi	Residential & Tourism	23.3	4.01	30.4	5.12	38.1	6.28
	Industrial	10.5	1.81	15.8	2.66	21.1	3.48
	Agricultural	547.1	94.18	547.1	92.21	547.1	90.24
	Total	580.9	100.00	593.3	100.00	606.3	100.00
Trad	Residential & Tourism	9.9	3.27	12.8	4.15	16.1	5.10
	Industrial	3.7	1.22	6.6	2.14	10.3	3.26
	Agricultural	289.2	95.51	289.2	93.71	289.2	91.63
	Total	302.8	100.00	308.6	100.00	315.6	100.00
Nakhonnayok	Residential & Tourism	8.1	1.55	10.4	1.97	13.0	2.44
	Industrial	2.0	0.38	4.0	0.76	5.8	1.09
	Agricultural	513.2	98.07	513.2	97.27	513.2	96.47
	Total	523.3	100.00	527.6	100.00	532.0	100.00
Prachinburi	Residential & Tourism	16.2	3.32	22.6	4.26	27.9	4.98
	Industrial	22.6	4.63	58.0	10.95	82.6	14.76
	Agricultural	449.3	92.05	449.3	84.79	449.3	80.26
	Total	488.1	100.00	529.0	100.00	559.8	100.00
Sakaeo	Residential & Tourism	17.5	2.11	23.0	2.73	28.8	3.36
	Industrial	7.6	0.92	15.5	1.84	24.3	2.83
	Agricultural	804.5	96.97	804.5	95.43	804.5	93.81
	Total	829.6	100.00	843.0	100.00	857.6	100.00
Total (8 Provinces in the Eastern region)	Residential & Tourism	205.1	3.38	287.2	4.52	373.1	5.66
	Industrial	212.3	3.50	419.3	6.60	570.9	8.66
	Agricultural	5,649.5	93.12	5,649.5	88.88	5,649.5	85.68
	Total	6,066.9	100.00	6,356.0	100.00	6,593.5	100.00

Source: The Royal Irrigation Department Project: Water Resources Development and Management in the East conducted by Water Resource Engineering Department, Faculty of Engineering, Kasetsart University

Key Factors of Industrial Expansion in the Eastern region

1) The government policy to promote the investment in special economic zones is focusing on digital economy business and measures for efficiency improvement of SMEs. In 2015, 828 projects from the Eastern area are approved to join the investment promotion program, which is 38 percent increase from the previous year (2014). Most investment promotion projects are from Rayong, Chonburi, Prachinburi and Chachoengsao, respectively. It is found that most business in the promotional program are primarily related to the production of metal products, machinery and transport equipment, following by chemical product, paper and plastic and utility service, correspondingly.

2) Investment Promotion

In responding to the government policy mentioned in 1), related organization has developed the strategy to promote investment in Thailand for 7 years (2015-2021) in considering that investments benefit to the nation, society and environment. The investment promotion measures are activity-base incentives and merit-based incentives. Activity-base incentives offers the exemption of corporate income tax, import duty on machinery and import duty on imported raw material for use in production for export. Merit-based incentives provide the exemption of corporate income tax for one year to project located in the industrial estate or area under the special economic zone policy.

8. Market Competition

Today, there is no major competitor in the water pipeline system development and distribution for both residential and industrial market in the Eastern coast of Thailand. The Company has developed competitive advantage by investing in main water pipeline and distribution system to connect main water resources in the Eastern region such as an integration of Nongplalai, Dokkrai, Khlongyai and Prasae reservoir in Rayong with Nongkho and Bangpra reservoir in Chonburi into the complete, modern and effective water grid network. The service area covers three provinces with total capacity of raw water distribution at 340 million cubic metres annually. The Company also invested continuously in water reserve sources to build the stability of the distribution system. As a result, the Company at the moment is capable to manage water system and provide various services to the customer comparing to other competitors.

In comparison to some private operators who provide raw water service with total distribution capacity of 8 million cubic metres yearly, they have limitations on both size and stability of water resources. Therefore these operators are less likely to become direct competitor of the Company in the near future. Another obstacle for new operators is the high investment in developing facilities such as water pipeline system, pumping station and water reserve source. Moreover, the connection to coordinate with related government agencies and state enterprises are also essentials since the location for pipe laying is mostly in public area and the cost to rent and/or buying land may increase investment cost to the project. The Company has an advantage over other private operators in reaching the pipe laying location and authority to use water resources before the new operator. However, the Company may have indirect competitors from the following.

1) Customers may have their own water reserve source or alternative water reserve sources to manage risk from water shortage, for example using recycle water after treatment, building owned groundwater source or water reserve pond, etc.

2) Purchasing water from private water truck is also an option, however, the limitation is the high price at approximately THB 30-40 per cubic metre from the cost of transportation and the insufficient quantity per one order.

3) Pumping water from the natural resources is also a choice for water consumers; however, it can be done only in rainy season since the water level in drought period is too low and in some area during the high tide period water in the natural resources cannot be consumed.

9. Marketing Strategy

9.1 Competitive Strategy

The Company has developed different strategies to reach the Company's objective on development and management of main water pipeline system in the Eastern coast area, to serve the water consumption demand in the service area sufficiently and to achieve operation target. The strategies are as follow.

To build trust in customer

In responding to the Company's core value on customer service and care to meet the specified satisfaction levels, the Company has developed the guideline to improve levels of the service quality by voice of customer program from various communication channels, such as telephone, email, company website, site visit of important occasion and annual customer satisfaction survey. The data are collected and analyzed in the operation customer service departments meeting and in the management meeting to set the customer service improvement plan to meet the needs of customer. In 2015, the Company upgraded the Customer Relationship Management System by added information of the Online Metering System into the system for efficient planning of CRM activities. The customer satisfaction survey is conducted to measure the level of customer satisfaction to product and service of the Company. The result from the survey is used to analyze and set action plan to improve service to meet the needs of customer. The findings from the previous customer survey showed that the speed of customer information notification, especially water situation and change, are vital to customers. The Company, therefore, assigned the Control Center to be the main contact point to receive and inform related information such as service quality and water distribution. In 2015, the information from the Control Center was added as a part of the customer satisfaction survey for consistent service improvement in every aspect such as reliability of the pumping and distribution system, product quality (water quality and water pressure), services and information.

Quality Management System

The Company applied the ISO 9001 for quality management standard in the organization according to the quality policy "Allocate water to the consumer and confident in service, quality and Environment." In November 2015, the Company has improved the quality management system standard from ISO 9001:2000 to ISO 9001:2008. The certificate is given by Bureau Veritas Certification (Thailand) Co. Ltd., accredited by United Kingdom Accreditation Services (UKAS), a well-known international standard organization based in the United Kingdom. The Company is certified in various quality management standards including auditing, business planning, management, operation, finance and post system, which shows the efficient internal information system. The certification ensures that the customer receives quality of products and service provided.

In addition, the Company has achieved ISO 14001 in environmental management system, which represents the effective environmental management of the Company. It also ensures that there is no environmental impact or problem from the Company's operation.

Service Area Expansion

The Company has studied business investment feasibility and has expanded the operation continually to increase service area and to cope with water consumption demand in

the responsible zone. The study covers the water consumption in each area to consider the appropriateness of investment in both improvement and expansion of current water pipeline system and development of the new one, for instance the construction of water pipeline system from Prasae Reservoir to Nongplalai Reservoir to increase water supply capacity at least 70 million cubic metres annually in Rayong, Bowin-Pluak Daeng and Chonburi.

In addition, the Company also improved the efficiency and costs of water pumping and distribution system regularly. Detail is as below.

1) Project to increase water volume for distribution to Maptaphut –Sattahip pipeline system

Since Waterworks Authority Sattahip Office has increased its demand of raw water to produce tap water to serve in Sattahip area and to distribute to Waterworks Authority Pattaya Office, the Company has improved the water pipeline system to increase the capacity of water distributed to Waterworks Authority Sattahip Office. Project detail is as following.

1.1 Booster pump installation project in water pipeline system Maptaphut-Sattahip

The Company installed one set of booster pump size 38 cubic metres per minute and water pressure 20 metres.

1.2 Change of flow control valve at Sattahip junction well

The project improvements increased the capacity of raw water distributed to Waterworks Authority Sattahip Office at about 4,000-9,000 cubic metres per day from previous capacity at approximately 46,000 cubic metres per day.

2) Project to increase water volume for distribution in Chonburi area

In order to solve the water shortage in Chonburi, the Company plans to increase water volume for transfer from Rayong to Chonburi. The Company has studied and found that it is possible to use water pressure left from water pumping in Nongplalai Reservoir to increase the water volume transmission at the inline booster station. As a result, the Company has started to improve the water pipeline system by connecting pipeline from Nongplalai reservoir directly to inline booster station without passing through the junction well. Total capacity of water distribution from Rayong to Chonburi has increased at 21,000 cubic metres daily from the previous capacity of 230,000 cubic metres per day.

3) Project to increase the efficiency of electrical consumption in water pumping system

The Company has several studies to reduce water pump and distribution costs. A number of initiatives projects are shown below;

3.1 PEA Demand Response Program

The Company has joined in the program of the Energy Regulatory Commission (ERC), the Electricity Generating Authority of Thailand (EGAT), the Provincial Electricity Authority, the Metropolitan Electricity Authority, the Federation of Thai Industries and the Board of Trade of Thailand by planning to reduce the electricity consumption during on peak period for the sufficiency of power supply and to stabilize overall power system of the Country.

3.2 Project to reduce the excess of water pressure in the pumping system

The Company has studied the power consumption of water pumping distribution system in different area and found that the Company wasted energy to distribute water to the consumer located in the higher land area than others. Therefore, small water pump is installed separately for the required customer to reduce power consumption from the main pumping station and to ensure the efficiency of water distribution to customers.

In addition, the Company has studied energy management system and efficiency of alternative energy for water pumping system with the aim to manage the power consumption

of pumping stations in the area of Rayong, Chonburi and Chachoengsao. Moreover, the project targets to manage power consumption of distribution system sufficiently and efficiently, including generating electricity from excess power for use in the Company's business.

9.2 Competitive Advantage of the Company over Competitors

Since the Cabinet Resolution approved to set up the Company to manage the water pipeline system in the Eastern coast of Thailand, the Company has the benefit to use raw water from the reservoirs of the Royal Irrigation Department, who owns most reservoirs in the Eastern region, and sell those water to residential and industrial sector. However, the Company has employed modern technologies for business operation and management with expertise and experiences in water management such as drought crisis handling in 2005. From the expertise and experience in the business, the Company has been entrusted by customer, society and investors which strengthen the potentiality of the Company to expand its operation than other competitors.

Summary of the Company's competitive advantage or Key success factors of the Business

1. An organization established by the Government
2. Strong connection with government agency for business coordination such as pipeline laying and maintenance, etc.
3. Extensive experiences, reliability and expertise as the first private company in water resource development and management industry
4. Stable and sufficient water sources to serve increasing water demand of consumers due to economic expansion
5. Precise and up-to-date management and controlling system with the capability to control non-revenue water in the system and monitor water distribution system responding to the consumer need.
6. Large market share
7. Strong financial position
8. Business expansion capability and potentiality

9.3 Pricing Strategy

The Company has the pricing policy to set the tariff rate that reflects actual cost of each project. The water tariff is calculated by these two crucial processes.

1) Average Tariff Rate Calculation

The raw water tariff is set by project according to the calculation of actual project costs, which are consisted of initial investment, raw water cost, operating expenses, rental fee and future pipeline investment and development. Moreover, the Cabinet resolution on August 6th, 1996 approved the Company to include investment in wastewater management system into actual project costs. However, the Company has not included this investment yet as there is no expense in wastewater management occurring since starting operation. In the future, the Company will consider add it in for effective cost management.

Average water tariff rate is calculated based on two following criteria

1.1) Average Incremental Cost or AIC

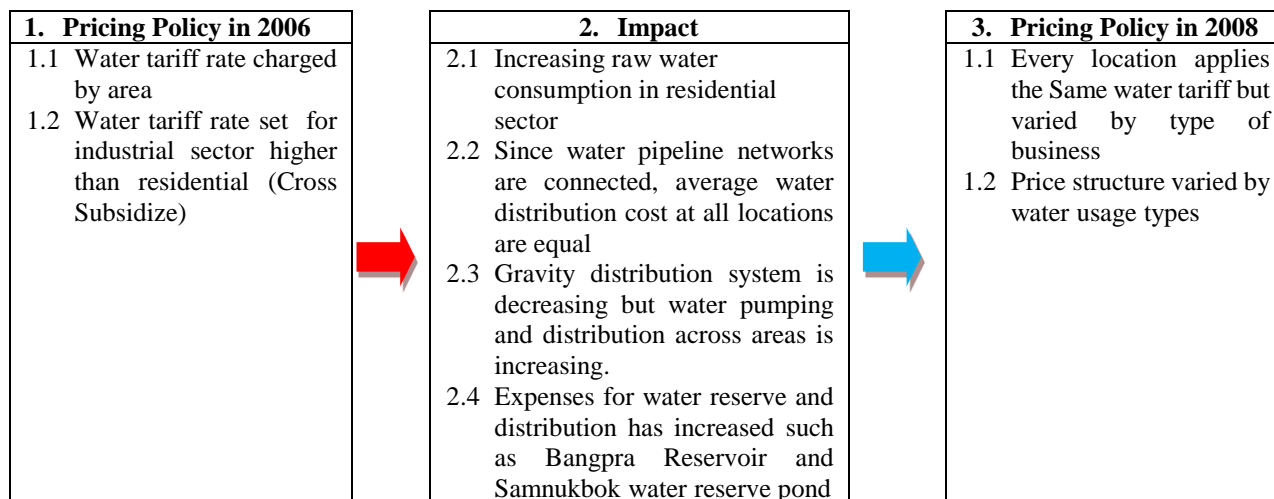
The average incremental cost (AIC) is calculated for net present value from actual cost of project with 15 percent discount rate and then used calculated figures to consider the average rate of raw water sales per unit in next 30 years before marked up at 20 percent to get the average water tariff in the method 1.1).

1.2) Equity Internal Rate of Return

The average water tariff rate is calculated from cash flow, which is calculated based on actual costs and projected raw water revenue of the project for over 30 years. The equity internal rate of return of each project that is feasible for investment is approximately 15 percent.

2) Water Tariff Setting

An increasing demand of water consumption from residential and industrial customers, the Company has revised the water tariff to reflect long-term pricing policy. Summary of impact from change in the pricing policy are shown as follow;



The Company has policy to revise water tariff to reflect the actual cost of each project. Major costs are construction and investment costs on big project to cope with growing demand of water consumption, drought crisis management and also the increasing energy cost. However, the Company will consider the suitability of new water tariff rate and timing to reduce impact to the customer.

Table9.3 Water Tariff Rate Structure 2013-2015

User Type	Tariff Rate (THB / Cu.M)		
	2013	2014	2015
1. Residential	10.50	9.90	9.90
2. Industrial Estate of the Government	10.50	11.00	11.00
3. Industrial Park / Industrial Land	11.50	12.00	12.00
4. Factories and Others	12.50	13.00	13.00

Remark:

1. The water tariff rate for residential user is decreased THB 1.10 / Cu.M from every price structure announced in 2013-2014

2. Water User Type Criteria

Type 1: Residential covers any businesses consume raw water to produce tap water for Provincial Waterworks Authority (PWA), government agencies/organizations and community lacking of clean water

Type 2: Industrial Estate of the Government covers industrial estate established by the Industrial Estate Authority of Thailand (IEAT) and joint-management industrial estates and other past users that the Industrial Estate Authority of Thailand (IEAT) / Department of Public Works and Town and Country Planning and other government agencies approved to use raw water before the Company has established

Type 3: Industrial Park and Industrial Land covers industrial parks and industrial lands operated by private companies without joint management with the Industrial Estate Authority of Thailand (IEAT) as mentioned in user type 2

Type 4: Factories and others cover factories and other businesses which is not the user type 3

3. The water tariff rate above is applied with consistent users. In case of terminating water service for over 2 months or total water volume less than 50% of allocated volume or lower than agreement, the Company shall have rights to terminate the contract or change the water tariff rate as appropriated.

4. Selling raw water to users without contract with the Company or to the cancelled customer as mentioned in No.3 is considered as temporary water users. The Company has rights to set water tariff fee according to the water volume and period of service. The temporary users must follow sales condition of the Company.

5. The Company reserves all rights to revise the water tariff fee according to the actual cost of management and distribution system as suitable to economic situation at the moment.

10. Sales and Distribution Channel

The Company sells raw water directly to the customer, mostly as a wholesaler, via water pipelines system of the Company. The industrial estate developer normally buys raw water from the Company for resell to the factory within their industrial estates. Raw water is sold to the Provincial Waterworks Authority for tap water production and to residential customers. The Company, as a “Seller”, trades raw water to each customer, as a “Water user/Buyer”, as agreed in the sales contract or agreement between two companies. Contract and agreement shall cover the following details;

1) Term of contract shall not be specified

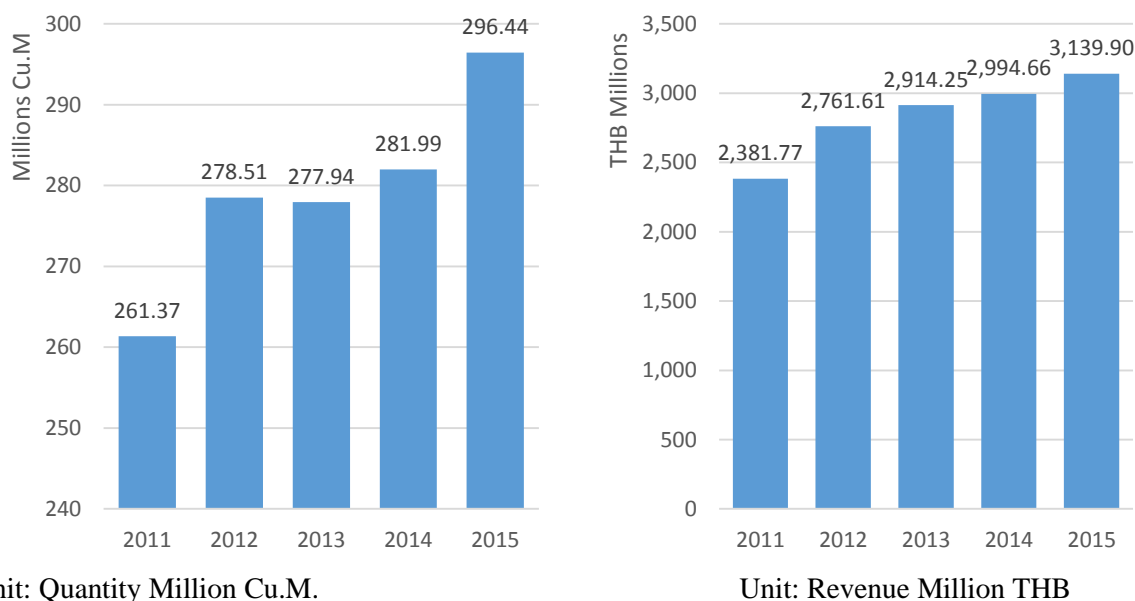
2) Each customer shall specific volume of water needed in the contract or agreement either in the form of maximum water usage or average water usage. Since 2009, the Company has started to set the annual minimum water usage guarantee in the contract for the benefit of water distribution planning and to reduce supply choices of customers.

3) The Company reserves the right to change water tariff fee as see appropriated.

In 2015, the Company sell raw water in total 296.44 million cubic metres., which is 5.1 percent increased from 2014 due to higher raw water demand from the Provincial

Waterworks Authority in Chonburi and Chachoengsao area for tap water production to cope with the rising water consumption demand in the responsible area during drought period.

Diagram 10.1 Statistics of water sold and accumulated revenue from 2011-2015



Remark: Quantity of water sold accumulated from Jan-Dec

Remark: Quantity of water sold accumulated from Jan-Dec

11. Types of Customers

The Company has four segments of customers, which are (1) residential (2) industrial estates established by the Government (3) private industrial parks and industrial lands (4) factories and others. Water consumption by area is as follow.

In Rayong area, the majority of water users, approximately 81.6%, is industrial sectors especially industrial estates established by the Government, which are Maptaphut Industrial Estate (by IEAT Maptaphut), Eastern Industrial Estate, Asia Industrial Estate, RIL 1996 Industrial Estate. The water sale volume of residential sector is approximately 14.9% of total sales distributed to Provincial Waterworks Authority Banchang. Statistics of quantity and revenue of raw water sales by user type are shown in Table 11.1

Table 11.1 Statistics of raw water sales volume and value by user type in Rayong

(Volume: Million Cu. M., Value: Million THB)

User Type	2013				2014				2015			
	Volume	%	Value	%	Volume	%	Value	%	Volume	%	Value	%
1. Residential	24.21	14.26	251.70	14.09	22.90	13.17	226.67	11.97	26.14	14.93	258.79	13.58
2. Industrial Estate of Government	141.95	83.58	1,490.49	83.46	145.08	83.48	1,595.91	84.25	142.89	81.61	1,571.82	82.50
3. Industrial Parks / Industrial zones	2.26	1.33	26.01	1.46	3.93	2.26	47.12	2.49	4.17	2.38	50.02	2.63
4. Factories and others	1.41	0.83	17.65	0.99	1.88	1.08	24.46	1.29	1.89	1.08	24.55	1.29
Total	169.83	100.00	1,785.84	100.00	173.79	100.00	1,894.17	100.00	175.09	100.00	1,905.18	100.00

Remark:

1. Major residential customers are Banchang Waterworks Authority, Universal Utilities Co. Ltd. (Sattahip Waterworks), Mabkha Municipality District and Queen Sirikit Naval Hospital
2. Main customers of the Industrial Estate Authority of Thailand (IEAT) are Maptaphut Industrial Estate (by IEAT Maptaphut), Eastern Industrial Estate, Asia Industrial Estate and RIL 1996 Industrial Estate
3. Major customer of private industrial parks and private industrial zones is Hemaraj Rayong Industrial Land Co. Ltd.
4. Key customers of factories are Rayong Electricity Generating Co. Ltd., PTT PLC., and Tycoons Worldwide Group (Thailand) PLC.

In Chonburi area, the majority of customers are residential and public industrial estate, which is 77.0% and 22.0% of total sales. Key customers are the Provincial Waterworks Authority Office of Laemchabang, Pattaya, Chonburi and Sriracha; followed by the Public Industrial Estate segment, specifically Industrial Estate Authority of Thailand Laemchabang Office (IEAT Laemchabang). Volume and revenue of raw water sales by customer segments are presented in Table 11.2

Table 11.2 Raw water sales volume and value by customer segments in Chonburi

(Volume: Million Cu. M., Value: Million THB)

User Type	2013				2014				2015			
	Volume	%	Value	%	Volume	%	Value	%	Volume	%	Value	%
1. Residential	53.36	70.80	551.10	70.43	50.36	72.38	498.56	70.19	64.12	77.04	634.81	75.11
2. Industrial Estate of Government	21.82	28.95	229.12	29.28	19.05	27.38	209.58	29.51	19.01	22.85	209.20	24.75
3. Industrial Parks / Industrial Lands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Factories and others	0.19	0.25	2.31	0.30	0.17	0.24	2.15	0.30	0.09	0.11	1.19	0.14
Total	75.37	100.00	782.53	100.00	69.58	100.00	710.30	100.00	83.23	100.00	845.20	100.00

Remark:

1. Major customers in residential category are the Provincial Waterworks Authority, which are Laemchabang Waterworks, Pattaya Waterworks, Chonburi Waterworks and Sriracha Waterworks.
2. Key customers in Industrial Estate of the Government are Laemchabang Industrial Estate (IEAT Laemchabang) and Pinthong Industrial Park 1 and 2
3. Major water users in factory segment are Thai Oil PLC., Sahacogen (Chonburi) PLC, and IPT PLC.

In Pluakdaeng and Bowin area, the majority of water sales, approximately 63.7%, is from the industrial estate established by the Government. Key customers are Hemaraj Industrial Estate Group, Amata City Industrial Estate. The residential segment represents 35.8% of total sales and key customers are the Provincial Waterworks Authority Pattaya Office and Nongdong Water Filtration Plant. Detail of raw water sales by segments is presented in Table 11.3

Table 11.3 Raw water sales volume and value by customer segments in Pluakdaeng and Bowin Area

(Volume: Million Cu. M., Value: Million THB)

User Type	2013				2014				2015			
	Volume	%	Value	%	Volume	%	Value	%	Volume	%	Value	%
1. Residential	5.91	26.24	58.60	26.25	6.21	26.71	64.45	26.45	8.47	35.76	83.83	33.35
2. Industrial Estate of Government	16.38	72.70	161.95	72.53	15.76	72.15	176.05	72.24	15.08	63.68	165.88	65.99
3. Industrial Parks/ Industrial Land	0.10	0.45	1.11	0.50	0.13	0.57	1.51	0.62	0.02	0.09	0.27	0.11
4. Factories and Others	0.14	0.61	1.62	0.73	1.15	0.58	1.68	0.69	0.11	0.47	1.40	0.56
Total	22.53	100.00	223.29	100.00	23.24	100.00	243.70	100.00	23.68	100.00	251.38	100.00

Remark:

1. Main customer in residential category is Nongkhlangdong Water Filtration Plant
2. Key customers in Industrial Estate established by the Government category are Hemaraj Industrial Estate Group, Eastern Seaboard Industrial Estate and Hemaraj Eastern Seaboard Industrial Estate
3. Main customer in industrial parks and industrial lands type is G.K. Land Co. Ltd.
4. Main user from factory type is Glow SPP 11 Co. Ltd.

In 2015, the major water users in Chachoengsao area are the residential and the industrial estate of the Government, contributed 62.1% and 29.7% of total water sales respectively. Key customers in this area are Wellgrow Industrial Estate, Bangpakong Waterworks, Chachoengsao Waterworks, Toyota Motors Thailand Co. Ltd., BPK Power Supply Co. Ltd., Wyncoast Industrial Park PLC., Sumico Vanachai Co. Ltd. and Universal Utilities Co. Ltd. (Chonburi Project). Statistical information on the water sales volume and value by segments is presented in Table 11.4

Table 11.4 Raw water sales volume and value by segments in Chachoengsao

(Volume: Million Cu.M., Value: Million THB)

User Type	2013				2014				2015			
	Volume	%	Value	%	Volume	%	Value	%	Volume	%	Value	%
1. Residential	6.73	70.72	70.25	68.75	8.63	63.33	65.27	53.12	8.96	62.07	75.60	54.73
2. Industrial Estate of Government	1.38	14.53	14.51	14.20	3.64	26.72	40.06	32.60	4.28	29.65	47.10	34.09
3. Industrial Parks and Industrial Land	0.122	1.29	1.41	1.38	0.08	0.62	1.01	0.82	0.10	0.69	1.19	0.86
4. Factories and Others	1.28	13.46	16.01	15.67	1.27	9.33	16.54	13.46	1.10	7.59	14.25	10.32
Total	9.51	100.00	102.18	100.00	13.63	100.00	122.88	100.00	14.44	100.00	138.14	100.00

Remark:

1. Major customers in residential sector are Bangpakong Waterworks and Universal Utilities Co. Ltd. (Chonburi)
2. Main user in industrial park and industrial land type is Wellgrow Industrial Estate
3. Key customers in factory type are Toyota Motor Thailand Co. Ltd., BPK Power Supply Co. Ltd. and Wyncoast Industrial Park PLC

12. Raw water source and rights to buy raw water

Today, the Company has received a license to use raw water from Nongkho Reservoir, Dokkrai Reservoir, Nongplalai Reservoir, Bangpra Reservoir and Khlongnueangkhet Canal from the Royal Irrigation Department for 5 years (Detail is summarized in table 2.6)

In considering to raw water tariff bought from the Royal Irrigation Department, the Company pays the water tariff at the rate as specified in the Notification of the Ministry of Agriculture and Cooperatives No11 (1975), signed by the Minister of Agriculture and Cooperatives. The water tariff is collected from water users in factory, waterworks and other business within or outside the irrigation zone. The rate is the same nationwide and change of

water tariff rate shall be according to the Notification of the Ministry of Agriculture and Cooperatives in the future. However, from the record, the Royal Irrigation Department has never changed the rate since the first Notification of the water tariff rate

Detail of raw water bought from the Royal Irrigation Office within 3 years is shown below.

2013		2014		2015	
Volume (Cu.M)	Value (THB)	Volume (Cu.M)	Value (THB)	Volume (Cu.M)	Value (THB)
275,173,767	137,586,884	279,330,495	139,665,248	294,657,631	147,328,816

Remark: The Royal Irrigation Department charges the irrigation fee monthly at THB 0.20 per cubic metre for the first 50,000 cubic metre. The water volume over 50,000 cubic metres but not exceed 100,000 cubic metres will be charged at the rate THB 0.30 per cubic metre. And over 100,000 cubic metres will be charged THB 0.50 per cubic metre. Decimal unit of cubic metre shall be round up as 1 cubic metre.

13. Seasonal effects to Business

Season has slight impact on the operation of the Company as the business is related to water resources. The residential sector demands higher water consumption than usual in drought season, but not the case in industrial sector with less impact from the season. However, some customers construct water reserve pond to collect water during rainy season and as an alternative sources, which can reduce water consumption partially in the rainy season.

The season has an impact to the Company's raw water reserve. Water reserve in the reservoir during the rainy season is increasing due to the rainfall, but lower during drought season from water consumption. Nevertheless, the Company has never experience lose sale from water shortage up to now.

14. Distribution Capability and Plan

As of December 31st, 2015 the Company has managed the water pipelines in the Eastern coast with total length of 399.65 kilometers. Detail is shown in Table 14.1

Table 14.1 Details of the Company's Water Pipelines Network

Water Pipelines System	Diameter Size of Water Pipes (mm)	Length of Water Pipes (km.)	Average Distribution Capacity in the area (million Cu.M./year)
<i>Area: Nongplanlai – Dokkrai – Maptaphut - Sattahip</i>	700–1,500	132.4	316
<i>Area: Nongkho – Laemchabang – Pattaya - Bangpra</i>	600–1,000	74.7	110
<i>Area: Nongplalai – Nongkho</i>	900–1,350	52.5	78
<i>Area: Chachoengsao Province</i>	600–1,500	60.1	65
Bangpakong – Chonburi Pipeline System	800-1,400	80.0	50
Total		399.7	619

Remark: Raw water distribution capacity is calculated based on 24 operating hours a day at the current flow rate of the existing systems. For example, water distribution system of Nongkho – Laemchabang – Pattaya – Bangpra using gravity flow system means capacity of pipeline system operating 24 hours a day for distribution using gravity to transfer water. For water distribution system of Dokkrai – Maptaphut – Sattahip, the pumping system is used to distribute water which means capacity of pipeline system operating 24 hours a day for water distribution through the pipelines using pumps to operate the services.

15. Operation Procedure and Technology

15.1 Operation Procedure and Flow

The procedure to deliver raw water service to the customers is summarized as follow;

1) Project planning includes sourcing and developing water sources, developing feasibility study for risk analysis, break-even analysis prior to invest on pumping station, pipe laying and project control. The process also includes coordination with government agencies and communities since it is related to utilizing natural resources. Process is shown in Diagram 15.1

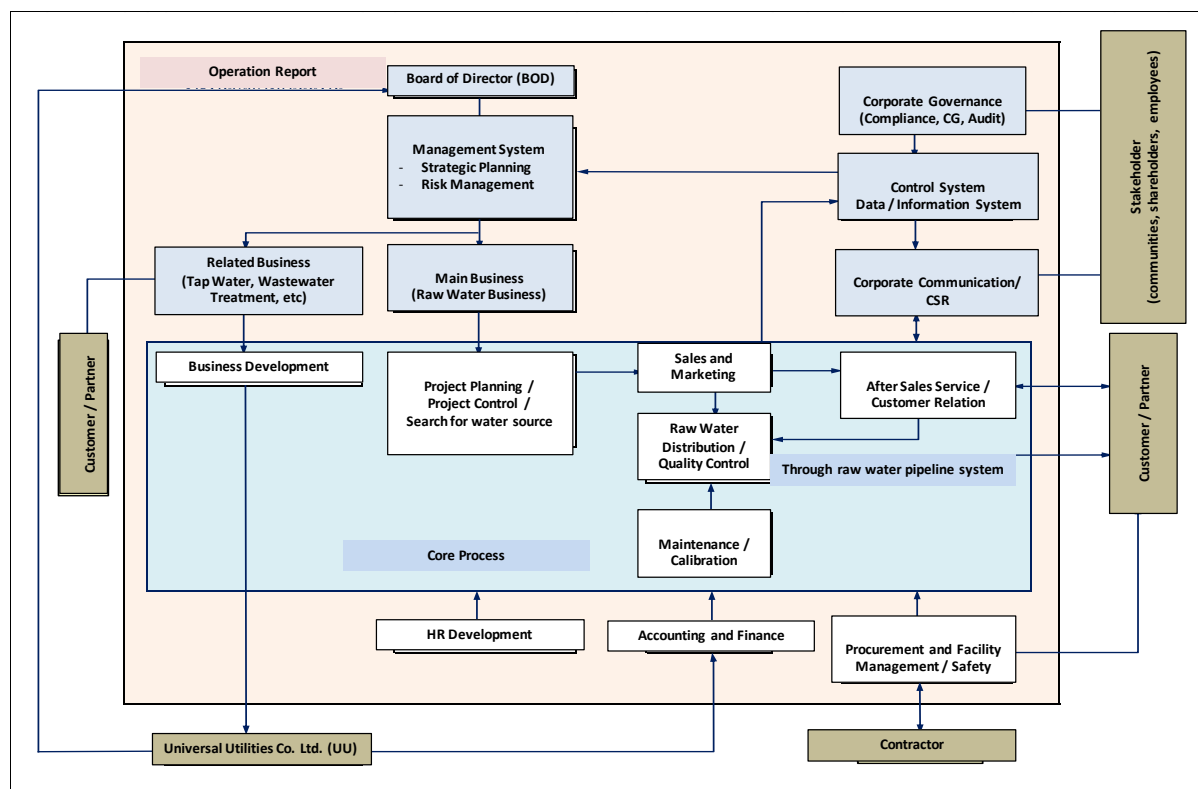


Diagram 15.1 Work Flow of East Water Business

2) Sales and marketing process is the procedure to study water demand of customer, forecast future water consumption, allocate water for distribution to each customer, specify connecting point and control construction of water pipe laying and installation of meter station. Negotiation for water sales contract is also included.

3) Raw water pumping and distribution System is the process to pump water from reservoirs or natural ground water to customers at the requested amount. East Water employs SCADA system to control the water distribution system with close monitoring on water flow rate, water pressure from the reservoir and natural sources to pipeline system and also water receiving station at customer premise.

4) Maintenance and Calibration is the process to maintain stability and increase efficiency of the distribution system by preventive maintenance, repair and calibration equipment for preciseness and ready to use. The process will prolong the machines and equipment lifetime and reduces investment burden.

5) Customer Relation Management Program (CRM) is the process to collect information of customer needs for effective after sales service planning and complaint management. CRM activities are arranged to strengthen relationships and to promote better understanding to the customer.

6) Human Resources Management includes employee recruitment and selection, performance evaluation, personnel training and development to increase the capability and efficiency of personnel as required in each role and responsibility and also enhancing good working environment.

7) Accounting and Finance comprises of accounting and financial report preparation in responding to law, accounting standard, notification and related regulations. The responsibility also includes finance management and investment control for revenue and expense under budget of the Company. Moreover, financial analysis for decision making shall be reported to management team consistently.

8) Procurement and Facility Administration process includes planning and controlling equipment supply at the great benefit to the Company, managing office and facilities and also handling safety and occupational health of employee in accordance to the Company's policy, regulations and related law.

9) Corporate Social Responsibility (CSR) process is conducted to ensure that the organization is able to operate with responsibility to the society, communities and environment. The CSR activity aims to return profit to the society by supporting communities in the operating area, enhancing people to realize the importance and value of water and to conserve the water resource, which result in business sustainability of the Company.

15.2 Controlling Technology for Raw Water Pumping and Distribution

The Company employs the SCADA system or Supervisory Control and Data Acquisition to control water pumping and distribution system in the responsible area; Rayong, Chonburi and Chachoengsao with consistent development and improvement for efficient water management system. SCADA is remote controlling and evaluating system, employing Programmable Logic Controller (PLC) by computer and other data communication system such as fiber optic, wireless networks, telephone, GPRS, ADSL and 3G, etc. Furthermore, the system is able to report system status real time, which allows precise control of water distribution system and also reduce the cost of personnel in the control center.

Currently, the Company has centralized SCADA system at Maptaphut water receiving station, called "Control Center". The control center is established to integrate controlling system of the slave station located in many locations such as water pumping station, head tank station and water receive pond of the customer, etc. In the slave station, the control equipment receives data signal from various metering devices such as flow meter, pressure meter, temperature meter and other sensors. Major data received will be presented on big screen and detail will be shown on the computer screen in the control center. Important data for distribution system such as water flow rate, water pressure and temperature of equipment and machine are communicated to the control center and processed to the computer for evaluation. Data is used to control the water distribution system to be more efficient.

In addition, the Company has developed the integrated SCADA system to link with other operation units which allows controlling and monitoring water distribution system in the Rayong, Chonburi and Chachoengsao from the head office in Bangkok and Maptaphut control center. The information received from the control center is used in operation and management by analysing and comparing system status of each control center at the slave station. The system also reports the behavior of water users in each period for further study to improve the appropriateness and efficiency of water distribution system at maximum.

For data communication through SCADA system, the Company realizes that 3G communication system covers the operating area of the Company thoroughly and the service is more stable. Therefore, the Company has started to change the communication system to 3G in 30 slave stations at the beginning.

In the future, the Company plans to improve the security system of SCADA's Ethernet system by increasing firewalls, classifying network ID to protect SCADA system from network intrusion and checking license for using SCADA system every time before reaching data.

15.3 Environmental Impact

The Company has protected the environmental impact according to the standards, laws and regulations; and the Company has no disputes related to environmental problem since the beginning. In addition, the Company achieved quality management system certificate ISO 9001:2008 since 1999 and environmental management system certificate ISO 14001:2004 from BVC (Thailand) Ltd. since 2002.

15.4 Project under construction

1) Khlong Tabma raw water reserve pond is developed to increase water supply source of the Company to serve future water consumption demand in Rayong area. Total capacity is no less than 47 million cubic metres annually with total investment budget at the amount of THB 2,203 million. The project is expected to finish in December 2015, however, due to the flood in the construction area, the Company has to change the construction plan to raise the wall of pumping station and lift up the platform of electricity room over the flood level. The construction timeline is extended to finish in July 2016.

2) Prasae Reservoir – Nongplalai Reservoir raw water pipeline system is established to increase water supply source of the Company to cope with future water consumption demand in Rayong and Pluakdaeng – Bowin area with distribution capacity at 70 million cubic metres annually. Investment budget is approximately THB 2,835 million and the project is expected to finish in September 2016.

3) Nongplalai – Nongkho raw water pipeline system line 2 is constructed to increase potentiality in water distribution in area of Pluakdaeng – Bowin to serve water consumption demand from Independent Power Plant (IPP) with estimated investment budget THB 407 million. The project is planned to complete in July 2016.

4) Private water ponds raw water pipeline project in Chonburi province (and construction of booster pump station) is established to solve drought problem in both short term and long term period and to ensure the stability of water source by buying raw water from private pond. Investment budget of the project is approximately THB 202 million and the project is planned to complete in July 2016.

3. Risk Factors

The Company is aware of several risk factors that can have an impact to the business operations. Therefore, the Company has evaluated the possibility and impact of risks on business by preparing risk management plan regularly to handle different risk circumstances. Furthermore, the Company also assigns the Risk Management Committee of the Company to set policy and monitor risks management, especially corporate risks by revising the risk assessment guidelines and monitor the progress continuously every year. Summary of risk factors in 2015 with significant meaning to the Company is as follow.

3.1 Water resource and distribution system risks

1) Insufficient Water Supply

Due to the El Nino phenomenon, the rainfall during June to September 2015 was lower than average rate, especially in Chonburi and Chachoengsao area. The Company watched out the water situation in the East closely, particularly the water situation in Bangpra and Nongkho Reservoir in Chonburi and Chachoengsao area; and used many measures to solve drought problem. Main measures are 1) to transfer raw water from Prasae Reservoir to Nongplalai Reservoir for sufficient water distribution to Rayong – Bowin – Pluakdaeng and Chonburi area, 2) to speed up the project of pipeline system construction Nongplalai – Nongkho line 2 to increase the capacity of water diversion from Nongplalai Reservoir to Chonburi area and 3) to buy additional raw water from private water pond in Chonburi area to increase water reserve in Chonburi and Chachoengsao area. In addition, the Company also develops Samnakhok water reserve pond and works closely with the Royal Irrigation Office and water consumers to plan water consumption for sufficient water distribution. Implementing the above measures to solve drought crisis, the Company is capable to supply sufficient water to customers and also build trust in customer for the capability of water resource management.

2) Damage of Water Pipeline System

The Company has set the preventive maintenance system by checking pipeline system regularly with maintenance service plan to ensure the efficiency of machines and equipments for continually operation and to prevent damage while operating. The Company also acquires property insurance from the insurance company to cover all damages that may occur with all water pipeline systems, which includes all risks insurance, public liability insurance and business interruption insurance to compensate on loss of income in case the water pipeline system is broken and cannot distribute water to the consumer.

3.2. OPERATIONAL DISRUPTION RISKS

1) Water supply disruption caused by power outages

The Company operates the water distribution services 24 hours daily. Thus, sources of water reserve are necessary for the Company to maintain the service. The Company has several water reserve ponds at different service areas to ensure undistruptive water supply from electricity blackout, pipeline maintenance or joining new pipeline. Currently, the total capacity of water reserve ponds to handle water supply disruptive cases is approximately 116,300 cubic metres, or approximately 17 hours of service for emergency situation in Rayong.

2) Business Disruption from disaster

In the case of flood, fire, earthquake, landslide, terrorism and several form of sabotage such as bomb and riot, the Company has the Business Continuity Plan or BCP to handle those

problems and practice the BCP plan every year. In 2015, the Company practiced the plan in December by simulating the case and called for participation. Employees were trained and arranged to work in the alternate sites while the Company supported equipment, working spaces and practicing resources to practice according to plan and scenario given.

3.3 Financial risk

1) Risk from loan rate increase

With strong financial position and low debt to equity ratio (D/E ratio), the Company has invested mostly in each project by using Long-term bank loan and issuing debentures with a well-managed financial costs. In 2015, the Company reduced financial costs by THB 100 million from loan refinance with the intention to manage the long term liabilities of the Company. In addition, the Company increased the portion of fixed interest rate loans to secure long-term financial costs in the future.

3.4 Risk from Community resistance

The Company has massively intake water from Eastern water resources every year, which may develop misunderstanding and negative image of the Company in the community in the service areas. Thus, the Company has the policy to share five percent of net profit for environment, society and community development in the service areas with the intention to build good relationships and to enhance positive image and understanding in the communities. A number of projects to sustain water resources for local consumption and agriculture such as village tap water along Prasae to Nongplalai pipeline, water reservation network project, tree planting in the Eastern forest project, and Sufficiency-Economy Learning Center are implemented to build good relationship with the community.

4. Operating Assets

4.1. Properties used for the Company and its Subsidiaries, under the Consolidated Financial Statements

4.1.1 Properties, Plants and Equipment – Net as of December 31st 2015 (Consolidated Financial Statements) Details are shown in Table 4.1.1 (1) below;

Table 4.1.1 (1) Land, Properties, Plants and Equipment as of December 31st 2015

Assets	Value (Million Baht)
Lands	495.94
Pumping Plants	1,520.87
Buildings	525.27
Leasehold and Building Improvements	284.44
Machinery and Equipment	9,364.36
Office Equipment	337.49
Vehicles	1.20
Construction in Progress	4,075.06
Total Properties, Plants and Equipment (at cost)	16,604.63
Less Accumulated Depreciation	(3,338.65)
Properties, Plants and Equipment – Net	13,265.98

Details of the Company and its subsidiaries' owned properties, plants and equipment as of December 31st 2015 are shown below.

Assets of the Company as of December 31st 2015 are shown in Table 4.1.1 (2) – 4.1.1 (6)

Table 4.1.1 (2) Lands

Assets	Location	Size (Rai-Ngan-Sq. Meter)	Ownership types	Land Holding Objectives	Obligation
Chachoengsao Project	- Khlong Khuean sub-District, Khlong Khuean District (Bang Khla), Chachoengsao Province (20 parcels in total)	263-0-94	Owned by the Company	- To construct pumping stations and junction well of the Chachongsao project	No Contractual Obligation
	Bangkhwan sub-District (Sampratuan), Meuang Chachoengsao District, Chachoengsao Province (4 parcels in total)	13-3-66	Owned by the Company	- Use for construction of Head tank in Chachongsao project	No Contractual Obligation
Chachoengsao Project (Continue)	- Nongchok sub-District, Ban Pho District, Chachoengsao Province (2 parcels in total)	10-0-00	Owned by the Company	- To install water intake and distribution system in the Bangpakong area.	No Contractual Obligation

Assets	Location	Size (Rai-Ngan-Sq. Meter)	Ownership types	Land Holding Objectives	Obligation
	- Na Mueang sub-District, Mueang Chachoengsao District, Chachoengsao Province (1 parcel in total)	0-1-66	Owned by the Company	- To join the water pipeline into State Railway of Chachoengsao area	No contractual Obligation
Water Reserve pond Project	- Samnakhok sub-District, Mueang Chachoengsao District, Chonburi Province	189-5-85	Owned by the Company	- To use as a water reserve pond for Chachoengsao area.	No Contractual Obligation
Pumping Station Project	Motorway Rd, Bangpakong District, Chachoengsao Province	37-3-46	Owned by the Company	- To construct water pumping plant for Bangpakong-Chonburi project	No Contractual Obligation
Nongkho Junction Well	- Nongkham sub-District, Sriracha District, Chonburi Province	19-2-10	Owned by the Company	- To construct junction well for Nongplalai - Nongkho pipeline system	No Contractual Obligation
Bangkok Headquarter Project	- Lat Yao Sub-district, Bang Sue District, Bangkok	1-2-48	Owned by the Company	- Use as the Company's Headquarter	No Contractual Obligation
Mapka Pond project	- Nonglalo Sub-District, Ban Khai District, Rayong Province	150-2-30.1	Owned by the Company	- To construct junction well for Nongplalai to Maptaput pipeline system	No Contractual Obligation
Regulating Well Project	- Surasak Sub-district, Sriracha District, Chonburi province	3-0-0	Owned by the Company	- To construct junction well for Nongplalai to Nongkho pipeline system	No Contractual Obligation
Rayong Pumping Station	- Choengnoen Sub-district, Mueang District, Rayong Province (Land next to Rayong river)	3-3-62.5	Owned by the Company	- To build pumping station to distribute water for Nongplalai to Maptaput pipeline system	No Contractual Obligation
Prasae - Nongplalai Reservoir Pipeline Project	- Nongrai Sub-district, Pluakdaeng District, Rayong province	3-0-0	Owned by the Company	- To construct water pumping and distribution station for Prasae to Nongplalai pipeline system	No Contractual Obligation
Raw Water Pipeline Project for Private Pond	- Samnakhok Sub-district, Mueang District, Chonburi Province	4-3-49	Owned by the Company	- To construct pumping plant for high pressure pumps	No Contractual Obligation

Assets	Location	Size (Rai-Ngan- Sq. Meter)	Ownership types	Land Holding Objectives	Obligation
in Chonburi province					

Table 4.1.1 (3) Buildings

Assets	Location	Types of ownership	Holding objective	Obligation
The Company's Headquarter	Chompon Sub-district, Chatuchak District, Bangkok	Owned by the Company	The Company's Headquarter	No Contractual Obligation
Building, Building Improvement and signage	Multi-purpose Building, Dok Krai Pumping Station	Owned by the Company	For water pumping distribution	No Contractual Obligation
Building Improvement and Signage	Nongplalai Pumping Station 1	Owned by the Company	For water pumping distribution	No Contractual Obligation
Pumping Plant	Nongplalai Pumping Station 2	Owned by the Company	For water pumping distribution	No Contractual Obligation
Pumping Plant	Nongplalai Pumping Station 3	Owned by the Company	For water pumping distribution	No Contractual Obligation
Pumping Plant	Chachoengsao Pumping Station	Owned by the Company	For water pumping distribution	No Contractual Obligation
Pumping Plant	Bangpra Pumping Station	Owned by the Company	For water pumping distribution	No Contractual Obligation
Pumping Plant	Bangpakong Pumping Station	Owned by the Company	For water pumping distribution	No Contractual Obligation
Building, Building improvement and signage	Maptaput Water Receive Station	Owned by the Company	For water pumping distribution	No Contractual Obligation
Building and signage	Laemchabang Water Receive station	Owned by the Company	For water pumping distribution	No Contractual Obligation
Office building	Chachoengsao Head Tank Station	Owned by the Company	For water pumping distribution	No Contractual Obligation
Others		Owned by the Company	For water pumping distribution	No Contractual Obligation

Table 4.1.1 (4) Pumps, Pipelines, Junction Well and other equipment

Assets	Location	Types of ownership	Holding objective	Obligation
<u>Ravong Area</u>				
Pumps	-Nongplalai Pumping Station 1	Owned by the Company	- For raw water pumping from booster pump station for distribution to Pluakdaeng - Borwin area	No Contractual Obligation
Pumps	-Nongplalai Pumping Station 2	Owned by the Company	- For raw water pumping and distribution from Nongplalai to Maptaphut area	No Contractual Obligation
Pumps	-Nongplalai Pumping Station 3	Owned by the Company	- For raw water pumping and distribution from Nongplalai to Maptaphut area	No Contractual Obligation
Pumps	- High Pressure Pumping Station	Owned by the Company	- For water pumping and delivering from Nongplalai to Pluakdaeng - Borwin area	No Contractual Obligation
Pumps	- Dokkrai Pumping Station	Owned by the Company	- For water pumping and distributing from Dokkrai reservoir to Maptaphut	No Contractual Obligation
Pumps	-Maptaphut Pumping Station	Owned by the Company	- For water pumping and delivering from Maptaphut to Sattahip	No Contractual Obligation
Pumps	- Rayong River Pumping Station	Owned by the Company	- For water pumping and delivering from Rayong river to Maptaphut	No Contractual Obligation
<u>Chachoengsao Area</u>				
Pumps	<u>Chonburi</u> - Khlong Khuean Pumping Station	Owned by the Company	- For water pumping and distribution from Bangpakong river to Chachoengsao area	No Contractual Obligation
Pumps	-Water Reserve Pond Pumping Station	Owned by the Company	- For water pumping and delivering from Bangpakong river to Chachoengsao area	No Contractual Obligation
Pumps	- Samnakhok Pumping Station	Owned by the Company	- For raw water pumping and delivering from Samnakhok to Chachongsao	No Contractual Obligation
Pumps	- Suanson pumping station	Owned by the Company	- For water pumping and delivering from Khlong Nakhon Nueang Khet to Chachoengsao	No Contractual Obligation
Pumps	- Nongkho Pumping Station	Owned by the Company	- For water pumping distribution from Nongkho Reservoir to Laemchabang and Pattaya area	No Contractual Obligation
Pumps	- Bangpakong Pumping Station	Owned by the Company	- For water pumping and distributing from Bangpakong River to water users in Chonburi, Bangpra Reservoir and Chachoengsao	No Contractual Obligation

Assets	Location	Types of ownership	Holding objective	Obligation
Pumps	- Low Pressure Pumping Station	Owned by the Company	- For water pumping and transferring from Bangpakong River to Bangpakong pumping station	No Contractual Obligation
Pumps	- Bangpra Pumping Station 2	Owned by the Company	- For water pumping and distributing from Bangpra Reservoir to customers in Chonburi areas	No Contractual Obligation
Pumps	- Nongkho Pumping Station	Owned by the Company	- For raw water pumping and delivering from Nongkho Reservoir to Borwin and Pluakdaeng areas	No Contractual Obligation
Pipeline	- Nongplalai to Maptaphut Pipeline (Nongplalai Pumping Station 2)	Owned by the Company	- For raw water transfer from Nongplalai Reservoir to Maptaphut area	No Contractual Obligation
	- Nongplalai to Maptaphut Pipeline (Nongplalai Pumping Station 3)		- For raw water transfer from Nongplalai Reservoir to Maptaphut area	No Contractual Obligation
	- Connecting Pipelines for Nongplalai Reservoir - Nongkho pipelines system to Nongkho - Laemchabang pipelines system		- To transfer raw water from Nongplalai – Nongkho pipelines to Nongkho - Laemchabang pipelines	No Contractual Obligation
	-Chachoengsao - Bangpakong and Chonburi pipeline (By-Pass)		- To receive raw water pumped from Bangpakong River and distribute to Chachoengsao, Bangpakong and Chonburi areas	No contractual Obligation
	- Rayong River - Mapka pipeline		- To receive raw water pumped from Rayong river and transfer to Nongplalai to Maptaphut pipeline system	No Contractual Obligation
	-Bangpra pipeline		- To receive pumped water from Bangpra Reservoir and transfer to Nongkho - Laemchabang pipeline system	No Contractual Obligation
	- NK-Bypass 2 pipeline		- To receive pumped water from Nongplalai – Nongkho pipeline system and transfer to Nongkho - Laemchabang pipeline system	No Contractual Obligation
	- Nongkho reservoir - Sriracha waterworks pipeline		- To receive pumped water from Nongkho - Laemchabang pipeline system and transfer to Sriracha Waterworks Authority	No Contractual Obligation

Assets	Location	Types of ownership	Holding objective	Obligation
	-Bangpakong - Chonburi pipeline		- To increase stability of water distribution along new Bangpakong - Chonburi pipeline system, which is constructed in parallel to the existing Bangpakong to Chonburi pipeline system.	No Contractual Obligation
Junction Well	- Rayong to Chonburi province • Mabka Sub-district • Nongkham Sub-district	Owned by the Company	- The supervisory control and data acquisition system for water pumping and distribution. - Water reserve source (for customers in Maptaphut and Sattahip area) - Water reserve source (for customers in Chonburi, Pluekdaeng and Borwin area)	No Contractual Obligation No Contractual Obligation No Contractual Obligation
	- Chachoengsao to Chonburi Province	Owned by the Company		No Contractual Obligation
	• Khlongkhuean Sub-district • Samnakbok Sub-district		- Water reserve source (for customers in Chachoengsao area) - Water reserve source (for customers in Chachoengsao area)	No contractual Obligation No contractual Obligation
SCADA system	- Operation areas in Rayong, Chachoengsao and Chonburi Provinces	Owned by the Company	- The supervisory control and data acquisition system for water pumping and distribution.	No Contractual Obligation

The Company is holding the leasing contracts with the Ministry of Finance to operate and manage primary water pipelines in the Eastern region. Operating properties under the leasing contracts such as land and building shall be transferred to the Treasury Department at the end of the contracts. Details of assets under the leasing contracts are shown in Table 4.1.1 (2) – 4.1.1 (6) below;

Table 4.1.1 (5) Properties under the leasing contract – Land

Assets	Location	Size (Rai-Ngan-Sq. Meter)	Land Holding Objectives	Obligation
<u>Dokkrai - Maptaphut Project</u>	- Dokkrai Water Pumping Station (Rayong Province)	16-3-60 4-3-92 17-2-11	For operating Dokkrai - Maptaphut pipeline system	No Contractual Obligation

Assets	Location	Size (Rai-Ngan-Sq. Meter)	Land Holding Objectives	Obligation
	- Head Tank Station (Mapka Sub-district, Rayong province) - Water Receiving Station (Maptaphut, Rayong Province)			
<u>Maptaphut - Sattahip Project</u>	- Head Tank Station (Maptaphut Sub district, Rayong Province) - Water Receiving Station (Chonburi Province)	3-3-11 14-2-54	For operating Maptaphut - Sattahip pipeline system	No Contractual Obligation
<u>Nongkho - Laemchabang Project</u>	At the edge of Nongkho Reservoir and Laemchabang Water receiving station (Chonburi Province)	14-2-84	For operating Nongkho - Laemchabang pipeline system	No Contractual Obligation

Table 4.1.1 (6) Properties under the leasing contract – Building

Assets	Location	Size (Rai-Ngan- Sq. Meter)	Land Holding Objectives	Obligation
<u>Dokkrai - Maptaphut Project</u>				
- Building (pumping plant, electricity station, office, residence, bridge and etc.)	- Dokkrai Water Pumping Station (Rayong province)	3,854.25	For operating Dokkrai - Maptaphut pipeline system	No Contractual Obligation
- Building (headed tank and residents and etc.)	- Head Tank Station (Mapka Sub-district, Rayong Province)	354.00		No Contractual Obligation
- Building (office, water receiving pond, junction well and etc.)	- Water Receiving Station (Maptaphut, Rayong Province)	12,833.55		No Contractual Obligation
<u>Maptaphut - Sattahip Project</u>				
- Building (electricity sub-station, head tank and etc.)	-Head Tank Station (Maptaphut, Rayong Province)	233.55	For operating Maptaphut - Sattahip pipeline system	No Contractual Obligation
<u>Maptaphut - Sattahip Project (Cont.)</u>				No Contractual Obligation

Assets	Location	Size (Rai-Ngan- Sq. Meter)	Land Holding Objectives	Obligation
- Building (residence, water receiving well and water receiving pond and etc.)	- Water Receiving Station (Chonburi Province)	4,370.25		
<u>Nongkho - Laemchabang Project</u> -Building (water receiving well and etc.)	- At the edge of Nongkho Reservoir and Laemchabang Water Receiving Station (Chonburi Province)	231.25	For operating Nongkho - Laemchabang pipeline system	No Contractual Obligation

Properties used for the subsidiary companies, as of December 31st, 2015 are shown in Table 4.1.1 (7) to 4.1.1 (8)

Table 4.1.1 (7) Properties used for the subsidiary companies- Net, as of December 31st, 2015 (after TFRIC 12 Adjustment)

Assets	Value (Million Baht)
Lands	100.34
Pumping Stations	68.66
Buildings	-
Leasehold and Building improvements	11.35
Machinery and Equipment	49.64
Office equipment	34.53
Vehicles	0.11
Construction in progress	0.54
Total Properties, Plants and Equipment (at cost)	265.17
<u>Less</u> Accumulated Depreciation	(80.50)
Properties, Plants and Equipment – Net	184.67

Major lands, buildings and equipment owned by the Subsidiary Companies as of December 31st, 2015 are shown in Table 4.1.1 (8) and 4.1.1 (9)

Table 4.1.1 (7) Lands

Assets	Location	Size (Rai- Ngan-Sq. Meter)	Ownership types	Land Holding Objectives	Obligation
Samui Island Waterworks	Bophut Sub-district, Koh Samui District, Suratthani Province	5-1-60.2	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation
Sattahip Waterworks	Najomtien Sub-district, Sattahip District, Chonburi Province	0-3-0	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation
Ratchaburi Waterworks	Phongsawai Sub- district, Mueang Ratchaburi district, Ratchaburi province	8-0-26	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation
Ratchaburi waterworks	Phaengphuai Sub- district, Muang Ratchaburi District, Ratchaburi Province	13-2-70	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation

Table 4.1.1 (8) Buildings

Assets	Location	Types of ownership	Holding objective	Obligation
Sattahip Waterworks	Sattahip Sub-district, Sattahip District, Chonburi Province	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation
Borwin Waterworks	Borwin Sub-district, Sriracha District, Chonburi Province	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation
Rayong Waterworks	Namkhok Sub-district, Muang Rayong District, Rayong Province	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation
Nongkham Waterworks	Nongkham Sub-district, Sriracha District, Chonburi Province	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation

Assets	Location	Types of ownership	Holding objective	Obligation
Chachoengsao Waterworks	Namueang Sub-district, Muang District, Chachoengsao Province	Owned by a group of Subsidiary companies	For tap water business operation	No Contractual Obligation
Bangpakong Waterworks	Bangwua Sub-district, Bangpakong District, Chachoengsao Province	Owned by a group of subsidiary companies	For tap water business operation	No Contractual Obligation

The group of subsidiary companies has received major operation assets from the Provincial Waterworks Authority (PWA) for tap water operations under four concessions, which are Sattahip, Bangpakong, Chachoengsao and Nakorn Sawan Waterworks. The assets shall be returned to the Provincial Waterworks Authority when the concessions expired. Details of assets are shown in Table 4.1.1 (9)

Table 4.1.1 (9) Lists of operating assets received from the Provincial Waterworks Authority (PWA) under the tap water concession rights

Items	Sattahip Waterworks	Bangpakong Waterworks	Chachoengsao Waterworks	Nakorn Sawan Waterworks
Distribution Pipeline system	/	/	/	/
Pumping Station (buildings and pumps)	/	/	/	/
Tap Water Filtration and Production System	/	/	/	/
Tap Water Storage Tanks and Water Tower	/	/	/	/
High Pressure Pumping Station	/	/	/	/
Other Assets *	/	/	/	/

***Note:** Other assets include main distribution board, low pressure pumps, high-voltage transformer, chemical feed pump and Chlorination Controls tank.

As of December 31st 2015, total project under construction was THB 4,075.06 million, which includes;

(THB million)

Project	Value of the project as of December 31 st 2015
Projects for Raw Water Business	4,074.66
Projects for Tap Water Business	0.40

4.1.2. Net assets, as of December 31st, 2015

The Group of companies has obligated in several form of liabilities, which are guarantees, Avals, mortgages and personal guarantees. Details of those liabilities are;

- The Group of companies had contingent liabilities in respect of being a guarantor to its three subsidiaries for letters of guarantee issued by local commercial banks in a credit limit of THB 200 million for compliance to agreements with respect to their electricity consumption guarantee, tap water production and distribution and water consumers' information records (note to financial statement number 35.4.2)

- The Group of companies had contingent liabilities from letters of guarantee issued by local commercial banks to other parties as following; 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 region, and to the Provincial Electricity Authority and the Royal Irrigation Department for compliance to agreements, and to counterparty for bid bonds and performance bonds at total value of THB 187.4 million and THB 92.2 million, respectively. (2014: THB 133.8 million and THB 83.9 million, correspondingly) (Note to financial statement number 35.4.1)

The Group of companies' net assets shall be equal to net accounting assets at THB 9,499,562,988 and net assets per share was THB 5.71 (as of December 31st 2015 when the Group of companies has 1,663,725,149 registered share) (Calculated information from financial Balance Sheet)

4.2 Concession fees and costs to acquire concession contracts

The Group of Company has received 15 to 30 years concession from the Provincial Waterworks Authority (PWA) to produce and sell tap water. Summary of the concessions is presented in Business Characteristics section, which includes service concession fees, costs to acquire the concessions, especially Universal Utilities Company Limited, Bangpakong Water Supply Company limited, Chachoengsao Water Supply Company limited, and Nakornsawan Water Supply Company limited. As of December 31st 2015, total concession fees are THB 1,289,277,598.53, in according to the interpretation of financial reporting standards TFRS 12 on service concession agreements.

4.3 Investment Policy in the subsidiary and joint venture

Details of the Company's investment in the subsidiaries and joint ventures as of December 31st, 2015 are shown in Table 4.3

Table 4.3 Investment in the subsidiary and joint venture companies, as of December 31st, 2015

Company Name (Subsidiary Companies)	Types of Business	Registered Capital (Baht)	Paid-up Capital (Baht)	% ownership in the subsidiary companies
1. Universal Utilities Co., Ltd* (registered as Public Company Limited on September 9 th , 2015)	Manage tap water business and engineering services	510,000,000	510,000,000	100
2. Bangpakong Water Supply Co., Ltd**	Produce and sell tap water	40,000,000	40,000,000	100
3. Chachoengsao Water Supply Co., Ltd**	Produce and sell tap water	100,000,000	100,000,000	100
4. Nakornsawan Water Supply Co., Ltd**	Produce and sell tap water	40,000,000	40,000,000	100
5. Egcom Tara Co. Ltd** (Became the Company's subsidiary company on August 31 st , 2015)	Produce and sell tap water	345,000,000	345,000,000	90

Note * Owned by the Company ** Owned by the subsidiary company

Total investment in the subsidiary and joint venture companies represents = 2.60 percent of total Company's assets, as shown below;

- Investment in related business, specifically to the business that support tap water business such as pipeline management business to reduce water loss in the pipeline system, wastewater treatment business and water management technology and engineering services.
- Investment in service business such as technical assistance and engineering services that aligns to the core business of the Group of companies, responding to the Company's policy to be leader in "Water Solution".

The Company controls the operating policy of the subsidiary companies by appointing directors and representatives from the Board of Director and the Company's management to share operating policy and appoint subsidiaries' management to follow.

In addition, the Company has appointed the management team of the subsidiary companies to report the performance quarterly and annually to follow up progression in accordance to the given plans and policies.

4.4 Property Insurance on the Company's assets

The Company has acquired various property insurance to cover potential losses of assets (all risk coverage) from any causes of business interruption and liability to public with Dhipaya Insurance Public Company Limited. The insurance coverage period is from December 31st, 2014 to December 31st, 2015.

1) Property insurance transferred from the Ministry of Finance

1. Property insurance number	14016-114-150003092
Types of coverage	<p>“All risk insurance” from any accidents and physical damages under conditional agreements and exceptional causes with limited liabilities as shown below;</p> <ul style="list-style-type: none"> - Flood, total coverage not exceed THB 20,000,000 per time - Storm and earthquake coverage at 10 percent of sum insured but not exceed THB 50,000,000, and for each location and case total not exceed THB 1,000,000 per time. - Riot, strike and other barbaric actions with bad intentions cover at total but not exceed THB 200,000,000 per time.
Net Insurance premium	THB 2,821,315.01 (duty and tax inclusive)
Sum Insured	THB 2,626,237,648.31
Insured property	Assets transferred from the Ministry of Finance Total value THB 2,626,237,648.31
Beneficiary	Ministry of Finance and/or Eastern Water Resources Development and Management Public Company Limited

2. Property insurance number	14016-114-150003630
Types of coverage	Any financial losses on financial impacts from any accident of insured properties in the Chachoengsao to Chonburi and Rayong operating centers. The coverage is for 12 months and does not cover the primary deductible for five days.
Net Insurance premium	THB 429,394.21 (duty and tax inclusive)
Sum Insured	THB 399,704,389.07
Beneficiary	Ministry of Finance and/or Eastern Water Resources Development and Management Public Company Limited

3. Property insurance number	14013-114-150000965
Types of coverage	Legally responsible to external party from any negligence, defective and careless of the Company, employees or properties that cause any damage to human body and properties due to the Company operations.
Net Insurance premium	THB 214,856.00 (duty and tax inclusive)
Insured Conditions	Not exceed THB 50,000,000.00 per time during the coverage period
Deductible	First THB 25,000 for any property damage to external Party
Location insured	Location of the transferred properties from the Ministry of Finance in the areas of Chonburi and Rayong as follow; <ul style="list-style-type: none"> 1) Dokkrai - Maptaphut project 2) Maptaphut - Sattahip project

Beneficiary	3) Nongkho - Laemchabang project
	4) Laemchabang - Pattaya project
	5) Nongplalai - Nong Ko project
	6) Nongkho - Laemchabang (phase 2)
	Ministry of Finance and/or Eastern Water Resources Development and Management Public Company Limited

2) Summary of Property Insurance of the Company

The Company has insured on any property damages caused by any accidents under the agreements, conditions and exceptional of the property insurance, in comply to the GIA form as follow;

1. Property insurance number	14016-114-150003840
Types of coverage	<ul style="list-style-type: none"> - Any losses or physical damages of the insured properties under the agreements, conditions and exceptions on insured property. Any financial lose or reduction of profit from the damages of listed insured property and liabilities to external parties (PL) under the sum insured not exceed THB 10,000,000 per time during the coverage period. - Any financial lose or reduction of profit from the damages of listed insured property
Net Insurance premium	THB 832,644.04 (duty and tax inclusive)
Sum Insured	THB 775,071,099.50
	<ul style="list-style-type: none"> - Property insurance at THB 696,071,099.50 - Business Interruption insurance at THB 79,000,000.00
Location insured	Easter Water Resources Development and Management public company Limited (Head office) 1 Vibhavadi Rangsit Rd. Chomphol, Chatuchak, Bangkok
Insured property	<ul style="list-style-type: none"> - Building (exclude foundation) includes furniture, decoration, fixture, building improvement, office equipment, computer, electronic devices, lifts, electricity generators, satellite antenna and facilities such as electricity, water, lighting, telephone, air condition, sprinkler system and other facilities, fence, pathway, door, floor, marble wall, architect, machines, other equipment and other operation-related assets and assets under supervision by the assured representing the receiver. - Gross profit - An increase of operating expenses
2. Property insurance number	14016-114-150003081
Net Insurance premium	THB 9,377,331.27 (duty and tax inclusive)
Sum Insured	THB 8,728,945,213.61
Location insured	1. Chachoengsao-Chonburi Operation Center 54/1 Moo 1 Bangkhwan Sub-district, Mueang

Insured property	<p>Chachoengsao District, Chachoengsao Province</p> <p>2. Rayong Operation Center</p> <p>477 Sukhumvit Rd. Huaipong sub-district, Mueang Rayong District, Rayong province</p> <p>Building (exclude foundation) includes building improvement, office equipment, machines, tools, operation related equipment, pumping plants including on ground and underground pipelines between the pumping plants and projects as specified in the business plans.</p>
3. Property insurance number	14016-114-150003851
Types of coverage	Any financial losses or profit reduction from financial impacts of listed insured property damage by accident at Chachoengsao - Chonburi and Rayong Operation Center. The insurance coverage is 12 months except five days' deductibles.
Net Insurance premium	THB 1,427,199.17 (duty and tax inclusive)
Sum Insured	THB 1,328,515,610.93
Location insured	<p>1. Chachoengsao-Chonburi Operation Center</p> <p>54/1 Moo 1 Bangkhwan Sub-district, Mueang Chachoengsao District, Chachoengsao Province</p> <p>2. Rayong Operation Center</p> <p>477 Sukhumvit Rd. Huaipong Sub-district, Mueang Rayong District, Rayong Province</p>
Insured property	<p>1. Gross profit</p> <p>2. An increase of operating expenses</p>
4. Property insurance number	14013-114-150000954
Types of coverage	Personal liability to external parties from any negligence, defective and careless of the Company, employees or properties that cause any damage to human body and properties due to the Company operations.
Net Insurance premium	THB 214,856.00 (duty and tax inclusive)
Total liability under the agreement	Not exceed THB 50,000,000 each time during the insurance period
Deductible	First THB 25,000 for any property damage to external Party
Location insured	<p>1. Chachoengsao - Chonburi Operation Center and pipelines, which are;</p> <ul style="list-style-type: none"> - Nongkho - Laemchabang - Bangpra Water Filtration Plant 2 - Nakhonnuangkhet - Sriracha - Bangprakong - Chonburi - Chachoengsao <p>2. Maptaphut Operation Center in Rayong province and pipelines, which includes;</p> <ul style="list-style-type: none"> - Maptaphut

-
- Dokkrai - Maptaphut
 - Rayong River
 - Nongplalai to Nongkho
 - Nongplalai to Maptaphut

5. Litigation

1. The Company has no litigations that have an impact to the Company's assets more than five percent of the shareholders' equity as of December 31st, 2015.

2. The litigations that have a significant impact to the Company and subsidiary companies as of December 31st, 2015.

2.1. The Company had a contract with the Syntec Construction Public Company Limited to build the Company's head office, but the construction was delayed. Therefore, the Company claimed to fine Syntec Construction Public Company Limited at the amount of THB 32,190,000 but was rejected to pay the fine. Syntec Construction Public Company Limited filed the Company at the Civil Court and claimed for contract default compensation of THB 40,226,268.52 on installment number 30 and 31 which were total THB 12,988,396.65, holding by the Company, and advanced payment guarantees and retention money bond. Eight issues in total. Later, the Company recriminated Syntec Construction Public Company Limited (Black case number 6848/2551) and asked for compensation of THB 37,392,536.21 with annual interest of 7.5% (from the principle of THB 34,598,582.21) from Syntec Construction Public Company Limited and guarantee banks. The Civil Court was later commanded to combine those cases.

The Court of First Instance's judgment: the judgment on July 30th, 2010 commanded Syntec Construction Public Company Limited to pay penalty fees to the Company at THB 8,800,000. In return, the Company has to pay the installment number 30 and 31 at the amount of THB 12,988,396.65 and return advance payment guarantees and retention money bonds (8 issuances in total) to Syntec Construction Public Company Limited.

The Appeal Court's judgment: the judgment changed the Court of First Instance's judgment by direct the Company to pay THB 7,606,375.42 to Syntec Construction Public Company Limited. Other decisions followed the previous court's judgment.

On August 30th, 2013 the Company's lawyer proposed to pay THB 13,228,118.51 as part of the Appeal Court's judgment by cashier check and request to return the Kasikorn Bank's guarantee for stay of execution at the Appeal Court.

On September 15th, 2013 the Company received the summons and copy of the petition, which were submitted to the Supreme Court for correction on October 15th, 2013.

Present: The case is being under consideration of the Supreme Court

2.2. Samed Utilities Company Limited is a joint venture company between the Company and Rayong Provincial Administrative Organization with registered capital of THB 60 million for extension and investment in the water business. The joint corporation is also the business model for other infrastructure projects, in the form of public-private partnership or PPP. The Company owns 55 percent of total investment, which is THB 33 million.

Later, Samed Utilities Company Limited selected the J.V.B.H Forever Pure, a joint venture entity between Blue Heart Company Limited (registered under Thailand law) and Forever Pure Corporation (registered under the U.S. law), to construct and install sea water reverse osmosis system. However, the J.V.B.H Forever Pure was not registered as a legal entity in Thailand which is disqualified according to the announcement of bidding. Thus, Samed Utilities Company Limited had not agreed to contract and noticed J.V.B.H Forever Pure to postpone the project. J.V.B.H Forever Pure terminated the contract in accordance with the cancellation of agreement on August 20th, 2013 and sued Samed Utilities Company Limited for termination of the hiring agreement.

On March 24th, 2015 Blue Heart Company Limited, the shareholders of J.V.B.H Forever Pure, has prosecuted Samed Utilities Company Limited as a defender number 1, the Company as a defender number 2 and Mr. Jaroensuk Worapansopak as a defender number 3 at the Civil Court for default of agreement to construct and install sea water reverse osmosis system and asked for compensation at THB 30,852,879.05.

Present: The Civil Court made the judgment and commanded Samed Utilities Company Limited to pay THB 20,450,000 with interest rate of 7.5 percent annually until ending of liability payment (started on February 24th, 2015) to Blue Heart Company Limited. The Civil Court also commanded defender number 1 to pay lawyer fees of THB 10,000 and payback the court fee to the plaintiff, who paid it in advanced.

Notwithstanding, the case is yet to finish. The Company shall request for retrial over the justice of the Court of First Instance. The Civil court agreed and extended the request for trial until January 18th, 2016.

2.3. On January 9th, 2015 the Siam Nissan Eastern 2002 Company Limited (“the plaintiff”) filed and prosecuted State Railway of Thailand (defended number 1) and the Company (defended number 2) at the Civil Court regarding to rental contract default and infringed of land rental overlapped in the area of Chachoengsao train junction station, where the State Railway of Thailand allowed the Company to rent underground for pipeline construction and on ground for the Siam Nissan Eastern 2002 Company Limited’s showroom. The plaintiff asked for compensation at THB 295,853,981.04

Present: The Court appoints the Company to hear the judgment on January 20th, 2016.

6. General Information and other information

Company name	Eastern Water Resources Development and Management Public Company Limited.
Symbol	EASTW
Business Characteristics	Develop and maintain raw water pipeline system for sales to water consumers and offers consulting service on clarified water production and water distribution pipeline system for industrial estates or factories. In addition, the company trades water distribution and transfer equipment and compartments; and provide the repairing and maintaining services on water pipeline, equipment and machines. The Company is opened for joint investment with private company.
Head office's address	1 Vibhavadi Rangsit Rd. Chomphol, Chatuchak, Bangkok 10900
Company registration number	0107539000316 (previous number was Public Company Limited registration number 632), registered on November 18 th , 1996
Website	www.eastwater.com
Telephone number	(662) 272-1600
Facsimile number	(662) 272-1601 to 3
Common stock	As of December 31 st , 2015 the Company has registered and paid-up capital as follow;
Registered capital	1,663,725,149 shares valued THB 1 per share. Total registered capital is THB 1,663,725,149.
Paid-up capital	1,663,725,149 shares valued THB 1 per share. Total paid-up capital is THB 1,663,725,149

List of Business owned by the Company more than 10 percent of total share

Company name	Types of Business	Types of stock	Paid-up capital (THB million)	Percentage of ownership (percentage)
Universal Utilities Public Company Limited (UU) Floor 23-25 Eastwater Building, 1 Vibhavadi Rangsit Soi 5, Chomphon, Chatuchak, Bangkok, Thailand 10900 Tel. +662 2721688 Fax. +662 2721690 to 2	To operate and management tap water and wastewater business under the concession, operating and leasing contracts	Common Stock	510	100
Nakhonsawan Water Supply Co., Ltd Floor 23-25 Eastwater Building, 1 Vibhavadi Rangsit Soi 5, Chomphon, Chatujak, Bangkok, Thailand 10900 Tel. (056) 256-690 and (662) 272-1688 Fax. (056) 256-526 and (662) 2721690 to 2	Manage tap water business, which includes produce, sell and service tap water to Nakhonsawan Waterworks Authority and water consumer.	Common stock	40	(Universal utilities co. ltd. owns 99.99 percent)

Company name	Types of Business	Types of stock	Paid-up capital (THB million)	Percentage of ownership (percentage)
Bangpakong Water Supply Co., Ltd Floor 23-25 Eastwater Building, 1 Vibhavadi Rangsit Soi 5, Chomphon, Chatuchak, Bangkok, Thailand 10900 Tel. (038) 539-365 to 7 and (662) 272-1688 Fax. (038) 539-368 and (662) 2721690 to 2	Manage tap water business, which includes produce, sell and service tap water to Bangpakong Waterworks Authority and water user.	Common stock	40	(Universal utilities co. ltd. owns 99.99 percent)
Chachoengsao Water Supply Co., Ltd Floor 23-25 Eastwater Building, 1 Vibhavadi Rangsit Soi 5, Chomphon, Chatuchak, Bangkok, Thailand 10900 Tel. (038) 814-427 to 9 and (662) 272-1688 Fax. (038) 814-427 and (662) 2721690 to 2	Manage tap water business, which includes produce, sell and service tap water to Chachoengsao Waterworks Authority and end users.	Common stock	100	(Universal utilities co. ltd. owns 98.99 percent)

Reference

Registrar for common stocks

The Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400

Telephone

(66 2) 009 9000

Facsimile

(66 2) 009 9991

Auditor

PricewaterhouseCoopers ABAS Ltd

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

Telephone

(662) 286-9999

Facsimile

(662) 286-5050

PART 2

Management and Corporate Governance

7. Securities and shareholders

7.1. The Company's securities

7.1.1. Registered Capital

As of December 31st 2015, the Company has registered capital at THB 1,663.73 million from 1,663.73 million ordinary shares at THB 1 per share. Changes in registered capital are shown in Table 7.1.1

Table 7.1.1 Changes of registered capital

Month/Years to increase or (decrease) registered capital	Registered capital (THB million)	Increase or (decrease) in registered capital (THB million)	Paid-up capital (THB million)	Objectives to increase or (decrease) registered capital
October 1992	10	-	10	Selling Offered to The Provincial Waterworks Authority for establishing the Company
September 1996	490	480	490	Selling Offered to The Provincial Waterworks Authority and the Industrial Estate Authority of Thailand, according to the Cabinet resolution on August 6 th 1996. The objective of this offer was to expand the project size as approved by the Cabinet.
July 1997	1,000	510	1,000	Public offered at THB 30 per share (Par value at THB 10) for the business expansion
January 1998	1,050	50	1,000	Provisioned for employees rights to exercise warrants
February 2004	1,000	(50)	1,000	Decreased registered capital from THB 1,050 million to THB 1,000 million due to expired warrant.
February 2004	1,050	50	1,000	Increased the registered capital from THB 1,000 million to THB 1,050 million to support the issue of Company's warrant.
June 2004	1,665	615	1,000	Increased registered capital from THB 1,050 million to THB 1,665 million for issue of new ordinary shares and warrants issuance.
May 2005	1,665	0	1,299.69	Changed the par value of the ordinary share from THB 10 to THB 1 in accordance with the resolution of Extraordinary

Month/Years to increase or (decrease) registered capital	Registered capital (THB million)	Increase or (decrease) in registered capital (THB million)	Paid-up capital (THB million)	Objectives to increase or (decrease) registered capital
				General Meeting of Shareholders No1/2005.
December 2007	1,665	0	1,663.73	The paid-up capital after the end of warrant exercising date
January 2008	1,663.73	(1.27)	1,663.73	Registered for capital reduction due to expired warrant.

7.1.2. Corporate Debenture

As of December 31st, 2015 the Company has two debentures that are not at maturity date. Details are shown below;

Table 7.1.2 Corporate Debentures Issuance Detail

Debenture Issuing number	Types of debenture	Amount issued (THB Million)	Period	Maturity date	Interest (Percentage / year)	Remaining value As of December 31 st 2015 (THB million)	Debenture credit rating ⁽¹⁾
1/2015 Issuing number 1	Unsubordinated and Unsecured Debentures without a Debenture holders' Representative in the Name-Registered Certificate	1,200	7 years	16 June 2022	3.84	1,200	A+/Stable
1/2015 Issuing number 2	Unsubordinated and Unsecured Debentures without a Debenture holders' Representative in the Name-Registered Certificate	1,200	10 years	16 June 2025	4.18	1,200	A+/Stable

Remark: ⁽¹⁾ The Company's debentures credit has been assessed and rated by TRIS rating Company Limited on July 4th, 2015.

7.2 Shareholders

First ten major shareholders of the Eastern Water Resources Development and Management Public Company Limited as of the Book closing date on December 30th, 2015 are shown in Table 7.2

Table 7.2 First ten major shareholders of the Company as of December 30th 2015

No.	Shareholder	Number of share owned	%
1	Provincial Waterworks Authority	668,800,000	40.20
2	The 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	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 Co., LTD.	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
	Others	322,775,364	19.40
		1,663,725,149	100.00

Remark:

1. The third major shareholder is listed as the legal entity or nominee account. This shareholder has been verified as the Ultimate shareholder, under the legitimate registration name of Utilico Emerging Markets Limited.

2. The first and fourth major shareholders are representatives from the government. The second shareholder is a legal entity. They are part of the policy makers and govern the Company by appointed their representatives as the Company's directors under consent of the Shareholders' meeting.

3. Shareholders under the Thai NVDR Company Limited are the shareholders who hold the Non-Voting Depository Receipt: NVDR in Section 7. They are not eligible to cast any vote in the Annual General Meeting of Shareholders, except meeting agenda on delisting of the Company from the Stock Exchange of Thailand. The number of the Company's stock under the NDVR change regularly and the Company is not accessible to stock information under NDVR, however, the investors can observe number of Company's stock under the NDVR from the Stock Exchange of Thailand's website: www.set.or.th.

7.3 Dividend payout policy

In case there is no other necessity, the Board of Directors agreed to propose to the Shareholders' meeting to pay out dividend no less than 30 percent of net profits after legal reserve and other necessities as appropriated from consolidated financial statement. As for the dividend payment policy of the subsidiary companies, the liquidity and future investment plans are considered for dividend payment rate according to the policy of the subsidiaries' Board of Directors.

8. Organizational structure

8.1. Organizational structure

The Eastern Water Resources Development and Management Public Company Limited is a listed company in the Stock Exchange of Thailand (SET). The Company develops the organizational structure in accordance with the Stock Exchange of Thailand's Good Corporate Governance principle and intends to be a transparent and auditable organization for the highest benefit of stakeholders; both public and private shareholders, customers and end users of raw and tap water service at most efficient levels.

The Board of Director consists of independent directors not less than one-third of total directors for check and balance with some directors who may have some conflict of interest with the Company. The protocol allows good corporate governance with efficiency and transparency to all stakeholders. Scope of author and responsibility of the Board of Directors' and committees' are written in the Board of Directors' Manual and charters for Committees.

The organizational structure is shown in Figure 8.1.

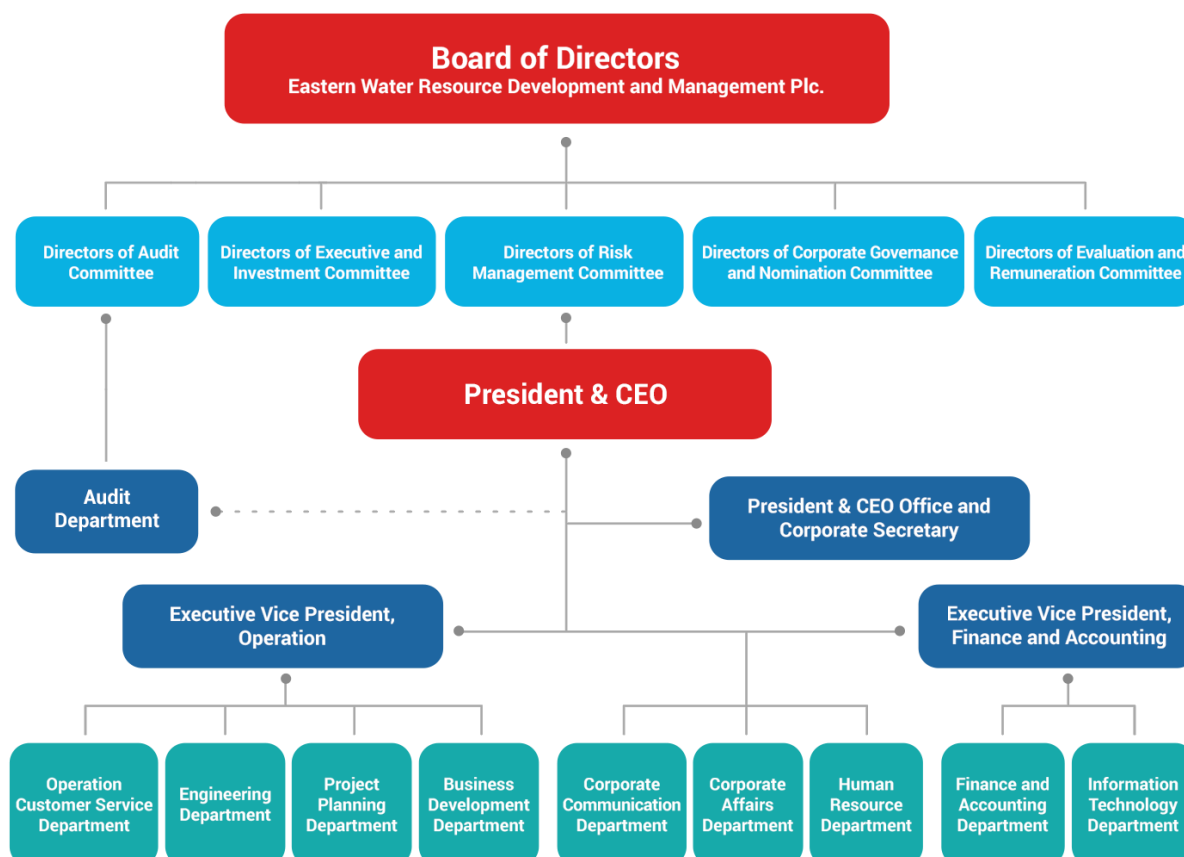


Figure 8.1 Organizational structure

8.2. Board of Directors, Management and Corporate Secretary

8.2.1. Board of Directors

The Board of Director appoints several committees with different specialization such as business management, industrial, accounting and finance, corporate strategy and etc. to support management teams on accuracy, transparency and completeness of their tasks and decisions before proposing to the Board of Directors. The Company has five Committee, which are;

- Audit Committee
- Executive and Investment Committee
- Risk Management Committee
- Corporate Governance and Nomination Committee
- Evaluation and Remuneration Committee

1) Authority and responsibility of the Board of Directors

1). Responsible to manage the Company's business in accordance with the corporate plans and strategies, business target, regulations and resolutions of the Shareholders' meeting.

2). Govern business with honesty, transparency with great concern to all shareholders and stakeholders.

3). The Board of Directors are eligible to authorize or empower their administrative and management power to one or more directors to act in accordance with the Board of Directors' resolutions or decisions unless declined by the Company's article of Association in the written format.

2) Member of the Company's Board of Directors

As of December 31st, 2015 the Board of Directors consists of seven independent directors, 10 non-management directors and directors under nomination as shown in Table 8.2.1 below;

Table 8.2.1 the Board of Directors

No.	Name	Given position in the Board of Directors and Committees
1.	Mr. Wittaya Chaisuwan	Chairman (Independent Director)
2.	Mr. Amorn Laohamontri	Director (Independent Director), Chairman of Audit Committee and Director of Corporate Governance and Nomination Committee
3.	Mr. Phaiboon Siripanoosatien	Director (Independent Director), Chairman of Executive and Investment Committee and Director of Evaluation and Remuneration Committee
4.	Mr. Chanin Tinnachote	Director (Independent Director), Director of Corporate Governance and Nomination Committee and Director of Audit Committee
5.	Pol.Maj.Gen Vichai Sangparpai	Director (Independent Director), Chairman of Corporate Governance and Nomination Committee and Director of Risk Management Committee

No.	Name	Given position in the Board of Directors and Committees
6.	Colonel Premjiras Tanathaipakdee	Director (Independent Director), Director of Evaluation and Remuneration Committee, Director of Executive and Investment Committee, and Director of Risk Management Committee
7.	Mrs. Tatchada Jitmahawong	Director (Independent Director), Director of Corporate Governance and Nomination Committee, and Director of Audit Committee
8.	Mr. Verapong Chaiperm	Director
9.	Mr. Chanin Chaonirattisa	Director
10.	Mr. Eakachai Attakanna	Director

3) The Board of Directors' Meeting

The Board of Directors has arranged the meetings in advance throughout the year, to ensure that the directors can manage their time to attend every meeting. Chairman of the Board of Directors and Chief Executive Officer shall specify the scope and agenda of meeting before assigning to the corporate secretary to include in the meeting agenda for consideration, for information and others with prioritization on the most important or urgent issue. The Board of Directors shall receive the invitation letter to the Board of Directors' meeting together with the meeting agenda at least five day prior to the meeting. Therefore, each director will have sufficient time to study the agenda before the meeting. In the case one or more directors have the conflict of interest in the agenda; they shall not cast any vote or leave the meeting to protect the Company's upmost benefits and rights.

Each meeting shall have a specific and clear meeting agenda. All directors are able to discuss with independent views with minute recorded in the Board of Directors' meeting. The meeting minute shall be circulated to all directors for consideration and verification within 7 days before approving in the next Board of Directors' meeting. All the Board of Directors meeting's resolutions and suggestions must be specific and actionable as working reference of management team according to the resolution of the Board of Directors.

In 2015, there were 16 Board of Directors' meeting. Directors' attendance are summarized and shown below;

Directors				Attendance/ total meeting (time)	Duration in the given position
1	Mr. Wittaya	Chaisuwan	Chairman	16/16	Appointed on December 1 st , 2014
2	Mr. Maitri	Inthusut	Former director	9/13	December 1 st , 2014 – October 1 st , 2015
3	Mr. Sahust	Pratuknukul	Former director	12/13	April 25 th 2012 – September 20 th , 2015
4	Mr. Somnug	Limtongsittikoon	Former director	10/15	April 22 nd , 2014 – November 30 th , 2015
5	Mr. Amorn	Laohamontri	Director	16/16	Appointed on December 1 st , 2014
6	Mr. Phaiboon	Siripanoosatien	Director	16/16	Appointed on December 1 st , 2014
7	Mr. Chanin	Tinnachote	Director	14/16	Appointed on December 1 st , 2014
8	Pol.Maj.Gen Vichai	Sangparpai	Director	15/16	Appointed on December 8 th , 2014
9	Colonel Premjiras	Tanathaipakdee	Director	15/16	Appointed on December 8 th , 2014
10	Mrs. Tatchada	Jitmahawong	Director	15/16	Appointed on December 24 th , 2014
11	Mr. Verapong	Chaiperm	Director	9/16	Appointed on April 25 th , 2012
12	Mr. Chanin	Chaonirattisa	Director	2/3	Appointed on October 1 st , 2015
13	Mr. Eakachai	Attakanna	Director	1/1	Appointed on October 1 st , 2015
14	Mr. Wanchai	Lawattanatrakul	Director and Chief Executive Officer	6/7	August 30 th , 2013 – May 31 st , 2015

4) The meeting of the Independent directors and non-management directors

The Board of Director has set a policy to arrange a Board of Directors' meeting without management director or executive members. In 2015, there was a Board of Directors' meeting without management director or executive members for open discussion on new sources of revenue from new business or business expansion to ASEAN, protocol to prevent conflict with local communities on large construction project, succession plan for the Chief Executive Officer Position, and policies to govern the subsidiary companies.

8.2.2 Executive members

As of December 31st 2015, there are 11 executive members from different positions, which are Acting President and Chief Executive Officer, Executive Vice President, Senior Vice President and Vice President.

Table 8.2.2. Executive members

No	Name	Position
1.	Mr. Jaroensuk Worapansopak	Acting President & CEO Executive Vice President, Operation
2.	Mr. Namsak Wannavisute	Executive Vice President, Finance and Accounting
3.	Mr. Cherdchai Pitiwacharakul	Senior Vice President, President & CEO Office
4.	Mrs. Namphon Rassadanukul	Senior Vice President, Business Development Department
5.	Mrs. Thidarut Kraiprasit	Senior Vice President, Finance and Accounting Department
6.	Mrs. Wirawan Tharanont	Vice President, President & CEO Office and Corporate Secretary
7.	Mr. Sokul Chuepakdee	Vice President, Engineering Department
8.	Ms. Kanyanart Viraphandu	Vice President Corporate Communication Department
9.	Ms. Chinda Mahaisawariya	Vice President, Corporate Affairs Department, General Affairs
10.	Ms. Doungkrat Pitak	Acting Vice President, Human Resource Department
11.	Ms. Tharntip Photisorn	Acting Vice President, Information Technology Department

8.2.3. The Corporate Secretary

The Board of Director (the meeting No2/2015 – February 16th, 2015) appointed Mrs. Wirawan Tharanont to be the Corporate Secretary of the Company. Profile and working experiences are shown below;

Age 56 years old

Current position

- Vice President, President & CEO Office and Corporate Secretary

Education

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University

Training

- Director Certification Program (DCP 192/2014), Thai Institute of Directors
- Anti-Corruption: The Practical Guide (ACPG 8/2014), Thai Institute of Directors

- Management Development Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Organization Risk Management Program, Thai Listed Companies Association
- Corporate Secretary Program, Thai Institute of Directors
- 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 public organization, King Prajadhipok's Institute

Working Experiences

Eastern Water Resources Development and Management Public Company Limited

February 2015 – Present Vice President, President & CEO Office and Corporate Secretary

September 2013 – February 2015 Vice President, Human Resources

January 2009 – September 2013 Vice President, Corporate Affairs

The corporate secretary is responsible to support corporate governance of the Board of Directors, in accordance with laws, regulations related to the business operation under the corporate governance principles. The corporate secretary is also in charge of preparing and collecting important documents by law of the Company, together with disclosing the Company information to the relevant organization. In case of urgency, immediate issues with significant impacts to the Company and Capital Market shall be reported promptly. In addition, the corporate secretary is accountable for arranging the Board of Directors' meeting and Shareholders' meeting as suggested by the Company's Article of Association. Performance evaluation of the Board of Directors by group and individual level for improvement and director orientation for business understanding, including other directors trainings are also a part of corporate secretary's responsibility.

8.3 Responsibility of the Chief Executive Officer

1. Responsible to manage the Company as suggested by the Board of Director's policy. The management manages in accordance with the Vision, Mission and Corporate Plan, which are approved by the Board of Directors of the Company and the resolution of the Shareholder's meeting in compliance with the regulations, objectives, article of associations and laws of Thailand. The Chief Executive Officer also is responsible to monitor the business operation corresponding to the Securities and Exchange Act B.E. 2535 and other related securities and business laws including rules, regulations and practices.

2. Responsible for the Company's management in both developing and managing the main water distribution system in the Eastern coast area, under the transferred concession rights to allocate and sell raw water to industrial estates, factories and other related businesses.

In order that the Board of Directors authorizes the President and CEO to act on their behalf, the authority does not include any approval of actions that may cause the conflict of interest of the President and CEO or any parties.

8.4 Remunerations of Directors and Executives

8.4.1. Remuneration of Directors

The Evaluation and Remuneration Committee is responsible to consider the annual remuneration of the Board of Committee and the management executives and suggests to the Board of Director for approval before proposing to the Annual General Meeting of the Shareholders of the Company. The agenda shall be submitted to the Shareholders' Meeting for approval and the remuneration shall be paid according to the proportion of period in position referent to the Company's net profit, dividend, and performance of the Board of Directors comparing to other companies in the same industry. In the fiscal year 2015, the Annual General Meeting of Shareholders 2015 (on April 27th, 2015) resolved the remuneration of the committee in 2015 as follow.

1) Monthly Remuneration and Meeting Allowance of the Board of Directors and other Committees

1.1 Board of Directors

- Monthly Remuneration THB 30,000 / month / person
- Meeting Allowance THB 10,000 / meeting / person

In case there is more than one meeting in a month, the meeting allowance shall remain at one time a month and the chairman will receive additional 25 percent of remuneration.

1.2 Committees

- Monthly remuneration : None
- Meeting Allowance THB 10,000 / meeting / person

In case there are more than one meeting in a month, the meeting allowance shall not exceed two times / month / person.

2) Bonus of the Board of Directors

The resolution of the Annual General Meeting of the Shareholders 2015 (April 27th, 2015) concludes that the bonus of the Board of Directors shall remain at THB 486,066 per person and the chairman of the Board will receive additional 25 percent. The rate remains the same rate as 2014 and detail is shown in Table 8.4.1

Table 8.4.1 Remuneration of Directors and Executives in the fiscal year 2015 (Unit: THB)

Name of Directors				Period in the Position 2015 (Month)	Meeting Allowance ⁴ Board of Directors	Meeting Allowance ⁴ Committee	Monthly Remuneration of Directors Period in Position (Month)	Bonus from Performance in 2014 paid in 2015
1	Mr. Wittaya	Chaisuwan	Chairman of the Board	12	150,000	-	450,000	50,631.88
2	Sqn. Ldr. Sita	Divaree	Former Chairman ¹ of the Board	-	-	-	-	556,950.63
3	M.L. Panasarn	Hasdin	Former Director ¹	-	-	-	-	445,560.50
4	Mr. Chotisak	Asapaviriya	Former Director ¹	-	-	-	-	445,560.50
5	Gen. Chuchai	Boonyoi	Former Director ¹	-	-	-	-	445,560.50
6	Mr. Parinya	Nakchudtree	Former Director ¹	-	-	-	-	445,560.50
7	Mr. Thairatana	Jotikabhukkana	Former Director ¹	-	-	-	-	445,560.50
8	Mr. Kallayana	Vipattipumiprates	Former Directors ¹	-	-	-	-	445,560.50
9	Gen. Sahachart	Pipithkul	Former Director ¹	-	-	-	-	445,560.50
10	Mr. Verapong	Chaiperm	Director	12	80,000	-	360,000	486,066.00
11	Mr. Sahust	Pratuknukul	Director ²	9	80,000	250,000	270,000	486,066.00
12	Mr. Somnug	Limtongsittikool	Director	11	90,000	-	330,000	324,044.00
13	Mr. Wanchai	Lawattanatrakul	Director	5	40,000	80,000	150,000	486,066.00
14	Mr. Maitri	Inthusut	Director	9	70,000	100,000	270,000	40,505.50
15	Mr. Amorn	Laohamontri	Director ³	12	120,000	270,000	360,000	40,505.50
16	Mr. Phaiboon	Siripanoosatien	Director ³	12	120,000	300,000	360,000	40,505.50
17	Mr. Chanin	Tinnachote	Director ³	12	110,000	270,000	360,000	40,505.50
18	Pol.Maj.Gen. Vichai	Sangparpai	Director ³	12	110,000	100,000	360,000	40,505.50
19	Colonel Premjiras	Tanathaipakdee	Director ³	12	110,000	290,000	360,000	40,505.50
20	Mrs. Tatchada	Jitmahawong	Director ³	12	120,000	270,000	360,000	-

Name of Directors				Period in the Position 2015 (Month)	Meeting Allowance ⁴ Board of Directors	Meeting Allowance ⁴ Committee	Monthly Remuneration of Directors Period in Position (Month)	Bonus from Performance in 2014 paid in 2015
21	Mr. Chanin	Chaonirattisai	Director ²	3	20,000	-	90,000	-
22	Mr. Eakachai	Attakanna	Director	1	10,000	-	30,000	-

Remark:

1. Former chairman of the Board of Directors and directors ended of term before December 31st, 2014
2. Remuneration of Mr. Sahust Pratuknukul, the Board of Directors for at the amount of THB 1,086,066 and for Mr. Chanin Chaonirattisai at the amount of THB 110,000 is processed complying with the rules and regulations of the Electricity Generating Public Company Limited (EGCO) to transfer the remuneration of the directors to Thairakpa Foundation
3. Nominated to be the Company's Directors in accordance with the resolution of the Board of Directors Meeting No.14/2014 on December 24th, 2014
4. Number of meetings attended, Summary in part 2 page 7.

8.4.2 Remuneration of Executives

The directors who are executives of the Company and the executives of the Company in total 11 people shall receive the remuneration for the performance in 2015 in both monthly salary and other compensations in total THB 40,393,587.65

8.5 Management's Securities Holding

The data is recorded as of December 31st, 2015

No.	Name of Directors	Positions	Stocks hold (Stock held/ Holding stock) as of Dec 31 st , 2014	Stocks hold as of Dec 31 st , 2015	Change of Stocks Increase/Decrease In 2015
1.	Mr. Wittaya Chaisuwan ^{1/}	Chairman	None	None	None
	Spouse and Immature Child		None	None	None
2.	Mr. Amorn Laohamontri ^{1/}	Independent Director	None	None	None
	Spouse and Immature Child		None	None	None
3.	Mr. Chanin Tinnachote ^{1/}	Independent Director	None	None	None
	Spouse and Immature Child		None	None	None
4.	Mr. Phaiboon Siripanoosatin	Independent Director	None	None	None
	Spouse and Immature Child		None	None	None
5.	Colonel Premjiras Tanathaipakdee ^{2/}	Independent Director	None	None	None
	Spouse and Immature Child		None	None	None
6.	Pol.Maj.Gen. Vichai Sangparpai ^{2/}	Independent Director	None	None	None

No.	Name of Directors	Positions	Stocks hold (Stock held/ Holding stock) as of Dec 31 st , 2014	Stocks hold as of Dec 31 st , 2015	Change of Stocks Increase/Decrease In 2015
	Spouse and Immature Child		None	None	None
7.	Mrs. Tatchada Jitmahawong ^{3/}	Independent Director	None	None	None
	Spouse and Immature Child		None	None	None
8.	Mr. Chanin Chaonirattisai ^{4/}	Director	None	None	None
	Spouse and Immature Child		None	None	None
9.	Mr. Eakachai Attakanna ^{5/}	Director	None	None	None
	Spouse and Immature Child		None	None	None
10.	Mr. Verapong Chaiperm	Director	None	None	None
	Spouse and Immature Child		None	None	None
11.	Mr. Jaroensuk Worapansopak	Acting President & CEO	None	None	None
	Spouse and Immature Child		None	None	None
12.	Mr. Namsak Wannavisute	Executive VP, Finance & Accounting	549,000	549,000	None
	Spouse and Immature Child		24,580	24,580	None
13.	Mrs. Namphon Rassadanukul	SVP, BD Department	2,000	2,000	None
	Spouse and Immature Child		None	None	None
14.	Mrs. Thidarut Kraiprasit	SVP, Finance & Accounting	630,000	630,000	None
	Spouse and Immature Child		None	None	None
15.	Mr. Cherdchai Pitiwacharakul	SVP, President & CEO Office	None	None	None
	Spouse and Immature Child		None	None	None
16.	Mrs. Wirawan Tharanont	VP, President & CEO Office and Corporate Secretary	None	None	None
	Spouse and Immature Child		None	None	None
17.	Ms. Kanyanart Viraphanda	VP, Corporate Communicati on Department	222,000	222,000	None
	Spouse and Immature Child		None	None	None
18.	Mr. Sokul Chuepakdee	VP, Engineering Department	250	250	ไม่มี
	Spouse and Immature Child		None	None	None
19.	Ms. Chinda Mahaisawariya ^{6/}	VP, Corporate Affairs	60,100	None	60,100

No.	Name of Directors	Positions	Stocks hold (Stock held/ Holding stock) as of Dec 31 st , 2014	Stocks hold as of Dec 31 st , 2015	Change of Stocks Increase/Decrease In 2015
		Department, General Affairs			
	Spouse and Immature Child		None	None	None
20.	Ms. Duangrat Pitak ^{7/}	Acting VP, HR Department	None	None	None
	Spouse and Immature Child		None	None	None
21.	Ms. Tharntip Photisorn ^{8/}	Acting VP, Information Technology Department &	None	None	None
	Spouse and Immature Child		None	None	None

Remark:1/ Nominated as the Company's Directors on December 1st, 2014

2/ Nominated as the Company's Directors on December 8th, 2014

3/ Nominated as the Company's Directors on December 24th, 2014

4/ Nominated as the Company's Directors on October 1st, 2015

5/ Nominated as the Company's Directors on December 1st, 2015

6/ Nominated as the Company's Executives on July 1st, 2015

7/ Nominated as the Company's Executives on July 21st, 2015

8/ Nominated as the Company's Executives on October 1st, 2015

Report on Securities Holding of Management and Former Executives resigned during the year 2015

No.	Name of Directors and Executives	Position	Stocks Hold (Stock held/ Holding stock) as of Dec 31 st , 2014	Stocks Hold as of Dec 31 st , 2015	Change of Stocks Increase/ Decrease in 2015	Resign Date
1.	Mr. Sahust Pratuknukul	Director	None	None	None	30 September 2015
	Spouse and Immature Child		None	None	None	
2.	Mr. Maitri Inthusut	Director	None	None	None	1 October 2015
	Spouse and Immature Child		None	None	None	
3.	Mr. Somnug Limtongsittikool	Director	None	None	None	30 November 2015
	Spouse and Immature Child		None	None	None	
5.	Mr. Pitipong Cheeranont ^{1/}	Director of Business Development Department	None	None	None	1 July 2015
	Spouse and Immature Child		None	None	None	
6.	Mr. Sombat Yusamart ^{2/}	Director of Finance and	None	None	None	21 July 2015

No.	Name of Directors and Executives	Position	Stocks Hold (Stock held/ Holding stock) as of Dec 31 st , 2014	Stocks Hold as of Dec 31 st , 2015	Change of Stocks Increase/ Decrease in 2015	Resign Date
		Accounting Department				
	Spouse and Immature Child		None	None	None	
7.	Mr. Prasit Skulkassareewan	Deputy Director of Audit Department and Acting as Director of Audit Department	None	None	None	30 October 2015
	Spouse and Immature Child		None	None	None	

Remark: 1/ Moved back to take position of executives in the subsidiary companies and resigned on September 15th, 2015

2/ Transferred to be an executive in the subsidiary companies

8.6 Provident Fund Contribution

The Company has set the provident fund by contributing 8 to10 percent of monthly salary. In 2015, the Company has paid the employer provident fund contribution to eleven executives in total amount of THB 1,898,983.43 million.

8.7 Personnel and Human Resources Development Policy

8.7.1 Personnel

As of December 31st, 2015 the Company has employed total 169 staff, separated to 166 full time employee and three subcontract employee. Detail is shown in the Table 8.7.1

Table 8.7.1 Number of Employee in 2015 by department and business unit

Department / Office	Number of Staff (Person)
1. President and CEO Office and Corporate Secretary	13
2. Audit Department	7
3. Executive Vice President, Operation	2
4. Executive Vice President, Finance and Accounting	1
5. Engineering Department	20
6. Operation and Customer Service Department	47
7. Corporate Communication Department	16
8. Business Development Department	10
9. Human Resource Department	10
10. Corporate Affair Department	15
11. Finance and Accounting Department	16
12. Information Technology Department	6
13. Project Planning Department	6
Total	169

8.7.2 Human Resource Development Policy

Personnel Competency Development

The Company has developed the annual human resource training program by developing the curricular to support the competency development of the organization according to the position of each employee. The staff will be trained in each curricular corresponding to the individual development program (IDP). The Company will arrange the effective training program selecting from the famous and reliable institution in particular area as below.

- Top Management and Director Training Program focuses on development of business operation and management, governance and relationships with both government agencies and private sector such as courses and training program of King Prajadhipok's Institute, Thai Institute of Directors (IOD) and Thailand Securities Institute (TSI), etc.

- Middle Management and Supervisor Training Program concentrates in management skill development such as the Manager, the Supervisor, Productivity Excellence and Corporate Plan including Financial Training and special skill development of each position, etc.

- Practitioner Level Personnel Training Program emphasizes on skill development program responding to the position including soft skill and technical skill such as project and contract management, effective and efficient communication, problem solving and decision making and critical strategic analysis, etc.

- Other curricular / program such as "Train the Trainer" program to develop potential staff to have special knowledge and expertise to be the Trainer for other staff in the organization with the aim to support the business expansion in Asean Region. The English Development Program is the initial program developing from classroom training to online training. The Company also conducts the management competency evaluation program in the supervisor level staff or equivalent and upper positions to apply for the individual development program (IDP) in the near future.

Apart from the training for career development, the staff has opportunity to do site visit and train the operation system in other countries.

Since the Company is the water resource organization, the focus is on the energy conservation and environmental concern. The environmental training is set in the annual training program to provide knowledge of environment to staff. Three main courses for environmental training in 2015 are shown below.

1. Occupational Safety, Health and Environment Training Program for both full time and the subcontracted staff

2. "Energy Conservation Mindset" Energy Conservation Program (head office staff)

3. Energy Conservation Program (Rayong office)

In addition, the Company also prepares the Succession Planning Program, especially for the important position in the organization, which is connected to the Career Development Plan of the Company. In case of promotion, the development program will be provided to prepare for improvement in the new position and new responsibility.

The Company has implemented the concept of personnel development in proportion 70-20-10 (referent to The Career Architect Development Planner: 1996, Michael M Lombardo and Rober W. Eichinger) to develop the personnel in the organization. The Company has applied various methods of training and development program. The best result of development program (70%) is the job rotation method as it gives opportunity to staff to learn new tasks and understand other department's roles and responsibilities. It also builds the sympathy among each other and understanding in the importance of teamwork.

In 2015, the Company has implemented the job rotation at 21.89% which is higher rate than other companies in the business and the promotion rate is at 2.96% (referent to the human resource survey in 2014 in subject of Comparison of Job Rotation rate in Thai Company of Thailand Management Association (TMA): TMA has found that the job rotation rate in Thai business is at 5.53% and the promotion rate is at 8.63%)

In addition, the Company has set the clear guideline for the human resource development such as wage and salary restructure design, career management, compensation management, fringe benefits and promotional guideline for each level and position. Detail is communicated to supervisor and staff to understand. Full implementation shall be completed in 2016.



Data Collection, Dissemination and Knowledge Management

Since 2014, the Company has developed the Internal Web system to store important information and know-how from both inside and outside the organization. The system aims to be the center of important systems such as purchasing system, goods receipt system, meeting room reservation, action plan system, KPIs system, customer service system and HRIS system. With the integrated system, staff will receive real time information and reach the information faster with more convenience. It also enhances the efficiency of problem solving decision and self-improvement in each staff, which is the foundation of the sustainable organization.

In 2015, the Internal Web has been developed consistently with increasing access channels which is faster, up to date and more convenient. The web-based system is developed to application in both android and other smart phone system responding to the lifestyle of the employee today.

9. Corporate Governance

The Board of Directors emphasizes and applies corporate governance into the Business operation for upmost benefit of the Shareholders and other stakeholders and also applies Social responsibility to society, community and environment. During 2015, the Company had revised its Corporate Governance and employed the Stock Exchange of Thailand's Corporate Governance principle of 2012 and ASEAN CG Scorecard, as the guidelines to improve of the existing corporate governance principle to meet the international standards.

9.1. Good Corporate Governance policy

The Board of Directors sets the Company's vision, mission and good corporate governance policy in written since August 1st, 2003; and assigns the Corporate Governance and Nomination Committee to revise the good corporate governance principles at least once a year complying with the Stock Exchange of Thailand's and Securities and Exchange Commission's regulations before proposing to the Board of Directors for approval.

The Company has announced the good corporate governance principles to employees at all levels since the orientation date. Employees shall sign for acknowledgement of the business ethics, which is a part of the good corporate governance, to ensure that they are aware and work in complying with the principles. The Board of Directors is also required to sign and acknowledge the Directors' guideline on the orientation date.

The Company's Good Corporate Governance is divided into 5 sections, which are;

- 1). Rights of shareholders
- 2). Equitable treatment of shareholders
- 3). Roles of stakeholders
- 4) Disclosure and transparency
- 5) Responsibilities of the Directors

1. Rights of shareholders

The Company realizes the right of every shareholder, considering basic legal and regulatory rights, equal and fair treat such as policy and direction settings in accordance with the good corporate governance, together with accurate and proper information disclosure with transparency, etc. to enhance valuable and sustainable growth of the Company.

1.1. The Annual General Meeting of Shareholders

Before the meeting

- The shareholders have rights to propose the meeting agenda and to nominate the Director for three months in advance, from October 1st to December 31st, 2015, through the Stock Exchange of Thailand's information portal and the Company's official website.
- The Company informs the date of 2014 Annual General Meeting of Shareholders and the meeting agenda to shareholders via the Stock Exchange of Thailand's information portal and the Company's official website no less than 30 days in advance.
- The company is responsible to send the invitation for Annual General Meeting of shareholders, the agenda with annex information regarding to objectives, reasons, Board of Directors' opinion and proxy form proving in both Thai and English. The invitation and its attachments shall be posted and notify to the shareholders no less than 28 days prior to the meeting.
- The Company advertises the meeting appointment in the newspaper for 3 consecutive days prior to the meeting. The invitation and its attachments are published in the Company's official website no less than 30 days prior to the meeting.

- In case the shareholders cannot attend the meeting, they are eligible to exercise their rights to vote by proxy, which forms regulated by the Department of Business Development, Ministry of Commerce in Proxy form A, B and C are provided. The Company also appoints three independent directors as proxies for shareholders to give authority to attend the meeting and casting votes on their behalf.

The Shareholders' meeting

- The 2014 Annual General Meeting of Shareholders held on Monday April 27th, 2015 from 13.00 P.M. at Makawan Rangsan, the Army Club, Bangkok. The Company employed Inventech Systems (Thailand) Company Limited to facilitate the meeting by using the E-voting software with barcode technology to count shareholders' votes. For the transparency, the Company appointed three independent witnesses from the independent law firm and shareholders' representatives to observe the vote counting process.

- Twelve Directors attended the Annual General Meeting of Shareholders (100 percent of total Directors). Chairman of the Board, Chairman of the Executive and Investment Committee, Chairman of the Audit Committee, Chairman of the Corporate Governance and Nomination Committee and Chairman of the Evaluation and Remuneration Committee were included.

- Top executives of the Company and subsidiary companies, corporate secretary, auditor and lawyers attended the meeting to explain issues regarding to agenda and acknowledge shareholders' opinions.

- Before the meeting started, Chairman informed procedure for vote casting and vote counting on each agenda. Before voting, Chairman allowed shareholders to question and discuss issues relevant to the business operations within appropriated timeframe with equal treatments. After the Directors explained and clarified relevant issues, the shareholders casted their votes for resolution. For the agenda of the Director election, Chairman informed the shareholders to vote nominated directors individually on the ballot.

- Chairman reported the voting result of each meeting agenda to the shareholders before proposing the new agenda and before the Shareholders' meeting adjourned. Chairman conducted the Shareholders' meeting in accordance with the Company's Articles of Association and ran the meeting agenda as ordered in the Invitation letter to the Annual General Shareholders' Meeting, unless changes or overruled by two-third of participating shareholders. In the recent Shareholders' meeting, there was no agenda order changed. After all agenda are concluded, Chairman suggested the shareholders about their rights to propose agenda for consideration, if one-third of shareholders agreed upon.

After the Shareholders' meeting

- The Company published the resolution of the 2014 Shareholders' meeting via information portal of the Stock Exchange of Thailand and the Company's website immediately after the Meeting ended.

- The Company prepared the written minutes of the Annual General Shareholder's Meeting and submitted to the Stock Exchange of Thailand, Securities and Exchange Commission, and Ministry of Commerce within 14 days after the Shareholder's Meeting. The written minutes included the Shareholder meeting's resolutions, voting results with number of agreed, disagreed, or no opinion given on each agenda and issues.

- Thai Investor Association assessed quality of the Company's 2014 Annual General Meeting of Shareholders arrangement and reported that the Company were recognized as "Excellent" with total score of 100 out of 100.

In addition to the 2014 Annual General Meeting of Shareholders, the Company arranged Extraordinary General Meeting of Shareholders meeting no.1/2015 on Monday August 10th, 2015 with the objectives to consider and approve the Universal Utilities Public Company Limited to acquire shares of EGCOT TARA Company Limited from EGCO Engineering & Service Company Limited and to acknowledge plan to list Universal Utilities Company Limited in the Stock Exchange of Thailand. In the Extraordinary General Meeting of Shareholders meeting no.1/2015, the Company is aware of the shareholders rights and provides equitable treatment at the same standard to the 2014 Annual General Meeting of Shareholders.

2. Equitable treatment to shareholders

The Company treats all shareholders fairly and equally such as equal rights to attend and cast votes in the shareholders' meeting, nominate director and propose meeting agenda in the Annual General Meeting of Shareholders for 3 months in advance before ending of accounting period (October 1st to December 31st, 2015) through the Company website (<http://www.eastwater.com>), e-mail (Corporate_secretary@eastwater.com) or by registered post. The Company also prepares the meeting documents in English for foreign shareholders and develops policy to prevent Directors' conflict of interest and exclude them from the conflicting agenda.

3. Roles of stakeholders

3.1 Responsibility and equitable treatment to stakeholders

The Company's philosophy focuses on the responsibility and equitable treatment to build reliability to stakeholders. Details are shown below;

1) Responsibility to Shareholders: The Company considers only the investment projects that provide reasonable and appropriate return, in order to maintain the stability of the Company's financial position for sustainable growth.

2) Responsibility to Customers: The Company aims to manage, develop water resources and deliver quality and satisfactory services to customers. The Company's commitments are to satisfy customers by supplying sufficient water to each customer with service mind and equitable treatment, to solve related problems to enhance smooth and best service in appropriate timeframe and to maintain and improve service quality consistently in every operating area.

3) Responsibility to creditors: by following the agreed contractual conditions, disclosing the Company and subsidiary companies' actual financial positions and using capital or loan under the lending or funding objectives as agreed.

4) Responsibility to employees: by respecting legal rights of employees, providing good working environment, safety, good welfare, reasonable and fair employment at comparable labor market conditions, developing career paths and good relationships between employees and the Company.

5) Responsibility to suppliers and partners: by developing mature relationship with partners, suppliers and joint investors under the good corporate governance practices.

6) Responsibility to society and environment: by operating the business with responsibility to the society and respect relevant laws and regulations to protect impact from loss of life and damage of personal property, community and environment.

7) Responsibility to competitors: the Company operates under fair and lawful business competition principles and shall not seek for trade secret of competitors by unlawful or inappropriate manners.

3.2. Human rights policy.

Equity and rights of employees are protected in accordance with the human rights laws and practices under the Constitution of the Kingdom of Thailand and international treaties. The Company shall not ignore the human dignity, rights, personal freedom and inequitable treatment to people by their races, languages, genders, ages, physical conditions or health, economic or social status, religions, education, political views and other human characteristics that irrelevant to work or the business.

3.3. Anti-corruption policy and practices.

The Company determines to operate the business with moral, ethics and responsibility to stakeholders and society corresponding to the good corporate governance policy and code of ethics to enhance the sustainable growth of the Company. On September 1st, 2011 the Company signed and declared on the Collective Action Coalition: CAC initiative, which is introduced by the government, Office of the National Anti-Corruption Commission and other eight organizations, which are Thai Chamber of Commerce and Board of Trade of Thailand, Thai Institute of Directors, International Chamber of Commerce, Thai listed Companies Association, The Thai Bankers Association, Federation of Thai Capital Market Organizations, The Federation of Thai Industries and Tourism Council of Thailand; to work cooperatively to prevent corruptions in the private sector. The Company has been endorsed as the member of the Collective Action Coalition on April 3rd, 2015.

The Company develops the anti-corruption protocols and guidelines for the Board of Directors, Executives and employees in the anti-corruption policy by setting the continual monitoring and reviewing. Details of the anti-corruption policy is shown in the hyperlinks http://eastw-th.listedcompany.com/anti_corruption.html

In 2015, the Company participated in the Collective Action Coalition's activities, which were organized by Thai Institute of Directors and other organizations, continuously such as "Active Citizen – the power to prevent corruption" activity arranged on September 6th, 2015.

The Company are awarded score 4 out of 5 from Thaipat Institute for the assessment of the suitability of Thai listed companies on sustainable development in Anti-corruption. In 2015, the Company extended the anti-corruption policy to cover business partners, tenants, and suppliers that they shall not involve in any forms of corruptions such as bribery. The Company publicly announced on the official website that the Company will not receive any gifts or presents. In addition, the Company has arranged anti-corruption training by Director of Corporate Governance and Nomination and has organized anti-corruption seminar to suppliers and tenants (78 participants in total).

3.4. Whistle Blowing Policy.

Every stakeholder has rights to monitor and audit the Company's and subsidiary companies' operation for efficiency, effectiveness and transparency. The Board of Director of the Company and subsidiary companies have developed channels for all traces and complaints of any illegal actions or conflicts with supplier, customers, community and related organization or government agencies. Appellant may complete the petition with evident or relevant documents to the Board of Director of the Company or subsidiary companies for investigation and shall receive the conclusion and solution with fair treatment to every party. The Directors and Executives of the Company and subsidiary companies have signed on the ethic form of the Company to keep the whistleblower's information confidential and to protect the appellant for the honest petition by rules, regulations and related laws. The appellant shall be treated equitably without prosecution which includes change of position, working scope, office, or job suspension, any intimidations of witness, unfair dismissal and other unfair actions or treatment.

Witness and Co-investigator shall be protected and shall not be libeled, rotated or any other punishments unless they have fault intentions, bias, incrimination or they are not cooperative in the investigation. The punishment shall start from job suspension. In case of traces or complaints, the Chief Executive Officer shall appoint a group of committee to investigate and consider case by case and the committee shall be terminated immediately when case dismissed.

The Company provides channels for all traces and complaints of corruption, illegal actions, unethical practices, incorrect financial report, violating rights or defective internal control system. The following channels are opened for all traces and complaints:

Company website: www.eastwater.com
Electronic mail: Audit Committee AC_EW@eastwater.com
Chief Executive Officer CEO@eastwater.com
Corporate Secretary Corporate_secretary@eastwater.com
Postal address: Audit Committee
Eastern Water Resources Development and Management PCL
East Water Building 25/F, 1 Soi Vibhavadi Rangsit 5,
Vibhavadi Rangsit Road, Chompol, Chatuchak,
Bangkok 10900
Comment Box : Human Resources Department,

4. Information Disclosure and Transparency Policy.

The Board of Directors of the Company and subsidiary companies provide the appropriate communication system for the management team to communicate and publish the important information to the shareholders such as the standard financial reports approved of the independent auditor. The company is willing to improve the financial information according to the accounting standard under the suggestion of the independent auditor and other information with accuracy, completeness, transparency and validity in compliance with the announcement of Stock Exchange of Thailand (SET). The Board of Directors supports the management team to disclose information appropriately and to consider standard measures to keep confidential information or restricted information which may have significant effect to the security trading decision and market price movement of the Company stock in the market.

The information is published through the information portal of the Stock Exchange of Thailand (SET) and the company official website: www.eastwater.com and the subsidiary company's website: www.uu.co.th in both Thai and English version with the latest up-to-date information. The Company appoints Investor Relation Office to be the representatives of the Company responsible for announcement of the company information to shareholders, analysts, investors and relevant parties. Shareholders can contact Investor Relation Office via the following channels;

Telephone: 02-272-1600 # 2489, 2456
E-mail: IR@eastwater.com
Website: <http://eastw-th.listedcompany.com/home.html>

In addition, the Company has the Compliance unit, under the law department to ensure that the Company is operating under laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, and the disclosed information in several channels such as annual report, the Company's website and Stock Exchange of Thailand's

website and other published information are sufficient, accurate, timely and complete complying to laws to enhance the investors' trust and reliability on the Company.

5. Responsibility of the Board of Director.

The Board of Directors strongly believes that good corporate governance is the key success factors to drive the Company to achieve the significant mission. The board of directors is responsible by law to follow the corporate governance policy and to the stakeholder by controlling and assisting the management team to work effectively and efficiently for the highest benefits of the Company, shareholders and stakeholders.

5.1. Leadership and visions.

The Board of Directors plays the important roles in determining and revising the Company's vision, policies and strategies annually, together with developing the long-term corporate plan and revising every three years. The Management team is assigned by the Board of Directors to study on the water resources development and pipeline improvement in the Eastern region for the next 10 years due to fast change in geographic, economic and technological factors. At the practical levels, the management team is responsible to propose business strategy, plans and activities to the Executive and Investment Committee and the Board of Directors respectively for consideration and approval of the annual budget allocation. In addition, the management team shall report the progress of the plan and major problems and obstacles to the Audit Committee and the Board of Directors in every quarter.

The Board of Directors reviews the performance of Executives by requesting for operational reports with target comparison and operating results. The performance report is included in the monthly meeting agenda of the Executive and Investment Committee before reporting working performance and financial positions to the Board of Director at the end of each quarter. In addition, the Board of Directors realizes in operating business complying with laws and regulations, therefore, the management team is responsible to inform the Board of Directors on any changes of regulations from the Securities and Exchange Commission and the Stock Exchange of Thailand; and newly announced laws that may affect to the Company.

5.2. Conflict of Interest.

The Board of Director has included the conflict of interest policy into the good corporate governance and Directors Guidelines. Summary of the policy is shown below;

- In case the board of Director delegates any personnel of the Company to act on their behalf in any cases, the delegation (power of attorney) and authority shall be assigned in written and recorded as the Board of Directors' resolution in the minutes of Board of Directors' meeting with clear and precise scope of responsibility and authority given to the attorney. Furthermore, the scope of authority shall not cover the power of attorney or any personnel to approve any transactions with conflict of interest. The decision shall be made in the form of collective decision.
- Every employee shall avoid any conflicts of interest that may oppose the company's benefits and cause conflicts at work.
- All employees are responsible to disclose any occurrences on conflict of interest to direct supervisor and annex details of the occurrences for discussion with the Chief Executive Officer.
- The Board of Directors shall not exercise their authority directly or indirectly for their own benefits, relatives or connected persons.

Directors and Executive are responsible to report the following;

- To report the conflict of interest of each director and their connected persons to the Company and the Corporate Secretary shall report to Chairman and Director of Audit Committees for consideration.
- To report list of properties owned by Directors, Executives and connected persons.

For any connected transaction cases, the company will strictly apply the Stock Exchange of Thailand's and the Securities and Exchange Commission's regulations. In the Board of Directors' meeting, the management team shall inform the detail to all directors and the Director who has the conflict of interest shall not cast vote in the agenda with conflict of interest and shall not be in the Meeting during consideration.

In case of suppliers and partners, the Company shall report and inform the management team about the conflict of interest with the connected persons in accordance with the Securities and Exchange Commission's regulations. Management shall be aware of approval process on any transaction that may have conflict of interest. The connected transactions between the Company, subsidiary companies and other stakeholders shall be approved with transparency by considering pricing structure and trading conditions similar to other suppliers of the Company. Detail of connected transactions is disclosed in the Annual Report (56-2) and Form 56-1.

5.3. Business ethics.

With the intention to operate business under the good corporate governance policy, the Board of Directors has announced to employ "Good Corporate Governance Principles", "Directors Guidelines", "Independent Directors Guidelines" and "Business Ethics" firstly stated on August 17th, 2006. The principles and guidelines are revised continually to meet the changing rules and regulations with the purpose to be the standard guidelines of good governance practices in the organization. All Directors are required to sign for acknowledgement of the Directors' guidelines. For employees of the Company and the subsidiaries, the corporate governance training is arranged consistently to increase better understanding of current employees. Besides, new employees will learn about corporate governance in the orientation and from the business knowledge tests.

5.4. Balance of Power of Non-executive director.

The Board of Directors consists of 10 Directors. As of December 31st, 2015 the Board of Director includes;

Executive Director	0	person
Non-executive director	10	persons
Independent director	7	persons

5.5. Centralization or Empowerment.

The Board of Directors emphasizes on transparency in business, empowerment and balance of power by separating authority to consider from approval. Chairman shall be the different person from the Chief Executive Officer. Members of the Audit Committee are independent directors with no authority to approve on any business obligations and without monetary or management conflicts with the Company or the subsidiary companies.

5.6. Position in the other firms of the Directors, Chief Executive Officer and Executives.

1. The director of the Company shall not be in the position in other listed companies for more than three companies or in other listed companies and other companies, including state enterprises for more than 5 companies at a time.

2. Chief Executive Officer and Executives shall not be in the board position in other listed company for more than 4 companies at a time.

5.7. Performance Evaluation of The Board of Director's and Sub-Committees.

The Board of Directors Meeting (the meeting no.10/2003 – November 20th, 2003) agreed to evaluate working performance of the Board of Directors annually to review performance, problems and obstacles during the past year for business improvements in accordance with the good corporate governance principles.

In addition, the Charters of each Committee requires the committees to do self-evaluation in both individual and group levels; and report problems that obstruct the achievement of works under the scope of authority and tasks once a year.

Criteria to evaluate the Board of Directors and Committees**Group evaluation**

1. Evaluation of The Board of Director includes the following topics;

1. Readiness to work of the Directors
2. Corporate strategy and business plans
3. Risk management and internal control
4. Conflict of Interest
5. Financial monitoring and operation control
6. The Board of Directors' meeting
7. Others such as consideration on remuneration and performance evaluation of the

Chief Executive Officer and etc.

2. Evaluation of the Audit Committee includes the following topics;

1. Authority and responsibility
2. Members of the Audit Committee
3. The meeting
4. Internal control
5. Financial statement preparation
6. Compliance
7. Auditor
8. Internal audit
9. Audit Committee's report
10. Performance evaluation
11. Charter

3. Other Committees such as 1) Executive and Investment Committee; 2) Corporate Governance and Nomination Committee; 3) Risk Management Committee; and 4) Evaluation and Remuneration Committee shall be evaluated on the following topics;

1. Readiness of the Director
2. The Committees' meeting
3. Authority and responsibility of the committee members.

Individual Evaluation

Individual evaluation of directors in every committee includes several major topics such as meeting attendance, attitude, self-development, relationships with executives and self-evaluation of strength and weakness, etc.

Performance evaluation process of the Board of Directors and Committees

The corporate secretary and the secretary of each committee shall distribute the group and individual evaluations form of the Board of Directors and other committees with support information for evaluation to every committee within December of each year. The corporate secretary shall collect the evaluation forms and prepare report to present to the Board of Directors' meeting afterwards.

Result of Performance evaluation of the Board of Director and Committee 2015

The Board of Directors acknowledges the Board of Directors' and Committees' performance evaluation result of 2015 in the Board of Director Meeting (Meeting no.2/2016 on February 16th, 2016). The findings show that most of evaluation result is higher than 90 percent. However, the Board of Directors has developed the directions to improve the least successful evaluation issues for all Committees in both group and individual levels for better efficiency. Furthermore, the corporate secretary has also developed plan to support the Board of Directors and Committees to increase their efficiency. The evaluation results is shown below;

Committees	Evaluation Results (Group levels) %	Evaluation Results (Individual levels) %
1. The 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
Average score	93.40	94.67

9.2. Committees

The Board of Directors has appointed 5 committees, consisted of 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 consider and study on the assigned tasks for completeness, accuracy corresponding to missions and policies of the Company before proposing to the Board of Directors for approval, acknowledgement or request for additional information. In the late 2015, Mr. Sahust Pratuknukul and Mr. Maitri Inthusut resigned from the Board of Directors, which caused vacancy in the positions of Chairman of Evaluation and Remuneration Committee; Director of Executive and Investment Committee; Chairman of Risk Management Committee; and Director of Evaluation and Remuneration Committee. The Board of Directors is currently seeking for the candidates for the replacement. Details of the committee members appointed by the Board of Directors and their attendance during 2015 are shown below;

9.2.1. Directors of the Audit Committee as of December 31st, 2015 consist of 3 independent directors, which are;

No.	Name-Surname	Position	Meeting attendance (times)
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 responsible to correct, review and verify company's financial statements in accordance with the accounting standards of the Federation of Accounting Professions before presenting to the Board of Directors. The Audit Committee is also responsible to improve efficiency and independence of the auditing process focusing on transparent and clear practices among the Board of Directors, internal auditors, executives and independent auditors. The Audit Committee is also accountable to review and provide suggestions on the evaluation of internal control system performance of the Group of Company, in compliance to laws, regulations and articles. Conflict of interest on any connected transaction shall be reviewed and considered as part of the Audit Committee's responsibility to protect the benefits of the Company and the report of the Audit Committee is disclosed in the annual report of the Company. In addition, the Audit Committee is responsible for giving opinions regarding nomination, remuneration, cancellation of independent auditors, including job rotation and service termination of audit director before proposing to the Board of Directors and shareholders for approval.

9.2.2. The Executive and Investment Committee consisted of 2 independent directors and 3 advisors as of December 31st, 2015. Detail is following.

No.	Name-Surname	Position	Meeting attendance (times)
1.	Mr. Phaiboon Siripanoosatien	Chairman	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 ¹	Former Director	17/17
7.	Mr. Wanchai Lawattanatrakul	Former Director	6/7

Remark: 1. Resigned from the directorship on September 30th 2015.

2. Resigned from the directorship on May 31st 2015.

The Executive and Investment Committee is appointed by the Board of Director to take responsibility on corporate management to improve productivity and growth stability, as directed by the Board of Director's policy. The Committee is responsible to consider and review business plan, operational plan, develop budgeting plan and approve on investment projects within the delegated budget under the revision of the Board of Directors. In addition, the Committee defines and develops process and decision criteria for project investments or investment feasibility study, give advices and recommendations, and support the management team to achieve the Company's target before reporting to the Board of Director for acknowledgement or dissolution.

9.2.3. Directors of Corporate Governance and Nomination Committee as of December 31st 2015 are comprised of four directors as follow.

No	Name - Surname	Position	Attendance / Total Meeting (Meeting)
1.	Pol. Maj. Gen Vichai Sangparpai	Chairman	9/9
2.	Mr. Amorn Laohamontri	Director	9/9
3.	Mr. Chanin Tinnachote	Director	8/9
4.	Mrs. Tatchada Jitmahawong	Director	9/9

Good Corporate Governance

The Corporate Governance and Nomination Committee is responsible to support the Board of Directors to run business with transparency and protect the interest of shareholders and stakeholders of the Company. Main duties are developing and revising directors' guidelines, corporate business ethics, employee code of conduct, inspecting and following up the business management and operation to ensure that the Company follows the CG principles suitably and effectively complying with regulations of the Stock Exchange of Thailand and Asean CG Scorecard.

Nomination

The Board of Directors appoints the Corporate Governance and Nomination Committee to select and nominate the qualified candidates for the position of director, committee and the Chief Executive officer of the Company and the subsidiary companies. The responsibilities also include verifying the qualifications of each candidate and proposing to the Board of Directors for approval and nomination as the director of the group of Company. Furthermore, to review the management structure of the Board of Directors and other committees for appropriate improvement for further consideration and approval of the Board is another core responsibility of the Corporate Governance and Nomination Committee.

9.2.4 Directors of Risk Management Committee as of December 31st, 2015 are comprised of 2 directors as shown below.

No.	Name – Surname	Position	Attendance / Total Meeting (Meeting)
1.	Pol.Maj.Gen Vichai Sangparpai	Director	1/3
2.	Col. Premjiras Tanathaipakdee	Director	3/3
3.	Mr. Maitri Intusoot ¹	Former Director	3/3
4.	Mr. Wanchai Lawattanatrakul ²	Former Director	2/2

Remark: 1. Resigned from the director position on October 1st. 2015
2. Resigned from the director position on May 31st, 2015

The Risk Management Committee is assigned to supervise and propose the risk management policy to the Board of Directors. Important risk management policy in each business framework are consisted of strategic risk, operational risk, investment risk, marketing risk and potential risks to the Company's reputation. Moreover, the committee is responsible to consider risk management measures for risk assessment, approve risk management policy, specify standard guideline, strategy and risk analysis together with providing recommendation to the management team. The committee commits to control, review and follow up the risk

management plan to ensure that the plan is implemented suitably and able to control risks effectively and efficiently in the acceptable standard level.

9.2.5 Directors of Evaluation and Remuneration Committee as of December 31st, 2015 are composed of two directors as below.

No	Name – Surname	Position	Attendance / Total Meeting (Meeting)
1.	Mr. Phaiboon Siripanoosatie	Director	10/10
2.	Col. Premjiras Tanathaipakdee	Director	9/10
3.	General Thanadol Paochinda	Advisory	9/10
4.	Mr. Sahust Pratuknukul ¹	Former Director	10/10
5	Mr. Maitri Intusoot ²	Former Director	7/10

Remark:

1. Resigned from the position of director on September 30th, 2015
2. Resigned from the position of director on October 1st, 2015.

Performance Indicators and Evaluations

The Evaluation and Remuneration Committee is appointed by the Board of Directors to perform duties in specifying and reviewing the corporate performance indicators (Corporate KPIs) annually corresponding to the business policy. The responsibility also includes following up and evaluating the Company's performance in each quarter, providing recommendations to the management team in operation and submitting reports at the end of the year to the Board of Director for approval.

Remuneration

The Evaluation and Remuneration Committee is responsible to propose to the Board of Directors the consideration of annual remuneration of the Board of Directors, the committee and Advisor, President and CEO (Chief Executive Officer), executives and staff of the Company and the subsidiary companies. Furthermore, the committee is in charge of suggesting to the Board of Directors the remuneration policy and other fringe benefits in both money payment and other support to the employee in all levels for further approval. The management team is also involved in defining regulations and practices in the group of Company.

9.3 Recruitment and Nomination of Directors and High-Levels Executives.

9.3.1 Independent Director.

Independent directors play an important role in the Company's good corporate governance with the main responsibilities to support the policy that is beneficial to the shareholder and to oppose the non-transparent decision makings that may effect to the benefits of shareholders and other stakeholders. Thus, the independent directors must act independently from the control and monitor of management, major shareholders and must not have conflicts of interest concerning finance and business management of the Company.

The Company has defined the "Independent Directors" corresponding to the principles of good corporate governance and extra strictly than the Notification of the Capital Market Supervisory Board¹ as follows.

(1) The Independent Directors shall be the non-executive directors who have not involving in the day-to-day management, not being a shareholder of the Company, parent company, subsidiary companies and affiliated companies, and not being a director that is representative of major shareholders. The independent directors shall have the qualifications in compliance with related Thailand laws.

(2) Not being connected by blood or registered by law as father, mother, spouse, sibling and heir, including not being a spouse of other directors, executives, major shareholders, regulator or a candidate of management position or a person with authority of the Company and the subsidiaries.

(3) Not engaging in similar industry or competing the Company and its subsidiaries, neither being an important partner in limited partnerships company nor an executive director, employee, staff or advisor, who receives salary or holds more than 1% of shares with total voting rights of other companies in the same business with significant competition with the Company and the subsidiaries.

(4) Not having business relationships with the Company, parent company, subsidiary companies, affiliated companies or juristic person which may cause the conflict of interest and interfere the independency in judgement and consideration.

(A) Relationship Characteristics

Characteristics of Professional Service

1) Auditor or professional services provider such as legal advisor, financial advisor, appraisers, etc.

2) Level of Significance defines non-independency

- In case of auditor: prohibited in any case

- In case of other professional services provider: Transaction value exceeding THB 2 million per year

Characteristics Business Relationships (in line with the regulations of the Stock Exchange of Thailand regarding to the connected transaction)

- Relationship Characteristics: covering all types of business transactions such as normal business transaction, rental/real estate rental, transaction related to properties / services, and transaction for giving or receiving financial supports.

- Level of Significance defines non-independency: transaction over or equivalent THB 20 million or more or equal 3% of total net tangible assets (NTA) of the Company, whichever is lower. Transaction occurring within 6 months prior to the transaction date shall be included for consideration.

(B) In case the relationship characteristics is specified under (A) with the juristic person, the non-independent person is major shareholder and director (except independent director / director of the audit committee)

(C) Appointing the prohibited period for relationships specified under (A) and (B) in the present time and 2 years prior to the nomination.

(5) Not being a director nominated as a representative of the Board of Directors, major shareholders or shareholders who are related to the major shareholders of the Company.

(6) Without any characteristics that blocks the independent judgment and consideration.

(7) The Independent Directors of the Company with the qualification in accordance with the criteria 1-6 can be appointed by the Board of Directors to make a decision for business operation and management of the Company, parent company, subsidiary companies, affiliated companies and other associated subsidiaries or juristic person with conflict of interest by using collective decision method.

(8) The term of the Independent Directors shall not exceed 9 consecutive years from the first nomination date as an independent director of the Company.

9.3.2 Recruitment Process of Directors and Executives**1. Criteria and Process for Nomination of New Director**

The Company prepares the Board of Directors Handbook specifying the recruitment consideration of the director's position and the appointment of qualified candidates to be the Company's director shall be in accordance with the regulations of the Company and the Board of Directors complying to Thailand laws. The Board of Directors approved to develop the important criteria for consideration and recruitment responding to the Good Corporate Governance Policy of the Company which is updated in according to the Principles of Good Corporate Governance of Listed Companies in 2012 of the Stock Exchange of Thailand and the assessment guideline of the Corporate Governance Report Survey of Thai listed companies of Thai Institute of Directors Association (IOD). Detail is as follows.

- Shall have the appropriate qualifications without prohibited characteristics as specified in the regulation of the Board of Directors complying to the regulations of the Stock Exchange of Thailand. In case of the independent director position, the qualification must complete the requirement of the Company.
- Must comprise of a qualified people with knowledge in water resources and other professional proficiency related to business operation. At least 1 director shall be the expertise in Accounting and Finance.
- To recruit the director, the Company considers a variety of skills including knowledge in manufacturing business, accounting and finance, management and decision making skills, comparable business with international standard, business strategies, crisis management, good corporate governance and legal issues to support overall business operation conforming to business strategy of the Company.
- Chairman of the Board of Directors shall be the independent director and shall not be the chairman or director position in other subcommittees.
- The Company assigns the Board of Directors to be a part of the Board of Directors in the subsidiary companies. In case of holding up to 50% of total shares, the Company shall have rights to appoint the directors of the Company or the qualified person to be in the position of executive director of the subsidiaries no less than half of total director's positions at the presence or in the future. Likewise, if the share is higher than 50%, the Company shall have right to appoint the qualified directors proportionally to the shareholding.
- The number of listed companies that the directors are able to take the position is 4 for the position of Executive Director –ED, and 3 for the position of non-executive directors. The directors of the Company are able to take the similar position in total 5 companies, including state enterprise.
- The age of directors shall not exceed 75 years and the term of the director's position is not limited for consecutive term in position to avoid loss of opportunity to nominate the directors with knowledge, expertise and experience. However, the independent directors shall be in position no longer than 9 consecutive years since the start date of nomination.
- The independent directors shall not be a shareholder of the Company, parent company, subsidiary companies, affiliated companies or juristic person with conflict of interest (including an individual related to Section 258 of the SEC Act B.E.2551).

2. Policies for constituting a board of diversified directors.

The recruitment of the Board of Directors considers the qualification of each director in accordance with the business strategy and variety of skills and knowledge in each area consisted of manufacturing business knowledge, accounting and finance, management and decision making, business equivalent to international standard, risk management, business strategy, crisis management, good corporate governance and laws.

3. Appointment and Decommission of the Board of Directors.

1. The Management shall review the applicant profile and curriculum vitae and initially screen the qualifications. In case, the qualification of the candidate meets the standard, the nominated director shall be proposed to the Corporate Governance and Nomination Committee for consideration and approval in initial stage.

2. In every annual general meeting, one third (1/3) of directors shall resign by rotation. In case total number of directors cannot divide into three, the number of directors to resign shall be the closest proportion to one third (1/3). However, the directors to vacate the office in the first year or the second year after listing the Company and there is no agreement among each director, decommissioning shall be selected by law. In the year after, the director who is in the position for the longest period shall resign and the directors, who resign by rotation, can be re-appointed to the position.

3. The Annual General Meeting of Shareholders is accountable to select the directors by majority vote method. A shareholder has right to vote for the director's candidate individually and one share is equal one vote. The candidate, who receives the highest vote, shall be selected to be the director and the rest shall be selected consecutively according to the number of vote parallel to the number of director required. In case the candidates receive the equal vote, the chairman of the meeting shall cast the vote.

4. In case the position of directors is available by other reasons out of resigning by rotation, the Board of Directors shall select the qualified candidates without prohibited characteristics according to Thailand law regarding Public Company Limited Act and the Company regulations screening by the Corporate Governance and Nomination Committee to assume the position of director and to attend; the next meeting of the Board. In case the directorial term is less than 2 months, the newly appointed director shall be in the position accordingly. Resolution of the Board of Directors shall be approved by no less than three fourth (3/4) of total remaining directors.

5. Other than resigning by rotation when completing the term, the directors may vacate the office when:

- (1) Pass away
- (2) Resignation
- (3) Lack of qualification with prohibited characteristics in accordance with Thailand Laws of Public Company Limited Act
- (4) Dismissed by the resolution of the shareholders' meeting
- (5) Dismissed by the court decision

4. Appointment of Executives.

Since the Company realizes the importance of efficient corporate governance of the organization, the policy of succession plan has been set for the position in management level. The purpose of the policy is to be a principle and guideline to prepare the potential staff to be ready for the management position by considering the transparency, fairness and accountability of the Company.

(1) The Corporate Governance and Nomination Committee are responsible to define the recruitment criteria, approve the succession plan, recruit potential employee in management level of the Company or other qualified external individual for the position of the Chief Executive Officer to propose to the Board of Directors for approval.

(2) The Chief Executive Officer of the Company together with related departments are accountable to define recruitment criteria, develop potential employee and recruit potential staff or external individuals for the position of Executive Vice President to propose to the Corporate Governance and Nomination Committee. Though, the Chief Executive Officer has authority to appoint the manager in department level.

9.4 Report of the Board of Directors.

The Board of Directors is responsible to develop the Company's and subsidiary companies' consolidated financial statement, which is prepared in accordance with the Thailand accounting standards and with prudent discretion. The Board of Directors also considers the quality of financial statements and the adequacy of information disclosure in the remark of the financial statement 2015 (56-2).

The Board of Directors agreed to appoint the Audit Committee consisted of the Independent Directors to be responsible to the quality of the financial statement and effectiveness of the internal control system of the Company. Opinions of the Audit Committee are presented in the report of the Audit Committee as shown in the Annual Report 2015 (56-2).

The Board of Directors concludes that the internal control system of the Company is adequate and appropriate for the business operation and can strengthen the reliability and accountability of the financial statement of the Companies and its subsidiaries. On December 31st, 2015 the Board of Directors reported responsibility of the Board of Directors' toward financial statement report as shown in the Annual Report 2012 (56-2).

The Corporate Governance and Nomination Committee reviews the principles of good corporate governance and presents the opinion as shown in the Annual Report 2015 (56-2)

9.5 Investor Relations.

The Company realizes the importance of information which effects the decision making of the investors, analysts and shareholders of the Company. The Company thus emphasizes on accuracy, adequacy, transparency and punctuality of disclosed information in accordance with the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the information disclosed to the public shall be in both Thai and English such as company profile, financial statement, performance report and important financial information, Management Discussion and Analysis (MD&A) report and information system report provided to the Securities and Exchange Commission through website: www.set.or.th and the Company website: www.eastwater.com with a regular information update.

The investor can contact the Investor Relation Office at Tel. 02-272-1600 ext 2489 and 2456 and Fax. 02-272-1601 or by email: ir@eastwater.com. The Investor Relations Office is set as the main contact center and representative of the Company, responsible to provide up-to-date information and arrange activities for investors, shareholders, analysts and the public to present the Company performance and update information to the information system of the Company. Summary of activities in 2015 are shown in Table 9.5

Table 9.5 Investor Relation Activities.

Activity Model	2015 Activity (Time)
Remote Conference Call	13
Opportunity Day with individual investors arranged with The Stock Exchange of Thailand (SET)	2
Company Visit to interview management team regarding the management direction and project progression of the Company	20
Company Site Visit	2

Remark: Information as of December 31st, 2015

In addition, the Company's E-Magazine is distributed through email and interested person can request to receive the information on the Company's website. The Investor Relations Office has also collected opinions and suggestions of the investors, analysts and shareholders to present to the Board of Directors of the Company to adjust the management to be suitable for the Company's policy. The questionnaire to evaluate the satisfaction of shareholders in every shareholder's meeting has been surveyed and reported to the related business units for further improvement.

9.6 Insider Information Control.

The Company has defined a set of policies to control the use of insider information. The policy is specified in the principles of good corporate governance of the group of Company, aiming to be a practical guideline for the directors, management executives and staff as follows.

(1) Policy to prevent the use of insider information

Executives and employee of the Company, including their spouse and heir who is not mature by law are prohibited to use the Company's insider information which is undisclosed to public for their own benefit of speculative trading of securities or other own advantages for an individual or a group of person.

(2) Policy for trading the Company's securities

Executives and full time employee, including their spouse and heir who is not matured by law are not allowed to trade and transfer the Company stocks within 1 month prior to the disclosure of the Company's financial statements to the Stock Exchange of Thailand, and within 3 days after the information disclosure to the Stock Exchange of Thailand to ensure that the shareholders and investors have sufficient time to access the information and understand the significance of information, news or the financial information disclosed to the Stock Exchange of Thailand.

The Company's directors and high-level managers shall report to the corporate secretary regarding the trading of the Company's securities at least 1 day prior to the trading date. The corporate secretary shall report each transaction to the meeting of the Board of Directors for the information.

(3) Policy for business information of the Company

1. Directors, management team, employees, outsource employees and freelancers of the Company and the subsidiaries sometimes must work with the confidential information and documents that cannot disclose to the public and/or is the trade secret of the Company, such as contractual information, blueprints, maps, figures, formula, new innovations, etc. The Company has the rights to protect such information which is crucial for business success of the

group of company in the future and also highly important for the stability of the professional of all related person.

Directors, management team, employees, outsource employees and freelancers of the Company and the subsidiaries are responsible to agree to abide by related laws and code of ethics to keep the confidential information and documents of the Company and related trade secrets undisclosed.

2. Confidential Level of Information.

The trade secret which is considered the insider information of the Company shall be strictly undisclosed to the public and the confidential level of information shall be classified by the significance of information from high to low level such as disclosed information, undisclosed information and trade secret, etc.

The insider information must be used within the limit of individual's assigned roles and responsibility.

3. Information provided to the public.

The information provided to the public shall be approved by the Chief Executive Officer of the Company or Managing Directors of the subsidiaries that they will respond by themselves or assign a responsible person to provide the information and answer the questions. Moreover, the information related to other joint investors shall be approved by each investor.

The center to provide the Company's information to public is the Corporate Communication Department, Marketing Department and Investor Relations Department of the Company. The employee relation activities team is responsible to promote and inform related information to the employee.

Activity owner is responsible to provide details and coordinate with supervisor in line after getting approval from the President and CEO of the Company and Managing Directors of the subsidiaries.

9.7 Corporate Governance of the Subsidiaries.

The Company has set a management policy of the subsidiaries to manage, specify business guidelines for effective and efficient management and control risks in an appropriate level for the worthwhile return on investment. The Company then agrees to set the policy to strengthen business of the subsidiaries for sustainable growth in the future by considering in each area as follows.

1. Investment Policy.

1) Work with responsibility and consider the benefit of the Company and the shareholders. Invest in the business with appropriate and fair returns on investment and maintain the stability of financial status to ensure the sustainable growth of business.

2) When the Board of Directors of the subsidiaries approves the business operation, the subsidiaries shall inform to the Board of Directors of the Company every time.

3) In case the business is within the scope of connected transactions, according to the regulations of the Securities and Exchange Commission, the subsidiaries shall get the approval from the Board of Directors of the subsidiaries beforehand. Furthermore, the major investment of the subsidiary companies shall be approved by the Board of Directors of the subsidiaries which the representative of the Company attends the meeting for investment consideration before proposing to the Board of Directors of the Company for approval.

4) The subsidiary companies shall report the operating performance, business sensitivity analysis and business impact analysis comparing to the target. Opinions and suggestions for business operation of the subsidiaries shall be used to define the policy, improve and strengthen the business to enhance continual business development and growth.

2. Central management policy.

1) The Company appoints the high-level management executive of the Company to involve in management of the subsidiaries in both policy level and operation level to ensure that the subsidiary companies are following the same direction of the main business. The integrated policy and strategy shall enhance the maximum benefit and increase the profit to the Company and the subsidiaries in the future.

2) The internal control of the subsidiary companies is focus on especially risk management and immediate problem solving after evaluating the effectiveness and efficiency of the internal control system of the Audit Department. The subsidiaries shall review the internal control system regularly to control risks in the acceptable level. In addition, the specification of employee regulations and procurement system shall be efficient, fast and flexible in the same standard of the Company. The budget consideration of human resources and employee welfare shall be in accordance with the Company's policy as stated in employee handbook and procurement process and adjust in line with the rate of business performance of the subsidiary companies.

3. Accounting and Finance Policy of the Subsidiary Company.**3.1) Financial Management of the Subsidiary Companies**

(1) Source of Investment Fund: the subsidiary companies shall notify the demand of investment funds by specifying project origin and investment structure to the Accounting and Finance of the Company at least 6 months before starting the investment project for benefit of sufficient choices of financial source with appropriate proposal for consideration.

(2) Dividend payment of the subsidiaries shall be no less than 30 percent of total net profit in each accounting period, except there is an appropriate reason to use the money reserved for dividend.

(3) The financial ratio shall be maintained strictly in accordance with the condition of the loan agreement. Detail shall be informed to the Accounting and Finance of the Company on monthly basis.

3.2) Budgeting Policy

(1) Investment budget shall be done according to budget regulations of each subsidiary company and shall be in line with the budget regulation of the Company.

(2) The budgeting and its revision shall be done and submitted the information in accordance with the Company's operation and timeline.

(3) The subsidiaries shall follow up and evaluate the budget spending for both investment and business operation.

3.3) Accounting

(1) Preparation of the accounting report shall follow the Company's accounting policy, the Thailand accounting standards and regulations of Listed Company's subsidiary in the Stock Exchange of Thailand.

(2) Financial statements shall be consolidated and reviewed by the independent auditor agreed by the Board of Directors, approved and nominated by the resolution of the Shareholder's Meeting.

(3) Financial statements of the subsidiary companies shall be delivered to the Accounting and Finance Department of the Company by requested timeframe in each quarter.

(4) Accounting procedure of the subsidiary companies shall be done in the same structure, system and software of the Company.

3.4) Taxation.

(1) Tax declaration shall be delivered to the Revenue Department in accordance with the Revenue Code of Thailand

(2) In case there is the significant tax risk issue, the subsidiary companies shall inform the Accounting and Finance Department of the Company immediately and report the progress quarterly.

9.8 Remuneration of the independent Auditor.

In 2015, the Company has paid the remuneration to PricewaterhouseCoopers ABAS Limited (PWC) as remuneration for the auditors and other expenses (travelling expense) for the Company and the subsidiaries at the total amount of THB 2,296,000 with following detail.

Company	Audit Fee (THB)
1) Eastern Water Resources Development and Management PLC.	890,000
2) Universal Utilities Co. Ltd	655,000
3) Chachoengsao Waterworks Co. Ltd.	230,000
4) Bangpakong Waterworks Co. Ltd.	230,000
5) Nakhonsawan Waterworks Co. Ltd.	180,000
6) EGCOM TARA Co. Ltd	111,000
Total Audit Fee	2,296,000

Remark:

1) The subsidiary companies pay other service fees such a Pro Forma Financial Information and consultant fees on listing the company into the Stock Exchange of Thailand to PricewaterhouseCoopers ABAS Limited (PWC) at the total amount of THB 1,550,000 in 2015.

2) Other expenses (travelling expense) shall not exceed 2% of total audit fee.

10. Social Responsibility.

10.1. Social responsibility.

The Company has collected social responsibility information and developed the Sustainability report of 2015, in accordance with the Global Reporting Initiative (GRI-G4). The sustainability report is available to download at <http://eastw-th.listedcompany.com/ar.html>

10.2. Anti-Corruption prevention procedure.

The Company declared to be the member of Collective Anti-Corruption (CAC) on September 1st, 2011. The CAC is introduced and supported by the Government and Office of the National Anti-Corruption Commission (NACC). The company was certified to be the member of CAC on April 3rd, 2015 and started to develop code of conduct on anti-corruption practices and introduced to the Board of Directors, the Management and Employees. The Anti-corruption practices are regularly reviewed and monitored. Details of the Anti-Corruption policy is shown in the website http://eastw-th.listedcompany.com/anti_corruption.html

11. Internal control and Risk management.

Adequacy assessment of the Internal Control System 2015.

The Board of Directors' Meeting No2/2016 on February 16th, 2016 approved the internal control system, based on the evaluation report of the Audit Committee on the Company's internal control system covered five main areas, including control environment, risk assessment, control activities, information and communication system and monitoring mechanisms. Details are shown below;

Control Environment.

The Board of Director and Executives has announced "Good Corporate Governance Principle of the Eastern Water Resources Development and Management". The announcement is a policy and regulations that employees shall acknowledge, understand and follow the policy and codes of conduct. The principle of good corporate governance covers daily activities, decision making, and treatment to partners, customers and external parties. Moreover, the Company has announced the Code of conduct and enforced employees of the Company and subsidiary companies to follow, any ethics violations shall be investigated and punished as specified in the Employee's handbook.

The role and responsibility of the Board of Directors and the Management are separated clearly. The Board of Directors shall not involve in the Management's responsibility to balance power of management and corporate governance, including monitoring business management to ensure that the right policies and process are implemented efficiently. The Board of Director considers and appoints top management positions and Committees, in accordance with the Company's article of association and Director Guidelines as regulated by the Stock Exchange of Thailand. The Board of Directors has an important role in setting visions, developing three years strategic plans and annual action plan developed by executives from different departments aligned with the long-term corporate strategies considering targets, objectives, budgets, risk consideration, working timeline and measurable return to meet corporate goals.

The Company has a clear organizational structure to enhance the corporate objectives and to develop effective internal control system. Tasks, responsibilities and line of command are separated to the front operation and back office operations while the Board of Directors, the Management and shareholders have a protocol to balance their power. The Company is responsible to arrange a unit to communicate and publish company information to the public.

In addition, the Company commits to motivate, develop and retain valuable personnel with expertise and capability. The Individual Development Plan (IDP) is set to for each employee with career path development policy and succession plan for executive position and in the core operating areas. Performance evaluation and target achievement are specified as key indicators for considerations.

Risk Assessment.

The Company employs the Enterprise Risk Management concepts and requests the Management and employees to identify risks in their working environment; analyze factors and chance for risk occurrence and impacts to develop measures to manage risks. The Company establishes a risk management division to develop risk management plan, monitor risks management measures for efficiency and in the controllable level, and review risk factors quarterly before submitting to the Risk Management Committee for revision and proposing to the Board of Directors for acknowledgement and suggestion for continuous improvement of the risk management system. Risk management policy and guidelines are communicated to

employees to acknowledge and practice as part of the organization culture. Employees are expected to understand and engage in risk management process. The Company also develops the Business Continuity plan (BCP) with regularly practice to meet the risk management objectives.

Control Activities.

The Company announces regulations and guidelines for several working practices such as procurement, budget management, project investment, project management, accounting and financial management. The Company sets the scope of authority and approval limits/payment authorization limits to the Management in complying with the good internal control policy. Tasks and responsibilities are separated for check and balance. The responsibility of approval, recording transactions, information system management and asset control are separated into different persons. In addition, the Company has been accredited ISO9001:2008 and ISO 14001:2004 for the systematic and standard working processes provided to employees in handbooks, and personnel training that guide employees to work accurately following standard procedures and process designed by the Company.

If there is a connected transaction between the Company and subsidiary companies or connected person, the connected transaction will be considered and approved systematically. In case the connected transaction is significant, the Audit Committee, the Management team and auditor shall consider prudently and manage in accordance with rules and regulation of the Stock Exchange of Thailand and disclose in the note to financial statement. Detail shall be reported to the Securities and Exchange Commission. Moreover, directors with conflict of interest in the connected transaction shall not vote on the agenda or resolutions.

Information and Communication system.

The Company has implemented the information and communication technologies in the organization continually. The Company has also set the information and communication policy in the Good Corporate Governance Principles to enhance employees to understand the usage of information and communication technologies such as the Internet and electronic mails and devices (i.e. telephone, radio receivers and transmitter) under supervision of the internal control system. Laws and regulations regarding information and communication technologies are informed to employees such as Information Act B.E. 2540 and Royal Decree Prescribing Rules and Procedures for Electronic Transactions in Public Sector B.E. 2549, to reduce the case of breaking laws.

The Company provides call center service to receive complaints from external parties and assigns the Investor Relation Division to contact and organize activities with shareholders and investors. In addition, employees and external parties can contact or send complaints via AC_EW or directly to CEO Mail Box.

Monitoring Activities.

The Company emphasizes on the internal audit system to increase corporate value by using risks assessment information to develop the risk based auditing plan and appointing the internal audit department and advisor to review efficiency and effectiveness of the Company's internal control system in every working process, and report to the Management and Audit Committee quarterly. The monitoring activities ensure the Board of Director and the Management on the efficiency and effectiveness of the Company's internal control system and increase confidence in the accuracy of information such as the financial and accounting information and operational information. The Internal Audit Department traces and improves process from the exposed issues and suggestion from the Audit Committee and reports updates

to the Audit Committee consistently. In addition, the company has applied the international accredited system, ISO 9001:2008 and ISO 14001: 2004, to monitor the quality control process and internal working environment system.

The Company monitors and reviews performance of subsidiary companies regularly and continuously by reporting the progress and performance to the Board of Directors quarterly; appoints a special coordinating unit to monitor performance and progress of subsidiary companies as suggested and agreed by the Board of Director; and coordinates with all subsidiary companies to operate in complying to the Company's policy. The corporate secretary is appointed to assist Subsidiary companies on legal and compliance issues.

In considering to the assessment of the adequacy of internal control system as stated above, the Board of Directors, the Audit Committee and the auditor have mutually agreed that the Company's has adequate and appropriate internal control system and has sufficient personnel to handle the system. The company also has the effective and efficient internal control system to monitor the performance of subsidiary companies for sustainable operation growth.

The organization structure is designed to have the Audit Department under the direct command of the Audit Committee. The department consists of 7 full-time employees and the position of Vice President of Audit Department is still on process of recruiting. Today, the Company employs KPMG Phoomchai Business Advisory Ltd (KPMG) as an internal audit advisor. For this position, the Board of Directors and Chief Executive Officer are responsible to select and evaluate working performance of the Vice President of Audit Department. A recent evaluation suggested that the Vice President of Audit Department performed at "Good" levels and found suitable for the position from the good knowledge of business operation and activities. Referring to the Charter of Audit Committee suggests that any appointment, rotation, termination of contract and award to the Vice President of Audit Department shall be approved by the Audit Committee.

Director of the Audit Department, Eastern Water Resources Development and Management Public Company Limited	
Name- Surname	Mr. Prasit Skulkassareewan
Position	Assistant Vice President of Audit Department and Acting Vice President of Audit Department)
Education Background	<ul style="list-style-type: none"> • Master of Business Administration (Accounting) , Chulalongkorn University • Bachelor of Accountancy (Cost Accounting), Rajamangala University of Technology Krungthep.
Working experiences	<p>Eastern Water Resources Development and Management Public Company Limited</p> <p>July – Oct 2015 Assistant Vice President of Audit Department and Acting Vice President of Audit Department</p> <p>2013 - 2015 Manager of Corporate Secretary Division</p> <p>Feb 2011 Manager of CEO Office</p>

Director of the Audit Department, Eastern Water Resources Development and Management Public Company Limited	
	<p>March 2010 Manager of Analysis and Development Division</p> <p>Oct 2009 Manager of Audit Department</p> <p>March 2009 Acting as Manager of Audit Department</p> <p>Oct 2004 Audit Senior</p> <p>Nov 2002 Audit Officer</p>
Training	<ul style="list-style-type: none"> • 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 Public Organization

Adequacy Assessment form for The Internal Control system 2015

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

**This form is developed by the Company and gave the opinion by the Board
of Directors on the adequacy of Internal Control system**

Adequacy Assessment Form for The Internal Control system**Concepts and objectives**

The internal control system is important for the listed company or the company, which is owned by public investors. The well-organized system helps preventing, administering and managing risks or damages that may occur to the Company and stakeholders. The Board of Directors is responsible to ensure that the Company has appropriate and adequate internal control system to monitor business performance to meet targets, objectives, laws and regulations effectively. The system shall prevent loss and damage of properties from corruption and bribery with the systematic accounting records and accurate financial statements.

The Securities and Exchange Commission, in cooperating with PricewaterhouseCoopers ABAS Limited (PWC Thailand), has developed the adequacy assessment form for the internal control system ("the Assessment Form"), to assist the listed companies to evaluate adequacy of their own internal control system.

The Assessment Form is designed in accordance with the concept of the Committee of Sponsoring Organization of the Treadway Commission or COSO², which the framework is revised on May 2013 to simplify to suit Thailand's listed companies. The Assessment Form is divided into 5 sections similar to COSO guideline, but detail is extended into 17 minor components for better understanding and clearer overview.

Application

The Company shall apply this Assessment Form as a guideline for assessment or revision of the adequacy of internal control system at least once a year and shall have additional revision in case there is a significant circumstance that may have substantial impacts to the Company. The assessment shall be considered by the Audit Committee and the Board of Directors for opinion sharing and understanding before setting the appropriate directions.

Each answer in the Assessment Form shall be based on real practice and reasonable answers with solution shall be given in case founded inadequacy of the internal system (both non-existing controlling system in considering issue and inappropriate controlling system).

² COSO is the joint committee of five professional bodies, including The American Institute of CPAs (AICPA), Institute of Internal Auditors (IIA), Financial Executives Institute (FEI), American Accounting Association (AAA) and Institute of Management Accountants (IMA).

Internal Control

1. The organization demonstrates its commitment to the value of integrity and ethics.

Question	Yes	No	Answer
<p>1.1 The Board of Director and the Management set the guidelines and practices based on the integrity and code of conducts, that covers;</p> <p>1.1. Routine tasks and decisions</p> <p>1.2. Treatment to partners, customers and external parties</p>	<p>✓</p> <p>✓</p>		<p>The Company employs 9th edition of "The Principles of Good Corporate Governance for Listed Companies," which is revised on February 16th, 2015 to meet the OECD's standards. Employees in all levels from directors, management executives and employees are notified to follow the principles which are divided into 5 sections as follows.</p> <p>Section 1: Rights of Shareholders Section 2: Equitable treatment of Shareholders Section 3: Roles of Stakeholders Section 4: Disclosure and Transparency Section 5: Responsibility of the Board</p>
<p>1.2. The Company has rules and regulations in written for management executive and employees to follow with integrity and the code of conduct;</p> <p>1.2.1 There is an appropriate code of conduct for executives and employees</p>	<p>✓</p>		<p>The Company employed and announced the "Employees' Code of Business Ethics", which is revised on April 18th, 2014 to understand easily and to be more practical, under the "Good Corporate Governance Principles" of the Company.</p>
<p>1.2.2. There is a rules and regulations preventing executives and employees to act in a way that may cause conflicts of interest and involve in corruption that might cause damages to the organization²</p>	<p>✓</p>		
<p>1.2.3. There is an appropriate punishment or penalty on any misconducts as mentioned above</p>	<p>✓</p>		<p>Employees who break the rule and the code of conduct shall be investigated and punished in accordance with the regulations specified in the employees' manual.</p>

Remark: ² the Company shall set the internal control system aligned with the anti-corruption measures and appropriated to the risk levels.

Question	Yes	No	Answer
1.2.4. There shall be the communication of rules, regulations and penalty to executives and employees at all levels to acknowledge and understand, such as promoting in the orientation activities of new staff, etc. All employees shall sign to acknowledge rules, regulations and penalty annually. The code of conduct manual shall be published and distributed to all employees and external stakeholders for acknowledgement.	✓		The Company explains rules, regulations and penalty to the executives and employees at all levels and distributes the codes of conduct for all employees to sign for acknowledgement. The Company also includes in the orientation of new staff to explain and enforce all employees to follow strictly.
1.3. There is a process to monitor and assess the code of conduct practice as follows. 1.3.1. Monitor and assess by the Internal Audit Department or the compliance unit.	✓		Major working processes and procedures, including anti-corruption activities and its related are monitored and assessed regularly by the Internal Audit Department.
1.3.2. Self-evaluation of executives and employees	✓		On October 15 th , 2015 the Company arranged a "Leaderships, Corporate Governance and Anti-corruption" seminar for the Management and employees, lectured by Pol. Maj, Gen Vichai Sangparpai. However, in 2016, the self-evaluation on code of conduct for the Management and employees and assessment by independent assessors will be arranged to evaluate the code of conduct practice.
1.3.3. Assess by independent assessors from external organization.		✓	
1.4 Is The Company shall act in time in case found any misconduct or failure to comply with the regulations regarding integrity and code of conduct 1.4.1. There is a process to detect misconducts or rules violations in a timely manner	✓		The company communicates the internal control findings to responsible persons for evaluation, investigation and improvement with an appropriate punishment in a timely manner. The system, process and measures shall be revised for its appropriateness and conciseness.
1.4.2. There is an appropriate procedure to punish and manage any misconduct or rules and regulations violation in a timely manner	✓		
1.4.3. There is an appropriate corrections on action against the integrity and code of conduct in a timely manner	✓		

2. The Board of Directors is independent from the Management and responsible for oversight and development of internal control procedures.

Question	Yes	No	Answer
2.1. Roles, responsibilities and authority of the Board of Directors are clearly identified and developed independently from the Management	✓		The Company developed the Directors' Guidelines in written to specify roles and responsibilities of the Board of Directors and its independency from the Management. The Board of Directors shall not intervene with the Management's roles and responsibilities to balance power of the Management and the corporate governance. The Board of Directors is also responsible to monitor performance of the Management to ensure that policies and processes are employed appropriately for effective actions with efficient outcomes.
2.2. The Board of Directors supervises on setting clear and measurable business goals as guidelines for the Management and employees.	✓		The Board of Directors approves visions, three years strategic plan and annual operating plan in accordance with the long-term master plan of the Company to practice by setting the operating targets, objectives, budget, risks, activities, timeline and measurable returns. The Executive and Investment Committee considers the detail of operating plan and annual budget before proposing to the Board of Directors for consideration. The Management is responsible to present project progress, operating plan and budget spending to the Audit Committee quarterly for acknowledgement of progress and problems on operation. The Company then arranges session to communicate directions to employees of the Group of companies.
2.3. The Company, under supervision of the Board of Directors, specifies roles and responsibilities of the Board of Directors, Executives, the Audit Committee, auditors, internal auditor and responsible persons for financial reports; in complying with charters, laws and regulations.	✓		The structure of the Board of Directors assigns the Corporate Governance and Nomination Committee the authority to recruit and nominate the qualified candidates for the position of directors, corresponding to the Company's Articles of Associations and the Directors' Guidelines regulated by the Stock Exchange of Thailand. It also covers the roles and responsibilities of the subcommittees, which are the Audit Committee, the Corporate Governance and Nomination Committee, the Risk Management Committee, the Executives and Investment Committee and the Evaluation and Remuneration Committee.
2.4. The Board of Directors shall have good knowledge of the Company's business with expertise in special area that benefits to the company or shall be able to provide advice from their expertise.	✓		
2.5. The Board of Directors consists of an appropriate number of independent directors who are knowledgeable, skillful, and credible and have independent views to perform their duties without conflicts of interest with the Company or related parties	✓		The Company develops the Independent Directors' Guidelines to specify the qualifications and responsibilities of independent directors; and set the balance of independent directors in the proportion of one-third of total directors.

Question	Yes	No	Answer
that may affect their consideration and independent decisions.			
2.6. The Board of Directors monitors the development and practice of internal control system, which includes internal control, risk measurement, internal control activities, information and communication control and monitoring system	✓		The Board of Directors arranges a monthly meeting to monitor and control working progress of the Management.

3. The Management has developed the line of command, scope of authority and responsibility to achieve the Company's objectives under the supervision of the Board of Directors.

Question	Yes	No	Answer
3.1. The Management designs the organization structure responding to the Company's objectives and target achievement by considering nature of the business, laws and effective internal control system. Major tasks are separated to different persons for power balance and the internal control is under the direct supervision of the Audit Committee with a clear line of command.	✓		The Company designs the clear organization structure to supports the Management with effective internal control by dividing responsibilities of the main operation and supporting roles. The Company also establishes the internal audit department to work directly to the Audit Committee. In 2015, the Company established the Project Planning Division in charge of building the capacity of major and minor pipelines systems and developing raw water and related project plan to meet the business objective of the Company and maintain sufficiency of raw water source to handle drought situation.

Question	Yes	No	Answer
3.2. Top Management sets the line of command considering the appropriateness of authority responsibility and communication.	✓		Each department reports directly to their direct supervisors, in accordance with the approved line of command by the Board of Directors. Top executives report directly the working progress, plan and problem in the monthly management meeting to solve the problem and communicate to responsible persons.
3.3. The Company identifies, delegates and controls scope of authority and responsibility of the Board of Directors, the Management, executives and employees	✓		The Board of Directors has developed the Directors' Guidelines effective on February 1 st , 2012. The Board of Directors authorizes the Chief Executive Officer to manage the internal affairs with authority to approve agreements with external parties, in accordance with the Board of Directors' policy, Shareholders' Resolution, Memorandum of Association, Article of Association, operating plans, regulations of the Stock Exchange of Thailand. Public communication, for instance, is a responsibility of the Corporate Communication Department, under the supervision of the Chief Executive Officers.

4. The Company commits to motivate, develop and retain knowledgeable and skillful employees

Question	Yes	No	Answer
4.1. The Company has policy and procedure to recruit, develop and retain knowledgeable and skillful employees with regular revision.	✓		The Company appoints the Human Resources Department the responsibility of personnel development and training. The Company focuses on the individual career development level.
4.2. The Company has performance evaluation process, motivation or reward system to capable employees and punishment to employees who fails to meet working objectives. Evaluation process shall be communicated to the Management and employees.	✓		The Company employs Key Performance Indicator or KPI to evaluate employees in all levels. The KPIs shall be set in organizational, departmental and individual levels to ensure working in the same direction corresponding to the Company's objectives, vision and mission. In addition, the pay for performance is employed to motivate employees.

Question	Yes	No	Answer
4.3. The Company has appropriate procedures to solve the labor shortage or prepare for skilled labor shortage in a timely manner.	✓		In the Management meeting, the job rotation is considered as a guideline to improve the capacity and prepare internal staff, and open opportunity for employees to learn different tasks and skillsets to prevent skilled labor shortage in the organization.
4.4. The Company has process for recruitment, development and retaining executives and employees such as mentoring and training system.	✓		The Company has developed various methods of the Individual Development Plan to meet different requirements such as job coaching, assignments, on the job training, taking project responsibility and others regular training program for employee in all levels.
4.5. The Company develops the succession plan for the important position.	✓		The Succession plan is prepared to develop internal employees to be a successor to replace the employee in the position of management executive and in core positions which is essential for the organization.

5. The Company assigns internal control duties and responsibilities to individual employees for overall achievement of the corporate objectives

Question	Yes	No	Answer
5.1. The Board of Directors and the Management has communication process to enforce individual employee to take responsibility on the internal control and improvement process can be arranged if necessary.	✓		The Company has developed the Employee's Code of Business Ethics as a working framework for employees under the Good Corporate Governance Principles aiming to meet the Group of Companies' goals. The Company specifies internal factors to support the transparent operation under the effective internal control system. The Code of Business Ethics of employees is considered as a part of the Company's regulations that all employees shall follow and punishment shall be enforced in case of ignorance or misconduct.
5.2. The Board of Director and the Management set the key performance indicators to employees, in order to measure working performance, motivate and award if they follow the Company's code of conduct and meet both short-and long-term objectives.	✓		The Company evaluates the performance of employees through the supervisor by employing the key performance indicators (KPIs) for assessment.
5.3. The Board of Director and the Management regularly evaluates employee's performance to motivate and reward them, responding to individual capability and achievement to follow internal control system	✓		The Company has set the Key Performance Indicators (KPIs) for detection of repeated issues to drive for better internal control system. The Company also rewards employees who join activities, share ideas or presenting strategies to solve problem.

Question	Yes	No	Answer
5.4. The Board of Director and the Management considers the appropriateness and levels of working pressure of each employee	✓		The Company has the work-life balance policy by arranging activities regularly to balance their work and life, health and mind such as sport days, making merit activity, etc. The Company also allows employees to work from home if necessary.

Risk Assessment

6. The Company specifies clear objectives which is sufficient to define and assess risks for the action to achieve the business objectives of the organization.

Question	Yes	No	Answer
6.1. The Company is capable to follow general Accounting Standards suitable for business, which presents reliable and complete financial statement, appropriate value of rights and accurate obligations with transparency and truthfulness.	✓		The Board of Directors appoints the Audit Committee to verify the Group of Companies' financial reports according to the accounting standards and sufficient financial information disclosure to ensure the Board of Directors, the Management and other Stakeholders the quality of financial report. The Audit Committee is responsible to review and verify accounting items that may not be sufficiently disclosed or may cause misunderstanding to readers. If there are changes in the accounting policy or standard, the Financial and Internal Audit executives shall review and verify the report with opinions of external auditors before discussion within the Audit committee and report to public quarterly.
6.2. The Company is able to identify the substance of financial reports, considering of relevant factors such as financial report users, size of transaction and business trends.	✓		
6.3. The financial reports reflect the true operating activities of the Company	✓		
6.4. The Board of Directors or the Risk Management Committee approves and communicates risk management policy to the Management and employees to acknowledge and follow as working framework and corporate culture.	✓		The Company has established the Risk Management Committee and set the authority, roles and responsibility in the charter of Risk Management Committee as shown below; 1. Approve and propose the Risk Management policy to the Board of Directors for acknowledgement, covering strategic risks, operational risks, investment risks, market risks and reputation risks. 2. Consider measures of risk assessment and approve risk management plan (RMP) in accordance with the Risk Management Policy, which includes risk analysis, risk assessment, evaluation and effective monitoring of the risk management process before proposing to the Board of Directors for acknowledgement.

Question	Yes	No	Answer
			<p>3. Control, review, monitor the Risk Management plan and share opinions and suggestions regarding risk management policy to the Board of Directors to ensure the plan is implemented appropriately to meet the objectives.</p> <p>4. Consider and share opinions to set the risk appetite and risk tolerance levels of the Company.</p> <p>5. Review and approve the Risk management Manual of the Company at least once a year before proposing to the Board of Directors for acknowledgement (if any)</p> <p>6. Propose the Annual Risk Management plan and present performance and progress report to the Board of Directors for acknowledgement at least twice a year.</p> <p>7. Perform other duties as required by the Board of Directors.</p> <p>The Company employs the Enterprise Risk Management concept by appointing the Management and employees to expose, analyze risks and factors, current control measures and propose risk management procedure as appropriated. The Corporate Strategy and Planning Department is responsible to collect risk exposures, prepare risk management plan, communicate risk management procedure to related employees for acknowledgement and arrange trainings to employee regularly and continually.</p>

7. The Company specifies and analyzes all types of risks within the organization that may affect the achievement of the corporate objectives

Question	Yes	No	Answer
7.1. The Company identifies all types of risks that may effect to the business operation at corporate, department, sections and taskforce levels.	✓		<p>The Company has developed the risk scoring system that classifies risks levels into high, moderate and low, in order to consider the likelihood of risks and identify levels of impacts. The risk scoring system is applied in strategy, operation, finance, corporate governance and corruption in scoring level from high, moderate to low by studying and analyzing external and internal factors (SWOT) to develop the monitoring system and control activities with appropriate responsible persons.</p>

Question	Yes	No	Answer
7.2. The Company analyses all risks that may occur from both internal and external factors, including strategic risks, operational risks, reporting risks, compliance risks and information technology risks.	✓		The Company has developed the risk scoring system that classifies risks levels into high, moderate and low, in order to consider the likelihood of risks and identify levels of impacts. The risk scoring system is applied in strategy, operation, finance, corporate governance and corruption in scoring level from high, moderate to low by studying and analyzing external and internal factors (SWOT) to develop the monitoring system and control activities with appropriate responsible persons.
7.3. The Management in all levels participates in risk management activities.	✓		
7.4. The Company scores the risk levels by its likelihood and impact level.	✓		The Company has developed the risk scoring system that classifies risks into high, moderate and low levels, considering the likelihood and impact level of risks.
7.5 The company has measures and operating plans to manage risks classifying into risk acceptance, risk reduction, risk avoidance or risk sharing.	✓		The Company appoints the President & CEO office and the Corporate Strategy and Planning Department to collect risk exposures from different departments and develop risk management plan with responsible person and deadline. The Management develops measures to handle and reduce risk impacts into acceptable levels such as monitoring situation that may cause risks, employing consultants or experts for suggestions on risk management, clarifying the investment and operating plan, etc. The Management may avoid risks or transfer risks by subscribing insurance, outsourcing, evaluating and monitoring water situation with supporting plans and employing drought management plan (if any) or accept the risk by identifying levels of risk acceptance.

8. The Company assesses risk on corruption that may disrupt the achievement of corporate objectives.

Question	Yes	No	Answer
8.1. The Company assesses chances of corruption or peculation in different forms such as fault financial statement, fraud, corruption, management override of internal controls system, financial reports adjustment and inappropriate asset acquisition and etc.	✓		The Board of Director appoints the Audit Committee to monitor and verify any transactions that cause conflict of interest, corruption, abnormality or any significant errors in the internal control system and any violation of national laws; the Securities and Exchange ACT B.E. 2535, regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission and related business laws, that may cause significant impacts to the Company's financial position and business operations. The Audit Committee shall report directly to the Board of Directors for immediate correction within the appropriate timeframe.
8.2. The Company revises the operating target conservatively, considering target achievement possibility and reasonable motivation and reward system that will not encourage inappropriate behaviors of employees such as fault sales report from unachievable target.	✓		The Company employs corporate's key performance indicators (KPI) to evaluate performance in the organization. The KPIs are approved by the Board of Directors annually by setting the department and individual KPIs in accordance with the corporate KPIs with challenge and possibility. KPIs are evaluated quarterly to motivate employee for target achievement and to consider annual remunerations of employees, the Management and the Board of Directors. The Board of Directors <u>appoints the Evaluation and Nomination Committee</u> to develop and consider appropriate evaluation criteria before proposing the remuneration of the Management and employees to the Board of Directors for approval. The Board of Directors' compensation shall be proposed to the Shareholders' Meeting for resolution.
8.3. The Audit Committee inspects and questions the Management on chances of corruption and prevention measures.	✓		
8.4. The Company communicates policy and guidelines to all employees to understand and follow.	✓		The Company declares the Good Corporate Governance Principles, the Board of Directors' Codes of Conducts and Employees' Code of Conducts for employees at all levels to follow and apply in routine practices. The Company emphasizes on the Good Corporate Governance Principles and there are five core components that the Company and subsidiary companies have to comply with; <ol style="list-style-type: none"> 1. Transparency 2. Integrity and Fairness 3. Responsibility and Accountability 4. Competency 5. Best practices for creation of Long-term Value

Question	Yes	No	Answer
			<p>There are internal factors supporting the good corporate governance principles, which are;</p> <ol style="list-style-type: none"> 1. Professionalism of employee in all levels 2. Transparency and effective internal control system <p>The Group of Companies commits to the Good Corporate Governance Principles in business operation by announcing as policy and code of conducts for working practices and benchmarking of the group of company. The Board of Directors, employees and outsourcers are responsible to acknowledge, understand and practice in accordance with the principles. Direct supervisor monitors and gives suggestions to subordinates in the command lines to perform responding to policy and code of conducts regularly. Any ignorance or violation shall be investigated and punished as stated in the Employees' Manual. The Company also establishes channels to suggest or complain via the Company official website and e-mail to AC_EW@eastwater.com.</p> <p>In 2014, the Company participated in the "Private Sector Collective Action Coalition Against Corruption (CAC)" to show the commitment to prevent any direct and indirect forms of corruption. The Company announces the Anti-corruption policy, which enforces the Group of Companies' Board of Directors, the Management and employees avoiding any forms of bribery or corruption in both direct and indirect ways or for owned or connected person's benefit.</p> <p>The Company and subsidiary companies have established practices, guidelines with responsible persons to investigate and review anti-corruption practices regularly corresponding to changes in the business environments, rules, regulations and related laws. In 2015, the Company received two awards from the "Asian Corporate Governance Conference & Awards," held in the Philippines, which are TOP50 ASEAN PLCs and TOP2 Outstanding Achievement Awards.</p>

9. The Company is capable to identify and assess changes that may affect the internal control system

Question	Yes	No	Answer
9.1. The Company assesses changes from external factors with significant impacts to the business, internal control system,	✓		The Company has regularly revised and evaluated risks by arranging the internal meeting between departments to identify

Question	Yes	No	Answer
financial reports and introduces adequate measures responding to changes.			<p>internal and external factors that may have impact to the Company's business. The meeting also includes identifying emerging risks; reducing or maintaining level of existing risks according to business situation, monitoring low level risks and developing risk management plan to limit risk impacts in the manageable and acceptable levels.</p> <p>The Company monitors each operating unit to follow the risk management plan. Every business unit must report the risk management progress to the risk management division for review before proposing to the Risk Management Committees and the Board of Directors for consideration at least once a quarter.</p> <p>In addition, the Audit Department evaluates significant changes from internal and external factors that may have impacts to the corporate risks and internal control system for consideration of audit scope; and includes the findings in the development of the annual audit plan.</p>
9.2. The Company assesses changes in business model that may have significant impacts to business operation, internal control and financial reports and introduces adequate measures for changes.	✓		
9.3. The Company assesses changes in leaders that has significant impacts to business operation, internal control and financial reports and introduces adequate measures for changes.			

Control Activities

10. The Company has set measures to reduce unachievable target risks in the acceptable level

Questions	Yes	No	Answer
10.1 Controlling measures of the Company is suitable for risks and special business characteristics of the organization such as environment, business complexity, business description, scope of works, including other special characteristics	✓		
<p>10.2 The Company sets the internal measures in written covering business procedures, such as policy and regulations of working process related to financial transaction, procurement and general management. The Company also defines the scope, authority and approval hierarchy of each management level clearly and concisely to protect corruption such as setting approval limits and approval levels of executives, approval process of investment project, procurement process and supplier selection, decision making record of each procurement, disbursement process of equipment and office supplies or device issue process, etc. Procedures are as followings.</p> <p>10.2.1 Information collection related to major shareholders, directors, management executives and related person for inspecting and reviewing related transactions or any activities that may cause conflict of interest, including regular information update.</p> <p>10.2.2 In case the Company approves business transactions or contracts with long-term obligation such as trading contract, loan lending agreement and guarantee contract, the Company reviews and is confident that the practice is accordance with condition as agreed in the legal binding period such as concerning debt repayment in the agreement period or contract revision, etc.</p>	<p>✓</p> <p>✓</p>		<p>The Company uses the regulations and practices that are reviewed and approved by the Board of Directors to be the working process guidelines under the good internal control principles. The regulations and practices are as follows.</p> <ol style="list-style-type: none"> 1. Procurement 2. Assets and Spare parts Management 3. Contract Management 4. Investment and Project Management 5. Budgeting, Accounting and Finance 6. Inventory Management 7. Authority and line of command <p>For example, in the procurement process, conflict of interest report is given to bidders and suppliers to clarify relationships with directors of the Company, executives or related person of the Company and the subsidiaries to protect the conflict of interest.</p> <p>In addition, working procedures instructions are prepared in accordance with the Company regulations and quality control system ISO 9001:2008 and ISO 14001:2004 with regular revision.</p>
10.3 The Company specifies various internal control system such as manual and automated internal control or preventive control with ongoing monitoring	✓		

Questions	Yes	No	Answer
10.4 The Company sets the internal control in all organizational levels such as in the group of company level, business unit level, field of work level, department level or by process.	✓		Supervisors of each business unit are responsible to control their operations in complying with the internal control system and have the internal audit department evaluating on adequacy and efficiency of the internal control system.
10.5 Responsibilities are divided into 3 main functions and separated utterly for check-and-balance purpose. Those responsibilities are; (1) Approval (2) Book keeping and develop Information System (3) Storage and assets management	✓		Regulations and guidelines for authority to operate within the organization, specifically on the approval of procurement contract and payment must be approved and signed by two authorized person. Approval limits are controlled by levels of responsibility, which accounting and finance department shall not have the full power for payment approval. In addition, the responsibility of book keeper, receiver and payer shall be separated. Procurement regulations and guidelines require the acceptance inspection committee, which consists of at least 3 people from 1) user representative 2) accounting and finance representative 3) other business unit with no relationships with users and procurement system. Furthermore, the Company has specified that the business unit who requests to buy shall be responsible for the asset purchased. The accounting and finance department is responsible to control the asset and property list of the Company. The asset and property check shall be conducted annually with office and asset administration department and location management team to confirm the existence and completeness of asset for appropriate property insurance consideration

11. The organization selects to develop general control activities by technology to reach the objectives.

Questions	Yes	No	Answer
11.1 The Company shall instruct the usage of information technology in the working process and suggest general usage monitoring and controlling activities.	✓		The Company prepares the handbook and follows the work procedures and work instructions of the information technology system in accordance with ISO 9001:2008 and ISO 14001:2004
11.2 The Company shall control the usage of information and communication infrastructure appropriately.	✓		The Company prepares the handbook and follows the work procedures and work instructions of the information technology system in accordance with ISO 9001:2008 and ISO 14001:2004
11.3 The Company shall develop appropriate measures for security system.	✓		The information technology department has prepared guidelines for security control of the information technology system and has communicated to all employees through various channels such as the Company's notification, electronic mail, etc. with great emphasis on the importance of the regular information technology system control. The control system covers the security control of network system, computerized control center and software control, etc. to protect the unauthorized access. In addition, the Company installs the centralized log management for log collection of the Company. The log file can be kept exceeding 90 days in accordance with the Computer Crime Act B.E.2550 (Section 26).
11.4 The Company shall develop control process for technology acquisition, development and maintenance	✓		The internal audit department is responsible to monitor the information technology system with the internal audit advisor, which includes examining data usage security and efficiency of data management and access, working system and other IT equipment.

12. The Company develops controlling activities by setting policy and expects the practical working process.

Questions	Yes	No	Answer
12.1 The Company has set policy concisely to track the transaction of major shareholders, directors, executives and related person through approval process such as rules and regulations of the Company, the Stock Exchange of Thailand and etc. to prevent the opportunity to take advantage for owned benefits.	✓		Connected transaction between the Company and the subsidiaries, including stakeholders, shall pass the consideration and approval process. All transactions shall be disclosed in the notes to financial statements. In case of significant connected transaction, the audit department, Audit Committee, executives and independent auditors shall consider carefully and follow the regulations of the Stock Exchange of Thailand and detail shall be revealed in the notes of the financial statement.
12.2 The Company has the policy to consider and approve connected transaction by non-conflict of interest stakeholders	✓		The Board of Directors approved the principles related to connected transactions between the Company or the subsidiary companies and the directors, executives and other connected persons according to the Notification of the Stock Exchange of Thailand. In case the Board of Directors of the Company and the subsidiaries assign other personnel of the Company and the subsidiaries in all level and in any cases, the assignment shall be in written and recorded in the resolution of the Board of Directors' Meeting. The scope of responsibility and authority of the attorney shall be clarified. However, the scope of authority must not include any decisions or approval of agenda with the conflict of interest and the attorney shall not have conflict of interest with the agenda. Management team shall report detail to the Board of Directors.
12.3 The Company has policy to approve the transaction considering the utmost benefit of the Company and treat the transaction as obligated on the arms' length basis.	✓		The transaction process is similar to the regulations with other water users. In addition, it is clearly defined in related regulations and notifications of the good corporate governance principles that any business transaction shall follow the Company's regulations considering the highest benefit of the Company and the shareholders. In the significant business transaction such as any transaction with more than or equivalent 3% of net tangible assets, the Company will hire the independent financial advisor for consultation and transparency before proposing to the shareholders for consideration and approval in according to the regulations of the Stock Exchange of Thailand.

Questions	Yes	No	Answer
12.4 The Company develops a procedure to monitor the subsidiary or joint venture companies and guides the appointed representatives nominated as directors or executives in the subsidiary or joint venture companies to follow the direction. (In case there is no investment in a subsidiary or joint venture, the Company shall skip the question.)	✓		
12.5 The Company defines roles and responsibilities of executives and staff to implement the policy and process to practice.	✓		It is clearly specified in the good corporate government principles of the Company that in case of conflict of interest of employee in any level related to intimates or position including finance or others that the person may take advantage from the inside information or future plan, it is the responsibility of employee to inform supervisor and management respectively for their information.
12.6 Policy and operating procedures shall be employed in the appropriated time by capable staff and with working improvement procedure.	✓		
12.7 The Company reviews appropriateness of policy and operating procedures regularly.	✓		

Information & Communication

13. The Company has relevant and quality information to support the internal control system.

Questions	Yes	No	Answer
13.1 The Company requires qualified and relevant information from internal and external sources for business operation.	✓		The Company collects and stores the information for strategic planning and operation planning which will be used as business guidelines. Related parties across departments will collect both internal and external information which is significant and relevant to business operation of the Company such as quantity of pumped and distributed water, financial reports, economic situation, water situation and information from other organizations. The Board of Directors and advisors will provide suggestions to review the quality and accuracy of data for the value and benefit of the Company.
13.2 The Company considers both cost and benefit of the information together with quantity and accuracy.	✓		
13.3 The Company provides sufficient information to the Board of Directors for consideration and decisions making such as detail of meeting agenda for approval, reasons, business impact and other alternatives, etc.	✓		The Company prepares the meeting agenda specifying ongoing agenda, approval agenda, to inform agenda and other agenda, consecutively. To facilitate the meeting, the Board of Directors and Sub-committees will receive the information as followings (1) Overview (2) Executive Summary (3) Rationale (4) Laws/ Regulations/ contract and related agreement (5) Considerations and Suggestions, which are summarized for considerations and/or alternatives that management team would like the Board of Directors to acknowledge, consider, share and approve (6) Meeting Resolution. In addition, the Company also provides the up-to-date communication equipment for data access of the Board of Directors rapidly and timely. PowerPoint is employed to present summary, illustration, charts, figures, diagrams and map. During meeting, the responsible department shall join the meeting to present the data and answer questions of the Board of Directors.
13.4 The Company distributes the invitation and referent documents to the Board of Directors providing necessary and sufficient information for consideration prior to the meeting date at minimum period as prescribed by laws.	✓		The Corporate Secretary of the Company distributes the invitation, regulations, meeting agenda and reports of the Board of Directors' and other committees' Meeting within the prescribed period except the emergency case that requires urgent consideration of the Board of Directors and may cause damage to the Company. The management shall consult with

Questions	Yes	No	Answer
			related parties to screen information and details to be appropriate, complete and accurate before submitting the agenda. The important and sufficient information shall be delivered 2 to 6 days in advance prior to the meeting date.
13.5 The Company prepares the report of the Board of Directors' Meeting with sufficient information for tracking each director's duties and responsibility such as recording questions of directors, opinions and notices in each agenda and also the opinion of the directors who disagree with the proposing agenda.	✓		The responsibility of the Corporate Secretary is to record questions, opinions, supporting reasons including the resolution of the Board of Directors' Meeting and to report the meeting overview. Moreover, when delivering the minutes of the Meeting, the Corporate Secretary shall inform each director the period to change within 7 days after receiving the minutes. In case of late information, the Corporate Secretary shall present in the agenda of next meeting in the section to approve the agenda of previous meeting, specifying clearly the director who requests to change the information. Other directors also have rights to disagree and detail shall be recorded in the minutes to resolve in the next meeting which sufficient detail and documents shall be provided to the shareholders and related parties for the review and consideration.
13.6 The Company shall manage accordingly: 13.6.1 Store important documents completely and in proper order 13.6.2 In case the independent auditor or internal auditor finds errors in the internal control system, the Company shall completely solve the error.	✓		The Company stores the documents related to book keeping and other accounting references completely and in proper order and have not been notified the errors in the internal control system by the independent auditors.

14. The Company communicates information internally including objectives and responsibility for internal control which is necessary to support the internal control system to run accordingly.

Questions	Yes	No	Answer
14.1 The Company has effective internal communication process and channel to support the internal control	✓		The Company focuses on the communication by defining the information and communication technology policy in the good corporate governance principles of the Company, with the purpose to inform employee on the usage of internal communication channel under good internal control system such as internet, intranet, email, and other telecommunication channels such as telephone, fax and communication system between head office and branches.
14.2 The Company shall report the important information to the Board of Directors regularly. The Board of Directors shall be able to reach the required information to perform tasks or verify activities such as appointing a person to act as a contact person to coordinate for additional information apart from the data from the management, to contact the independent auditors and internal auditor for accounting information, and to arrange the Board of Directors and management meeting as required by the Board of Directors and other activities apart from the Board of Directors' Meeting, etc.	✓		The Charter of the Audit Committee specifies the authority of the Audit Committee to be able to access the essential information system to review transactions in all levels as required, including inviting management executives and related parties to attend meeting and provide the information with the authorized scope of work by the Board of Directors. The Audit Committee is also able to seek for independent views from independent auditors or specialized advisor for consultation or recommendation as seen appropriated expense charged to the Company. In addition, the Charter of the Audit Committee defines the role and responsibilities to monitor and control performance of the independent auditors and the internal auditor by meeting with the independent auditors to acknowledge the report of the financial statement review quarterly and/or annually together with consulting problems and obstacles that may occur on operation and meeting with the auditors without the management executives at least once a year. The Audit Committee also is responsible to evaluate the performance and quality of work including the independency of the auditors.
14.3 The Company provides the special channel for communication or whistle-blower hotline for individual in the Company to inform traces or evidence related to corruption and embezzlement securely.	✓		The Company provides special and confidential channels (whistle-blower hotline) to inform traces and evidence of the corruption and embezzlement in the Company securely which are delivering directly to the Audit Committee via Email: AC_EW@eastwater.com or to the President and CEO via CEO Mailbox: CEO@eastwater.com

15. The Company communicates with the external organization regarding issues that may affect the internal control.

Questions	Yes	No	Answer
15.1 The Company has an effective communication process with the external stakeholders and provides appropriate channels to support the internal control such as provision of investor relation office or officer and complaint center, etc.	✓		The Company assigns the Corporate Communication and Marketing Department to be in charge of the complaint center / call center for both internal and external to receive the feedback of errors and operating problems. The CEO office and corporate secretary is accountable for contacting with the corporate governance organization. Investor relations and financial analysis department are responsible to communicate with the investor and shareholders of the Company.
15.2 The Company provides special channel or secret channel (whistle-blower hotline) for the external stakeholders to inform traces and evidences of corruption and embezzlement to the Company safely.			In case there are traces and evidences of corruption and embezzlement, the Company provides the whistle-blower hotline as special channel to contact the Audit Committee directly via email: AC_EW@eastwater.com safely.

Monitoring Activities

16. The organization tracks and evaluates performance of the internal control system to ensure that the system runs effectively and appropriately

Questions	Yes	No	Answer
16.1 The Company shall set the monitoring process aligned with code of business ethics that traces on the management and employees' working practice to restrict conflict of interest such as commanding each division to monitor working practice and report to supervisor or assigning the internal audit department to monitor and report to the Audit Committee, etc.	✓		
16.2 The Company monitors the working practice that complies with the internal control system by using self-assessment or independent assessment by the internal auditor.	✓		The Company assigns the internal auditor to evaluate the internal control system of the Group of company.
16.3 The appropriate frequency of tracking and evaluating is upon changes in organization.	✓		The internal audit report shall be presented to the top management, the Audit Committee and other Committee at least once a quarter and the progress of improvement shall be reported monthly.
16.4 The Company monitors and evaluates the internal control system by proficient expertise.	✓		
16.5 The Company sets the flow of the internal audit report directly to the Audit Committee.	✓		
16.6 The Company supports the internal auditor to perform duties according to the International Standards for the Professional Practice of Internal Auditing (IIA).	✓		

17. The organization evaluates and communicates errors of internal control system to the responsible person promptly, including to the top-level management and committees as seen appropriated

Question	Yes	No	Answer
17.1 The Company evaluates and communicates errors of the internal control system and solves immediately if the performance is different to the target significantly.	✓		
<p>17.2 The Company has policy to report the followings</p> <p>17.2.1 The management shall report to the Board of Directors promptly in case of suspicion of corruption, illegal actions or other irregular actions that may significantly affect the reputation and financial status of the Company.</p> <p>17.2.2 Report major errors and solutions (even errors are already solved) to the Board of Directors and the Audit Committee to consider under the appropriated timeline.</p> <p>17.2.3 Report the progress of major improvement to the Board of Directors and the Audit Committee.</p>	✓		<p>According to the Charter of the Audit Committee, the audit committee is responsible to act in accordance with Section 89/25 of Public Company ACT (No.4) B.E.2551 (2008). In case the auditor suspects of any corruption and embezzlement, the auditor shall report the circumstance to the Audit Committee for further investigation.</p>

12. Connected Transaction

12.1 Detail of Connected Transaction

The Company and the subsidiary companies has connected transactions with the person or juristic person (who has the conflict of interest), which the auditors has stated in notes of the annual financial statements ended December 31st, 2015 with following detail.

Juristic Person that may have conflict of interest	Relationships	Detail of Transactions	Quantity and Value of Transaction	Necessity / Notes	Pricing Strategy
The Provincial Waterworks Authority (PWA)	<p>- PWA is the major shareholder of the Company as of December 31st, 2015 by holding 40.20 percent of total paid-up capital of the Company</p> <p>- <u>Mr. Eakachai Attakanna</u> is the Deputy Governor (Operation 3) and the Director of the Company</p>	<p><u>Quantity of Transaction</u></p> <p>Quantity of Raw Water Sold (Million Cu.M.)</p> <p>Value of water sold (Million THB)</p>	<p>85.30</p> <p>800.13</p>	<p>The Company sells raw water to the Provincial Waterworks Authority in the area of Nongkho–Laemchabang–Pattaya–Bangpra and the area of Dokkrai–Mabtaphut–Sattahip</p>	<p>- The Company sells raw water to the Provincial Waterworks Authority in the same rate as other water users for consumption. The contract states clearly the rate in written and the rate can be adjusted according to the resolution of the Extraordinary Meeting of the Shareholders. In the voting agenda of water tariff rate adjustment, the directors or shareholders with conflict of interest are not eligible to vote.</p>

Juristic Person that may have conflict of interest	Relationships	Detail of Transactions	Quantity and Value of Transaction	Necessity / Notes	Pricing Strategy
The Provincial Waterworks Authority (PWA)	- PWA is the major shareholder of the Company as of December 31 st , 2015 holding 40.20 percent of total paid up capitals - <u>Mr. Eakachai Attakanna</u> is the deputy governor (Operation 3) and the Director of the Company	<u>Quantity of Transaction</u> Quantity of tap water sold (Million Cu.M.)	0.98	The Company sells tap water to the Provincial Waterworks Authority in Samui area	-The Company sells water to the Provincial Waterworks Authority (PWA) at the same rate as to other water users for consumption stated clearly in the contract and the rate shall be adjusted in accordance with the Extraordinary Meeting of Shareholders. The directors and shareholders with conflict of interest are not eligible to vote for the resolution of water tariff rate.
		Value of tap water sold (Million THB)	61.68		
		Quantity of tap water sold (Million THB)	7.57	The Company sells tap water to the Provincial Waterworks Authority in Pattaya area	
		Value of tap water sold (Million THB)	121.33		

Juristic Person that may have conflict of interest	Relationships	Detail of Transactions	Quantity and Value of Transaction	Necessity / Notes	Pricing Strategy
The Industrial Estate Authority of Thailand (IEAT)	- IEAT is one of the major shareholders of the Company. As of December 31 st , 2015 the total shareholding of IEAT is 4.57 percent of total paid up capitals - <u>Mr. Verapong Chaiperm</u> is the governor of IEAT and director of the Company	<u>Quantity of Transaction</u> Quantity of raw water sold (Million Cu.M.) Value of water sold (Million THB)	85.50 940.48	The Company sells raw water to IEAT in the area of Nongkho-Laemchabang-Pattaya-Bangpra and the area of Dokkrai-Mabtaphut-Sattahip	The Company sells raw water to IEAT at the same rate as to the water consumer in industrial estates group. The contract is in written and the water tariff rate shall be adjusted corresponding to the Resolution of the Extraordinary Meeting of Shareholders. As for the agenda of water tariff rate, directors and shareholders with conflict of interest are not eligible to vote.

Juristic Person that may have conflict of interest	Relationships	Detail of Transactions	Quantity and Value of Transaction	Necessity / Notes	Pricing Strategy
Universal Utilities PLC (“UU”)	- The Company holds 100 percent of shares and has the joint directors	<u>Quantity of Transaction</u> Quantity of raw water sold (Million Cu.M.) Value of water sold (Million THB)	4.25 28.92	The Company sells raw water to Universal Utilities PLC. (Chonburi Project) in the area of Chachoengsao-Chonburi	The Company sells raw water to Universal Utilities PLC. at the same rate as to other industrial estate users and has clear contract in written. Water tariff rate shall be adjusted decreasing in according with the Resolutions of the Extraordinary Meeting of Shareholders. In addition, directors and shareholders with conflict of interest are not eligible to vote in the agenda of water tariff and tariff adjustment of the Company and Universal Utilities PLC.

Juristic Person that may have conflict of interest	Relationships	Detail of Transactions	Quantity and Value of Transaction	Necessity / Notes	Pricing Strategy
PWA & Universal Utilities PLC (“UU”)	Universal Utilities PLC is a subsidiary of the Company holding 100 percent of total paid up shares of Universal Utilities PLC.	<u>Revenue from Tap Water sale</u> Bangpakong Waterworks - Million Cu.M. 12.13 - Million THB 138.24 Chachoengsao Waterworks - Million Cu.M. 13.33 - Million THB 156.68 Nakornsawan Waterworks - Million Cu.M. 3.96 - Million THB 48.79		The transaction shows detail of UU water selling to PWA according to the concession contract with Chachoengsao Waterworks, Bangpakong Waterworks, Nakornsawan Waterworks, Rayong Waterworks and Chonburi Waterworks	Universal Utilities PLC sells tap water to PWA with the agreed water tariff rate and adjustment of water tariff rate shall be according to the condition of the concession contract.

Juristic Person that may have conflict of interest	Relationships	Detail of Transactions	Quantity and Value of Transaction	Necessity / Notes	Pricing Strategy
Universal Utilities PLC (“UU”)	- The Company holds 100% of shares and has joint directors	<u>Revenue from tap water sale (continue)</u> Rayong Waterworks - Million Cu.M. 20.27 - Million THB 231.46 Chonburi Waterworks - Million Cu.M. 9.72 - Million THB 105.57 Ratchburi Waterworks - Million Cu.M. 4.33 - Million THB 110.85		Transaction of Universal Utilities PLC. to sell tap water to PWA in according to the concession contract with Chachoengsao Waterworks, Bangpakong Waterworks, Nakornsawan Waterworks, Rayong Waterworks and Chonburi Waterworks	Universal Utilities PLC sells tap water to PWA with the agreed water tariff rate and water tariff rate adjustment shall be in accordance with the agreement and condition of the concession contract.

12.2 Connected Transaction with Shareholders

As of December 31st, 2015 and 2014, the Company has connected transactions with shareholders as following.

Company	Relationships	Connected Transaction	As of 31 DEC 2015 (THB)	As of 31 DEC 2014 (THB)
PWA	Major Shareholders	- Revenue from construction	95,684,584	268,923,208
		- Revenue from rental and service fee	24,230,754	29,706,329
		- Revenue from water loss management	4,440,444	5,507,372
		- Account Receivable	203,568,533	183,637,386
		- Other Receivables	20,660	18,969
		- Account Payable	24,682,385	18,125,257
IEAT	Major Shareholder	- Account Receivable	87,823,162	80,338,818
EGCO	Major Shareholder	- Account Receivable	-	1,095
Universal Utilities PLC.	Subsidiaries of the Company (the Company holds 100% of share and has joint directors)	- Revenue from rental and service fee	4,471,084	4,822,826
Universal Utilities PLC.	Subsidiaries of the Company (the Company holds 100% of share and has joint directors)	- Interest Receivable ***	4,878,521	-
		- Dividend	35,699,995	23,969,997
		- Other incomes	5,322,083	5,713,807
		- Cost of sales and Cost of Services	224,891,600	206,434,679
		- Account Receivable	1,583,562	5,414,539
		- Other Receivable	650,947	582,516
		- Account Payable	20,576,632	21,161,289

*** Loans to related business

On March 20th, 2015 the Company granted the financial assistance to the Universal Utilities PLC at the amount of THB 800 million with fixed interest rate as stated in the contract. The principle of loan shall be paid back annually in total 5 installments valued THB 160 million per installment. UU uses THB 644 million.

On June 10th, 2015 the Universal Utilities PLC pays back the loan to the Company at the amount of THB 644 million.

Measures and Procedure of Connected Transaction Approval

In operation, there shall be the connected transactions between the Company and a person with the conflict of interest, the Company has specified the policy and procedures of approval and process to protect the investors in accordance with the Resolutions of the Board of Directors' Meeting including the Audit Committee and Independent Auditor attending to consider and approve the connected transaction with conflict of interest under the following procedures.

- Consider the connected transaction in accordance with the regulation of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC) accurately and completely, including the review of the Audit Committee in case requiring the consideration of the Board of Directors.
- In case of approving the connected transaction with the general trade agreement and conditions that the person of ordinary prudence may do to business partners in similar circumstances with the bargaining power without using authority as Directors, Management Executives or related person that the management or the Investment Committee assign authority to, the Management thus shall summarize all connected transactions and report to the Audit Committee and the Board of Directors for the information to ensure that the transaction is reasonable and at highest benefit to the Company under proper procedures.
- In case the value of connected transactions requires approval from shareholders, the major shareholders with conflict of interest are able to attend the meeting and counted in quorum, however, are not eligible to vote. The calculations of votes shall not include the attendance of shareholders with conflict of interest.
- The Directors or Management Executives with conflict of interest are not eligible to vote and have no rights to attend the meeting or approve the agenda with conflict of interest.
- In case the Company agrees in whichever contract or connected transactions with the subsidiary companies, juristic entities and/or connected person, the Company shall consider the necessity, importance and appropriateness considering benefit of the Company primarily. The pricing shall follow the same as other customer's condition based on fair market price. In case of no comparison, the Company must compare product and service price with outsiders under the same or similar conditions. The Company may use the independent valuer by hiring an independent company to compare price for the connected transaction to ensure the appropriateness and benefit of the Company.

PART 3
Comprehensive Financial Statements and Operational performance
13. Key Financial Information

13.1. Financial Statements**Summary of independent auditor's report**

1) Summary of the independent auditor's report from the last three consecutive years.

Independent auditors viewed that the consolidated and separated financial statements represent consolidated and separated financial positions, operational performance and cash flows comprehensively and accurately in accordance with Thai Financial Reporting Standards (TFRS).

2) Summary table of the financial position and comparative operation performance for 3 consecutive years (2013-2015)

Since the Company is a public company listed in the Thai Stock Exchange of Thailand, financial statements of the Company is available for investors at the website of the Securities and Exchange Commission (www.sec.or.th), the Stock Exchange of Thailand (www.set.or.th) and the Company's official website (www.eastwater.com).

Summary of the financial position and operational performance are shown in the following tables

Table 1. Financial Statement

A) Comparative statement of Financial position for three consecutive years	As of 31 st December 2015		As of 31 st December 2014		As of 31 st December 2013 (Revisited)	
	Audited		Audited		Audited	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
Assets						
Current Assets						
Cash and cash equivalents	311,218	1.59	112,860	0.74	243,307	1.80
Short-term investments	862,598	4.39	55,070	0.36	86,879	0.64
Trades and other receivables	442,724	2.26	415,081	2.72	410,178	3.04
Water loss treatment service income receivable - Related parties	4,440	0.02	5,507	0.04	4,096	0.03
Inventories	9,381	0.05	9,232	0.06	10,536	0.08
Other current assets	33,849	0.17	61,063	0.40	45,640	0.34
Non-current assets held for sale	-		57,678	0.38	-	-
Total current assets	1,664,210	8.48	716,491	4.70	800,636	5.93
Non-current assets						
Restricted bank deposits	-		-		-	-
Other long-term investment	-		91,470	0.60	91,470	0.68
Investment property - net	216,902	1.11	224,621	1.47	227,990	1.69
Property, plant and equipment - net	13,265,976	67.58	11,747,778	77.07	10,284,153	76.29
Assets under concession contracts – net	103,283	0.53	-	-	-	-
Deferred concession rights Acquisition costs - net	-		-	-	-	-
Intangible assets –net	3,831,897	19.52	1,725,359	11.32	1,533,155	11.37
Deferred tax assets	23,288	0.12	12,693	0.08	10,737	0.08
Other non-current assets	521,907	2.66	725,033	4.76	532,308	3.96
Total non-current assets	17,963,253	91.52	14,526,954	95.30	12,679,813	94.07
Total Assets	19,627,463	100.00	15,243,445	100.00	13,480,449	100.00

A) Comparative statement of Financial position for three consecutive years (Continue)	As of 31 st December		As of 31 st December		As of 31 st December	
	2015		2014		2013 (Revisited)	
	Audited		Audited		Audited	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
Liabilities and shareholders' equity						
Current liabilities						
Short-term borrowing from financial institutions	1,600,000	8.16	233,000	1.53	156,000	1.16
Trade accounts payable	133,931	0.68	130,003	0.85	144,147	1.07
Payable for purchase of fixed assets	63,579	0.32	479,050	3.14	264,227	1.96
Current portion of long-term liability under finance lease agreement	2,856	0.01	2,008	0.01	301	-
Current portion of long-term Borrowing from financial institution	752,200	3.84	563,280	3.70	568,610	4.22
Corporate income tax payable	149,495	0.76	129,535	0.85	131,519	0.98
Accrued expenses	175,191	0.89	155,043	1.02	133,155	0.99
Other current liabilities	60,958	0.31	49,156	0.32	57,279	0.42
Liabilities included with asset Classified as held-for-sale	-		269	-	-	-
Total current liabilities	2,938,210	14.97	1,741,344	11.42	1,455,238	10.80
Non-current liabilities						
Long-term liabilities under financial lease agreement	1,842	0.01	3,136	0.02	-	-
Long-term borrowing from financial institutions	4,008,800	20.42	4,648,721	30.50	3,841,751	28.50
Debentures	2,396,822	12.21	-	-	-	-
Deferred tax liabilities	421,234	2.15	42,448	0.28	36,437	0.27
Employee benefit obligations	119,687	0.61	104,433	0.68	91,424	0.68
Long-term provisions	26,881	0.14	13,240	0.09	22,778	0.17
Other non-current liabilities	214,424	1.09	173,053	1.13	130,893	0.97
Total non-current liabilities	7,189,690	36.63	4,985,031	32.70	4,123,283	30.59
Total liabilities	10,127,900	51.60	6,726,375	44.12	5,578,521	41.39

A) Comparative statement of Financial position for three consecutive years (Continue)	As of 31 st December 2015		As of 31 st December 2014		As of 31 st December 2013 (Revisited)	
	Audited		Audited		Audited	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
Shareholders' equity						
Registered share capital	1,663,725	8.48	1,663,725	10.91	1,663,725	12.34
Issued and paid-up capital	1,663,725	8.48	1,663,725	10.91	1,663,725	12.34
Share premium	2,138,522	10.89	2,138,522	14.03	2,138,522	15.86
Retained earnings						
Appropriated –legal reserve	166,500	0.85	166,500	1.09	166,500	1.23
Unappropriated	5,303,277	27.02	4,493,850	29.48	3,875,025	28.75
Other components of equity	22,669	0.12	24,960	0.17	28,357	0.21
Non-controlling interests	204,870	1.04	29,513	0.20	29,800	0.22
Total shareholders' equity	9,499,563	48.40	8,517,070	55.88	7,901,929	58.61
Total liabilities and shareholders' equity	19,627,463	100.00	15,243,445	100.00	13,480,449	100.00
Book Value (Baht/share)	5.71		5.12		4.75	
Par value (Baht/share)	1.00		1.00		1.00	
Total Ordinary shares at the end of year (share)	1,663,725,149		1,663,725,149		1,663,725,149	

B) Comparative statement of comprehensive income for 3 consecutive years	As of 31st December 2015		As of 31st December 2014		As of 31st December 2013 (Revisited)	
	Audited		Audited		Audited	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
Revenue						
Sales – raw water	2,898,665	62.22	2,768,376	64.31	2,694,295	68.11
Sales – tap water	1,160,235	24.90	988,739	22.97	876,385	22.16
Construction revenue under concession agreement	95,685	2.05	268,923	6.25	139,783	3.53
Rental and service income	212,229	4.56	216,202	5.02	189,170	4.78
Other income	292,012	6.27	62,520	1.45	56,288	1.42
Total revenue	4,658,826	100.00	4,304,760	100.00	3,955,921	100.00
Expenses						
Costs of sales – raw water	1,134,874	24.36	1,039,691	24.15	940,441	23.77
Costs of sales – tap water	707,276	15.18	590,123	13.71	523,737	13.24
Construction cost under concession agreement	95,685	2.05	268,923	6.25	139,783	3.53
Costs of rental and services	171,185	3.68	198,915	4.62	181,128	4.58
Selling and administration expenses	458,611	9.84	412,234	9.58	392,254	9.92
Financial costs	114,181	2.45	121,226	2.82	115,213	2.91
Income tax expenses	385,775	8.28	339,198	7.87	350,510	8.86
Total expenses	3,067,587	65.84	2,970,310	69.00	2,643,066	66.81
Net profit for the year	1,591,239	34.16	1,334,450	31.00	1,312,855	33.19

B) Comparative statement of comprehensive income for 3 consecutive years	As of 31 st December 2015		As of 31 st December 2014		As of 31 st December 2013 (Revisited)	
	Audited		Audited		Audited	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
Other comprehensive income:						
<u>Items that will not be reclassified to profit or loss</u>						
Remeasurement of post- employment benefit obligations	(14,078)		-		-	
Income tax on items that will not be reclassified to profit or loss	2,816		-		-	
Total items that will not be reclassified to profit or loss	(11,262)		-		-	
<u>Items that will be reclassified subsequently to profit or loss</u>						
Assets transferred from customers	(3,398)		(3,398)		(3,398)	
Change in fair value of available- for-sale investment	1,383		-		-	
Income tax relating to items that will be reclassified subsequently to profit or loss	(277)		-		-	
Total items that will be reclassified subsequently to profit or loss	(2,292)		(3,398)		(3,398)	
Other comprehensive income for the year, net of tax	(13,554)		(3,398)		(3,398)	
Total Comprehensive income for the year	1,577,685		1,331,052		1,309,457	
Profit attributable to						
Equity holders of the parent company	1,584,940		1,334,205		1,312,937	
Non-controlling interests	6,299		245		(82)	
Net profit for the year	1,591,239		1,334,450		1,312,855	

B) Comparative statement of comprehensive income for 3 consecutive years	As of 31 st December 2015		As of 31 st December 2014		As of 31 st December 2013 (Revisited)	
	Audited		Audited		Audited	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
Total comprehensive income attributable to						
Equity holders of the parent company	1,571,386		1,330,808		1,309,539	
Non-controlling interest	6,299		245		(82)	
Net profit for the year	1,577,685		1,331,053		1,309,457	

B) Comparative statement of comprehensive income for 3 consecutive years (continue)	As of 31 st December 2015		As of 31 st December 2014		As of 31 st December 2013 (Revisited)	
	Audited		Audited		Audited	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
Unappropriated retain earning	4,493,850		3,875,025		3,294,105	
Less Impacts from changes in accounting policy	-		-		(3,120)	
Dividend paid	(765,290)		(715,380)		(732,017)	
Total	3,728,560		3,159,645		2,558,968	
Add Comprehensive income of the year	1,573,677		1,334,205		1,316,057	
Changes in ownership interests in subsidiaries	1,039		-		-	
Unappropriated retain earning	5,303,276		4,493,850		3,875,025	
Appropriated - legal reserve	166,500		166,500		166,500	
Retain Earnings	5,469,776		4,660,350		4,041,525	
Earnings per share	0.95		0.80		0.79	
Par value (Baht/share)	1.00		1.00		1.00	
Total ordinary shares (share)	1,663,725,149		1,663,725,149		1,663,725,149	

C) Statement of Cash Flows (audited)

	Unit: Thousand		
<i>C) Comparative Statement of Cash Flows for 3 consecutive years (audited)</i>	2015	2014	2013 (Revisited)
Cash flows from operating activities			
Profit before income tax	1,977,015	1,673,648	1,663,365
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities			
Depreciation	372,374	373,967	324,914
Amortization	181,678	116,646	84,227
Income from amortization of assets transferred from customers	(3,398)	(3,398)	(3,398)
Allowance for doubtful accounts	32,802	-	-
Losses (gains) on disposals/written off of property, plant and equipment	(3,825)	5,024	11,175
Impairment losses on concession right	720	1,310	630
Impairment losses (gains) on investment in subsidiary	(518)	-	-
Losses (gains) on disposals/written off of subsidiaries	(226,320)	-	-
Gain on sales of available for sale investments	(114)	-	-
Long-term provisions	9,991	3,059	4,237
Employee benefit obligations	12,718	13,767	13,252
Dividend income	(23,670)	(24,486)	(24,053)
Interest income	(8,770)	(6,365)	(9,168)
Interest expenses	112,938	120,066	111,232
<i>Income from operating activities before changes in operating assets and liabilities</i>	2,433,621	2,273,238	2,176,413

Unit: Thousand

*C) Comparative Statement of Cash Flows for 3 consecutive years
(audited) (Continued)*

	2015	2014	2013 (Revisited)
Change in operating assets (increase) decrease			
Trade and other accounts receivables	(22,482)	(7,002)	24,059
Inventories	(149)	1,305	(2,791)
Other current assets	15,906	(16,330)	(9,945)
Other non-current assets	(5,441)	11,141	(11,519)
Change in operating liabilities increase (decrease)			
Trade accounts payable	(7,570)	(14,101)	(13,414)
Accrued expenses	27,319	15,330	17,575
Other current liabilities	36,486	(8,417)	(8,945)
Employee benefit obligations - paid	(11,543)	(757)	(11,214)
Long-term provisions - paid	(5,706)	(14,442)	(11,635)
Other non-current liabilities	41,371	42,160	(51,989)
Cash provided by operation	2,501,812	2,282,125	2,096,595
Income tax	(386,646)	(337,127)	(357,904)
Net cash provided by operating activities	2,115,166	1,944,998	1,738,691

	Unit: Thousand		
<i>C) Comparative Statement of Cash Flows for 3 consecutive years (audited) (Continued)</i>	2015	2014	2013 (Revised)
Cash flows from investing activities			
Purchases of short-term investment	(1,324,914)	(109,368)	(94,754)
Proceeds from disposals of short-term investment	553,884	141,177	104,183
Acquisition of subsidiary, net of cash acquired	(1,456,221)	-	-
Proceeds from disposal of a subsidiary classified as non-current asset held for sales	32,010	-	-
Interest received	8,386	7,271	8,652
Dividend received from a related party and subsidiaries	23,670	24,486	24,053
Proceeds from disposals of property, plant and equipment	40,293	11,754	-
Purchase of intangible assets	(103,743)	(299,316)	(155,632)
Purchases of investment property	(1,536)	-	-
Purchases of property, plant and equipment and advance construction payment	(1,956,826)	(1,797,740)	(984,546)
Interest paid for fund borrowed specifically to acquire qualifying assets	(131,968)	(103,175)	(76,163)
Net cash used in investing activities	(4,316,965)	(2,124,911)	(1,174,207)
Cash flows from financing activities			
Proceeds from short-term borrowings from financial institutions	4,067,000	3,816,000	409,500
Payment on short-term borrowings from financial institutions	(2,700,000)	(3,739,000)	(364,500)
Proceeds from long-term borrowings	2,773,000	1,384,000	967,831
Payment on long-term borrowings	(3,224,001)	(582,360)	(751,440)
Payment on liabilities under finance lease agreements	(447)	(1,818)	(2,024)
Proceeds from debentures	2,396,631	-	-
Cash received from capital increased in subsidiaries	-	-	27,000
Additional purchase of interests in subsidiaries	(2,779)	-	-
Dividends paid to shareholders	(791,142)	(715,217)	(731,942)
Dividends paid to non-controlling interests	(1,267)	(531)	(528)
Interest paid	(116,837)	(111,607)	(113,548)

Unit: Thousand

*C) Comparative Statement of Cash Flows for 3 consecutive
years (audited) (Continued)*

	2015	2014	2013 (Revisited)
<i>Net cash generated from financing activities</i>	<i>2,400,158</i>	<i>49,467</i>	<i>(559,651)</i>
Net increase (decrease) in cash and cash equivalents	198,359	(130,446)	4,833
Cash and cash equivalents at beginning of the year	112,860	243,306	238,473
Cash and cash equivalents at ending of the year	311,218	112,860	243,306

Supplemental cash flows information

Non-cash related transactions

Purchases of fixed assets on payable and

financial lease agreement

63,168

455,121

230,507

Refinance of long-term borrowings

2,000,000

-

-

14. Management Discussion and Analysis For 2015

1. Significant Events Affecting Business Operation in 2015

1.1 Raw Water Business

February 2015

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 2nd to 5th year.

August 2015

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

April 2015

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.

May 2015

- 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 are 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.

- 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 1st 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 2nd 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.

June 2015

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.

August 2015

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.

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.

September 2015

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.

December 2015

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**March 2015**

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.

July 2015

On 28 July 2015, UU signed on a wastewater operation and maintenance services agreement with TRIBECA Enterprise Company Limited to operate and services 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**March 2015**

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 3.11% to refinance loans of the company and its subsidiary.

April 2015

- On 21 April 2015, 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.

- 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 dividend payment (for January – June 2015) of Baht 0.21 per share 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.

June 2015

- 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.

- On 16 June 2015, the Company had issued Baht 2,400 million unsubordinated and unsecured with no Bond representative Thai Baht Debentures to institutional and high net worth investors. Those debentures include 7 years Debenture total value of Baht 1,200 million with 3.84 percent p.a. interest rate and 10 years debenture total value of Baht 1,200 million with 4.18 percent p.a. interest rate. The fund from the debentures used to repay the existing loan of Tabma and Prasae-Nongplalai projects.

August 2015

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 end 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 paid on 17 September 2015. Total dividend paid was Baht 366.02 million.

November 2015

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 2: 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
					(million baht)	
Total Sales and Services Income	4,366.81	100.00	4,242.24	100.00	124.57	2.94
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 ⁽¹⁾	95.68	2.19	268.92	6.34	(173.24)	(64.42)
Costs of Sales and Services	2,109.02	48.30	2,097.65	49.45	11.37	0.54
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 Costs Under Concession Agreement ⁽¹⁾	95.68	2.19	268.92	6.34	(173.24)	(64.42)
Gross Profit	2,257.79	51.70	2,144.59	50.55	113.21	5.28
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
Earnings Before Interest and Tax	1,864.88	42.71	1,794.87	42.31	70.00	3.90
Finance Cost	114.18	2.61	121.23	2.86	(7.04)	(5.81)
Earning Before Tax	1,750.70	40.09	1,673.65	39.45	77.05	4.60
Income Tax Expenses	342.77	7.85	339.20	8.00	3.58	1.05
Net Profit from Normal Operation	1,407.92	32.24	1,334.45	31.46	73.47	5.51
Gain from measuring fair value of 15.88% equity interest in Egcom Tara ⁽²⁾	183.32	4.20	-	-	183.32	N/A
Net profit	1,591.24	36.44	1,334.45	31.46	256.79	19.24
Net Profit Attributable to Equity Holders of The Parent Company	1,584.94	36.30	1,334.21	31.45	250.74	18.79
Earnings per Share	0.953	-	0.802	-	0.151	18.79
EBITDA	2,444.71	55.98	2,288.42	53.94	156.28	6.83

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

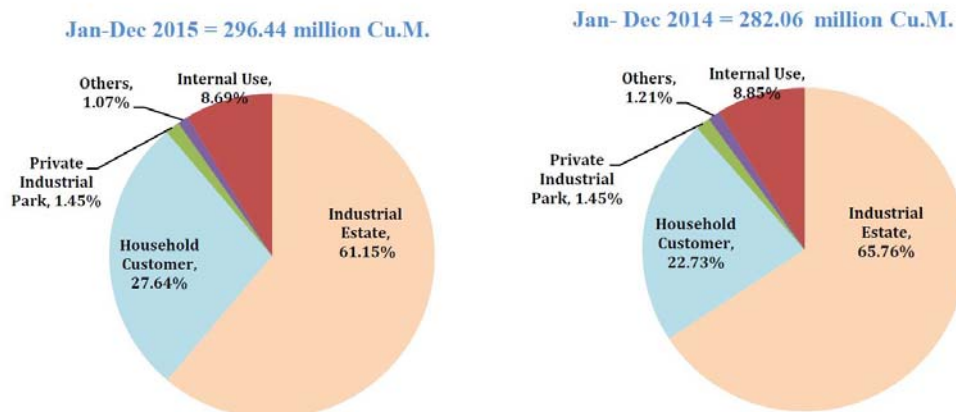
(2) Gain from measuring fair value of 15.88% equity interest in Egcom Tara Company Limited held before the business combination. The detail was mentioned under Note No.40 of the financial statement as of 31 December 2015.

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

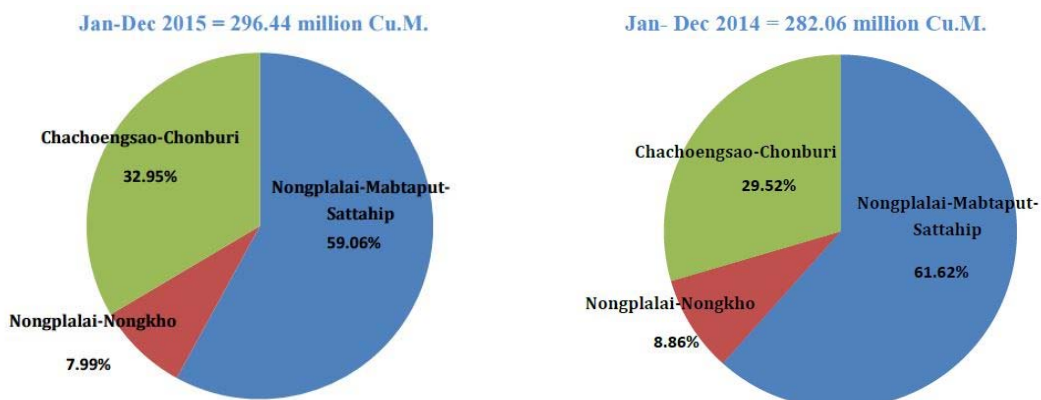
per Cu.M. or 0.55% YoY, due to a significantly increase in raw water demand for domestic consumption in Chonburi and Chachoengsao province which has lower tariff.

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



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)



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 3 below:

Table 3: 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 4 below:

Table 4 : Major costs of tap water business

Items	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 was 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 5 : 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 transferred 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, due to 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 6: Key Financial Ratios

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

Verification for information accuracy

The Company reviews information in the annual disclosures with great concern and certifies that all information is completed, transparent, disclosed all substances without misleading information. The Company also certifies;

- 1) Financial Statement and notes that are summarized and presented in the annual disclosures are complete disclosed substances of the statements of financial positions, comparative income and cash flows of the Company and its subsidiaries
- 2) The Company has developed a good information disclosure system to ensure complete disclosure of the Company and its subsidiaries' business substances; and oversees the system to function properly.
- 3) The Company has developed the internal control system and reviewed its follow. The Company reported the internal control assessment results to the external auditors and the Audit Committee on December 31st, 2015, which covered errors or changes in the internal control system and any malfeasance that may affect preparation of the Company and its subsidiaries' financial statements.

In order to certify true copy of the document as original endorsement of the Company, Mrs. Wirawan Tharanont is appointed to sign and endorse true copy at every page. If the document or separated pages are not signed or endorsed true copy by Mrs. Wirawan Tharanont, they shall not be treated as the certified information as mentioned above.

Name-Surname	Position	Signature
1. Mr. Wittaya Chaisuwan	Authorized Director
2. Pol. Maj. Gen Vichai Sangparpai	Authorized Director
	Company stamp

Power of Attorney

Name-Surname	Position	Signature
Mrs. Wirawan Tharanont	Vice President, President & CEO Office and Corporate Secretary

Profile of Board of Directors of Eastern Water Resources Development and Management Public Company Limited

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
1.	Mr. Wittaya Chaisuwan (Nominated on 1 DEC 2014)	4 JAN 1954	61	- Chairman (Independent Director)	2014-Present Chairman of the Board of Directors Director, Eastern Water Resources Development and Management PLC. (A) 2015-Present Chairman of the Board of Directors Director, Universal Utilities PLC. (B) 2015-Present Chairman of the Board of Directors Director, EGCOM Tara PLC. (B) 2015-Present Director, Amanah Leasing PLC. (A) 2015-Present Director, Islamic Bank of Thailand (B) 2015-Present Director, Metropolitan Electricity Authority (MEA) (B) 2014-Present Member of the National Legislative Assembly 2014-Present Director, Bangpakong Waterworks Co. Ltd. (B) 2014-Present Director, Nakornsawan Waterworks Co. Ltd. (B) 2014-Present Director, Chachoengsao Waterworks Co. Ltd (B) 2009-2014 General Inspector, Office of the Permanent Secretary for Ministry of Agricultural and Cooperatives 2007-2014 Deputy Director-General, Rice Department 2006-2007 Director, Bureau of Policy and Strategy	- Master of Arts (Social Development), National Institute of Development Administration (NIDA) - Master of Science (Agronomy), Kasetsart University - Thailand National Defense College 2550	- RCP 36/2015 - TEPCOT 6 - BYP 4	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
					Acting Deputy Director-General, Rice Department Summary of <u>Director</u> positions holding in the Company and others companies. (A) Listed Company 2 Companies (B) Non-Listed Company 7 Companies			
2.	Mr. Amorn Laohamontri (Nominated on 1 DEC 2014)	1 APR 1950	65	-Director (Independent Director) - Chairman of Audit Committee - Director (Independent Director) - Chairman of Audit Committee - Director, Corporate Governance and Nomination Committee	2014-Present Director, Eastern Water Resources Development and Management PLC (A) 2014-Present Working Group, Deputy Minister, Ministry of Interior 2007-2010 Legal Advisor, Office of the Permanent Secretary for 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 Summary of <u>Director</u> positions holding in the Company and others companies. (A) Listed Company 1 Company (B) Non-Listed Company None	- Master of Public Administration, Pennsylvania State University - Bachelor of Laws, Chulalongkorn University	- DCP 208/2015 - DAP 114/2015 - AACP 18/2015 - FSD 27/2015	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
3.	Mr. Phaiboon Siripanoosation (Nominated on 1 DEC 2015)	5 FEB 1963	52	- Director (Independent Director) - Chairman of Executive and Investment Committee - Director, Evaluation and Remuneration Committee	2014-Present Director, Eastern Water Resources Development and Management PLC (A) 2014-Present Director, Amanah Leasing PLC (A) 2014-Present Director, Provincial Electricity Authority (PEA) (B) 2008-Present Director, Finansia Syrus Securities PLC (A) 2008-2014 Independent Directors, The Electricity Generating PLC 2009-2010 Director, Government Saving Bank <u>Summary</u> of <u>Director</u> positions holding in the Company and others companies. (A) Listed Company 3 Companies (B) Non-Listed Company 1 Company	- Master of Arts in Political Science, Sukhothai Thammathirat - Bachelor Degree, Electrical Engineering, Chulalongkorn University	- DCP 105/2008 - ACP 28/2009 - SFE 13/2011 - HRP 4/2013	None
4.	Mr. Chanin Tinnachote (Nominated on 1 DEC 2015)	23 SEP 1962	53	-Director (Independent Director) - Director, Audit Committee - Director, Corporate Governance and	2014-Present Director, Eastern Water Resources Development and Management PLC (A) 2014-Present Director, Metropolitan Waterworks Authority. (MWA) (B) 2014-Present Head of Department of Survey Engineering, Faculty of Engineering, Chulalongkorn University 2013-Present Director (Expert Director), Geo-Informatics and Space	- Doctor of Engineering (Remote Sensing & Geographic Information System), Asian Institute of Technology (AIT) - Master of Sciences (Integrated Map and	- DCP 201/2015 - DAP 114/2015 - AACP 18/2015 - RCL 1/2015 - PDI 13/2015	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
				Nomination Committee - Director, Risk Management Committee	<p>2007-Present Technology Development Agency (Public Organization) Associate Professor, Department of Survey Engineering, Faculty of Engineering, Chulalongkorn University</p> <p>2000-2006 Assistant Professor, Department of Survey Engineering, Faculty of Engineering, Chulalongkorn University</p> <p>Summary of Director positions holding in the Company and others companies. (A) Listed Company 1 Company (B) Non-Listed Company 1 Company</p>	GEO –Information Production), International Institute For Aerospace Survey& Earth Science (ITC), The Netherland - Bachelor of Engineering (Survey). Chulalongkorn University - Post-Graduate Diploma (Cartography), International Institute For Aerospace Survey and Earth Science (ITC), The Netherlands		
5.	Pol.Maj.Gen Vichai Sangparpai	16 JAN 1955	60	- Director (Independent Director)	2014-Present Director, Eastern Water Resources Development and Management PLC. (A)	- Master of Public Administration in	- PRM6 - Mahanakorn Class 2	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
	(Nominated on 8 DEC 2014)			-Chairman, Corporate Governance and Nomination Committee - Director, Evaluation and Nomination Committee - Director, Risk Management Committee	2013-2016 2014 2011 2009 2008 2003 <u>Summary</u> of <u>Director</u> positions holding in the Company and others companies. (A) Listed Company 1 Company (B) Non-Listed Company 1 Company	Social Development, National Institute of Development Administration (NIDA) - Bachelor of Laws, Sripratum University	- Superintendent Training Course Class 35 - Senior Commander Course Class 25 - RMP 6/2015	
6	Col. Premjiras Tanathaipakdee (Nominated on 8 DEC 2014)	16 AUG 1973	42	- Director (Independent Director) - Director, Evaluation and Remuneration Committee - Director, Executive	2014-Present 2015-Present 2014 2014 2010 Director, Eastern Water Resources Development and Management PLC (A) Director, Universal Utilities PLC (B) Director, Universal Utilities Co. Ltd. Staff Officer, Royal Thai Army Headquarter Infantry Battalion Commander 3	-Bachelor of Engineering (Industrial Engineering), Chulachomklao Royal Military Academy	-	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
				and Investment Committee -Director, Risk Management Committee	2009 Division 1 Guard (Queen's Guard) Assistant Chief of Operations Staff Officer, Military Operations, 1 st Corps 2006 Assistant Chief of Operations, Division 6 2003 Company Commander, 1 st Army Area <u>Summary</u> of Director positions holding in the Company and others companies. (A) Listed Company 1 Company (B) Non-Listed Company 1 Company			
7.	Mrs. Tatchada Jitmahawong (Nominated on 24 DEC 2014)	7 SEP 1957	58	- Director (Independent Director) - Director, Audit Committee - Director, Corporate Governance and Nomination	2014-Present Director, Eastern Water Resources Development and Management PLC. (A) 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	- Master of Business Administration, Kasetsart University - Bachelor of Arts (Accounting), Second Class Honour, Chiangmai University	- DCP 208/2015 - DAP 114/2015 - AACCP 18/2015 - FSD 27/2015	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
					Comptroller General's Department <u>Summary</u> of <u>Director</u> positions holding in the Company and others companies. (A) Listed Company 1 Company (B) Non-Listed Company None			
8.	Mr. Verapong Chaiperm	12 FEB 1966	49	Director	2012-Present Director, Eastern Water Resources Development and Management PLC. (A) 2012-Present Governor of The Industrial Estate Authority of Thailand (IEAT) 2011-2012 Deputy Governor (Corporate Strategy and Finance), The Industrial Estate Authority of Thailand (IEAT) 2008-2011 Deputy Governor (Industrial Port), The Industrial Estate of Thailand (IEAT) 2008 Acting Deputy Governor (Industrial Port), The Industrial Estate of Thailand (IEAT) 2004-2008 Director, Industrial Estate and Port Directing Department, The Industrial Estate Authority of	- 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.	- DCP 161/2012 - KPI 15 - IBID 1 - TEA	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
					<p>2003-2004 Thailand (IEAT) Director, Strategy and Business Development Department, The Industrial Estate Authority of Thailand (IEAT)</p> <p><u>Summary</u> of <u>Director</u> positions holding in the Company and others companies. (A) Listed Company 1 Company (B) Non-Listed Company None</p>			
9.	Mr. Chanin Chaonirattisai	15 DEC 1956	59	Director	<p>2015-Present Director, Eastern Water Resources Development and Management PLC. (A)</p> <p>2015-Present President, Electricity Generating Public Company Limited (A)</p> <p>2014 Deputy Governor, Policy and Planning, Electricity Generating Authority of Thailand</p> <p>2013 Director, EGAT International Company Limited</p> <p>2012 Assistant Governor, System Control, Electricity Generating Authority of Thailand</p> <p>2011 Director, Power System Control</p>	<p>- Master of Engineering (Electrical Engineering), University of Missouri-Rolla, U.S.A</p> <p>- Bachelor of Engineering (Electrical Engineering), University of Missouri-Rolla, U.S.A</p>	<p>- DCP 192/2014</p> <p>- KPI</p>	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
					<p>and Operation Division, Electricity Generating Authority of Thailand</p> <p>2010 Director, Control and Protection System Division, Electricity Generating Authority of Thailand</p> <p><u>Summary</u> of <u>Director</u> positions holding in the Company and others companies. (A) Listed Company 2 Companies (B) Non-Listed Company None</p>			
10.	Mr. Eakachai Attakanna	12 NOV 1961	54	Director	<p>2015- Present Director, Eastern Water Resources Development and Management PLC. (A)</p> <p>2015-Present Deputy Governor (Operation 3), Provincial Waterworks Authority (PWA)</p> <p>2013-2015 Director, Regional 1, Provincial Waterworks Authority (PWA)</p> <p>2011-2013 Director, Regional 3, Provincial Waterworks Authority (PWA)</p> <p>2008-2011 Director, Regional 8, Provincial Waterworks Authority (PWA)</p> <p>2006-2008 Director of Planning and Evaluation 3, Provincial</p>	<p>- Master of Public Administration, National Institute of Development Administration (NIDA)</p> <p>- Bachelor of Engineering (Civil Engineering), Chiangmai University</p>	-	None

No	Name-Surname	Date of Birth	Age	Position	Experiences	Education	Training	No. of share held in the Company (share) As of 31 DEC 2015
					2001-2006 Waterworks Authority (PWA) Director of the Academic Division, Provincial Waterworks Authority (PWA) <u>Summary</u> of <u>Director</u> positions holding in the Company and others companies. (A) Listed Company 1 Company (B) Non-Listed Company None			

Note:

ACP : Audit Committee Program
 AACCP : Advanced Audit Committee Program
 DCP : Director Certification Program
 DAP : Director Accreditation Program
 FSD : Financial Statement for Director
 HRP : How to Develop a Risk Management Plan
 PDI : Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization, Public Director Institute (PDI)
 RCL : Risk Management Program for Corporate Leaders
 RCP : Role of the Chairman Program
 RMP : Risk Management Committee Program
 TEPCOT: Top Executive Program in Commerce and Trade
 SFE : Successful Formulation & Execution the Strategy
 BYP : Training Course of Administrative Justice for Executives, Institute of Administrative Justice, the Office of the Administrative Courts of Thailand
 CMA : Leadership Program, Capital Market Academy (CMA)
 KPI : Advance Certificate Course in Public Administration and Law, King Prajadhipok's Institute (KPI)



Eastern Water Resources Development and
Management Public Company Limited.

Form 56-1 2015

IBID : Executive Management with Business Development and Investment Course (VOR TOR OR), Institute of Business and Industrial Development (IBID)
TEA : Energy Literacy for A Sustainable Future, Thailand Energy Academy
NDC : Diploma, National Defense Course, The National Defense College (TNDC)
JSP : Diploma, The Joint State – Private Sector Course, The National Defense College (TNDC)

Executives and corporate secretary profiles

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
1. Mr. Jaroensuk Worapansopak (Executive Vice President, Operation and Acting President & Chief Executive Officer)	52	<ul style="list-style-type: none"> - M.Sc. Hydraulic Engineering, International Institute for Hydraulic and Environmental Engineering (IHE), Delft, the Netherlands. - Bachelor of Engineering (Civil-Water Resources Engineering) Training <ul style="list-style-type: none"> - Successful Formulation & Execution of Strategy (SFE), Thai Institute of Directors, 2015 - 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, SASIN - Executive Development Program (EDP) Class 3, 2009, Thai Listed Companies Association 	None	None	Eastern Water Resources Development and Management Public Company Limited 2015 – Present Executive Vice President, Operation and Acting President and CEO 2011 – 2015 Executive Vice President, Operation Mar 10 – Dec 10 Acting Executive Vice President, Operation 2009 – 2010 Vice President of Customer Service and Acting Executive Vice President, Project Planning and Customer Services 2002 - 2008 Vice President of Project Planning 2008 – 2009 Committee, EGCOM TARA Co., Ltd.

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
2. Mr. Namsak Wannavisute (Executive Vice President, Finance and Accounting)	50	<ul style="list-style-type: none"> - MS. (Finance), University of Colorado, USA - B.B.A. (Accounting and Finance), Thammasat University Training - 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, Thai Institute of Directors - Advance Senior Executive Program – ASEP 2010 	Holding 549,000 ordinary shares and other 24,580 shares under partner's name	None	Eastern Water Resources Development and Management Public Company Limited 2011 – Present Executive Vice President, Finance and Accounting 2011 – Nov 15 Executive Vice President, Finance and Accounting and Acting President and CEO 2009 – 2010 Vice President, Finance and Accounting Department 2007 – 2008 Vice President, Corporate Affairs and Acting Vice President of Human Resource Department 2002 – 2007 Vice President, Business Development Department 2001 – 2002 Acting Vice President, Business Development Department Mar – Oct 01 Manager, Business Development Department
3. Mrs. Namphon Rassadanukul (Senior Vice President, Business Development Department)	53	<ul style="list-style-type: none"> - M. Pol. Sc. (Politics and Governments), Sukhothai Thammathirath - 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 	Holding 2,000 ordinary shares	None	Eastern Water Resources Development and Management Public Company Limited 2015 – Present Senior Vice President, Business Development Department Feb – Jul 15 Senior Vice President, Human Resource Department 2007 – 2015 Senior Vice President, President & CEO Office and Corporate Secretary

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
		Training - Sustainable Brand's 15 Bangkok (TMA), 2015 - The 5 th Training Course on Administrative Justice for Executives - Executive Program on Good Governance for Sustainable Development, the 1 st Class - 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 Course in Politics and Democratic Systems for Executives, 11 st Class, King Prajadhipok's Institute - Advanced Certificate Course in Public Administration and law for Executives, the 1 st Class, King Prajadhipok's Institute - Director Certification Program – DCP 4/2000, Thai Institute of Directors			2004 – 2007 Senior Vice President, Audit Department and Corporate Secretary 2001 – 2004 Vice President, Audit Department Mar – Oct 01 Vice President, President & CEO Office 1994 – 2001 Vice President, Executive Department
4. Mrs. Thidarut Kraiprasit (Senior Vice President, Finance & Accounting Department)	52	- MBA, Kasetsart University - BBA, Thammasart University Training	Holding 630,000 Ordinary Shares	None	Eastern Water Resources Development and Management Public Company Limited 2015-Present Senior Vice President,

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
		<ul style="list-style-type: none"> - Certified Public Accountant (CPA) - Strategic CFO in Capital Markets Program, 2015 - Chief Financial Officer Certification Program Class 19/2015 - Director Certification Program – DCP 197/2014, Thai Institute of Directors - 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) Batch 4 - Advanced Certificate Course in Public Economics Management for Executives Class 5, The College of Politics and Governance 			<p>2009-2015 Finance & Accounting Department Senior Vice President, Audit Department</p> <p>2007-2008 Senior Vice President, Finance & Accounting Department</p> <p>2004-2007 Senior Vice President, Finance & Human Resource Department</p> <p>2001-2004 Vice President, Finance and Human Resource Department</p> <p>1997-2001 Vice President, Finance and Procurement Department</p>
5. Mr. Cherdchai Pitiwacharakul (Senior Vice President, President and CEO Office and Acting Managing Director, Universal Utilities PLC.)	51	<ul style="list-style-type: none"> - M.S. (Information Technology), King Mongkut's Institute of Technology - B.E., Khonkaen University <p>Training</p> <ul style="list-style-type: none"> -Smart Marketing Class4/2015, Institute of Research and Development for Public Enterprises 	None	None	<p>Eastern Water Resources Development and Management Public Company Limited</p> <p>2015-Present Senior Vice President, President and CEO Office</p> <p>2013-2015 Senior Vice President, Operation and Customer Service Department</p> <p>2010-2013 Vice President, Operation and</p>

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
		<ul style="list-style-type: none"> -Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2) -Leaderships Development Workshop by Executive Coaching Institute Berkeley USA, 2012 (Module 1) - Executive Development Program (EDP) Class 3 -Integrated Water Resources Management Program for Executives Class 2, Thai Waterworks Association (TWWA) -Director Certification Program-DCP 132/2010, Thai Institute of Directors -Mini MBA, Kasetsart University Class 21 (2002) -Mini MIS, Kasetsart University Class 2 (1997) 			<p>2009-2010 Customer Service Department Vice President, Business Development Department</p> <p>2007-2009 Vice President, Special Project Department</p> <p>2001-2007 Vice President, Chachoengsao Operation Center Acting Vice President, Rayong Operation Center</p> <p>2015-Present Acting Managing Director, Universal Utilities PLC.</p> <p>2008-2009 Acting Managing Director, Universal Utilities Co. Ltd.</p>
6. Mrs. Wirawan Tharanont (Vice President, President and CEO Office and Corporate Secretary)	57	<ul style="list-style-type: none"> - MBA, Sasn Graduate Institute of Business Administration, Chulalongkorn University - B.Acc., Faculty of Commerce and Accounting, Chulalongkorn University <p>Training</p> <ul style="list-style-type: none"> - Company Secretary Program (IOD), 2015 	None	None	<p>Eastern Water Resources Development and Management Public Company Limited</p> <p>2015- Present Vice President, President and CEO Office and Corporate Secretary</p> <p>2013-2015 Vice President, Human Resource Department</p> <p>2009-2013 Vice President, Corporate Affair Department, General Affair</p> <p>2007-2008 Vice President, Audit</p>

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
		<ul style="list-style-type: none"> - Director Certification Program – DCP192/2014, Thai Institute of Directors - Anti-Corruption: The Practical Guide, Thai Institute of Directors (IOD) - ACPG 8/2014 - Leadership Development Workshop by Executives Coaching Institute, Berkeley USA, 2013 (Module 2) - Leadership Development Workshop by Executive Coaching Institute Berkeley USA, 2012 (Module 1) - Laws for Public Service Enterprise, King Prajadhipok's Institute -The Committee of Safety, Occupational Health and Work Environment Program - Organizational Risk Management Program, Listed Companies Association 			<p>2006-2007 Department Vice President, President and CEO Office</p> <p>2005-2006 Manager, President and CEO Office</p> <p>2004-2005 Manager, Risk Management of the Group of Company</p>
7. Ms. Kanyanart Viraphandu (Vice President, Corporate Communication Department)	46	<ul style="list-style-type: none"> - BBA, Accounting, Assumption University Training - Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2013 (Module 2) - Leadership Development Workshop by Executive Coaching Institute, Berkeley USA, 2012 (Module 1) 	220,000 Ordinary Shares	None	<p>Eastern Water Resources Development and Management Public Company Limited</p> <p>2011-Present Vice President, Corporate Communication Department</p> <p>2007-2011 Deputy Director, Corporate Communication Department</p> <p>2006-2007 Manager, PR of President and CEO Office</p> <p>2002-2006 Manager, Corporate Affairs Management Department</p>

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
		- Executive Development Program (EDP) Class 5/2010			2001-2002 (Secondment-EHP) Manager, Relationships and Activities, Corporate Affairs Department Mar-Nov 2001 Manager, Relationships and Activities, President and CEO Office
8. Mr. Sokul Chuepakdee (Vice President, Engineering Department)	51	- MBA, Thammasart University - Bachelor of Civil Engineering, Chulalongkorn University Training - Safety for Management Level - Anti-Corruption: The Practical Guide, Thai Institute of Director (IOD) – ACPG 13/2014	250 Ordinary Shares	None	2015-Present Vice President, Engineering Department, Eastern Water Resources Development and Management PLC 2014-2015 Vice President, Project Planning, Eastern Water Resources Development and Management PLC 2011-2013 Director, Waste Water Management Authority 2009-2011 Deputy Managing Director, General Engineering PLC 1998-2009 Senior Department Manager, Business Continuity, Business Development Department, Eastern Water Resources Development and Management PLC.
9. Ms. Chinda Mahaisawariya (Vice President, Corporate Affairs Department, General Affairs)	53	- Master of Arts Program in Social Development Administration (NIDA) - BBA (Management), Suan Dusit Rajabhat University	220,000 Ordinary Shares	None	Eastern Water Resources Development and Management Public Company Limited 2015-Present Vice President, Corporate Affairs Department Feb-Jun 2015 Acting as Vice President, Corporate Affairs

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
		Training - Modern Executive Micro MBA 2015 - Train the Trainer - Anti-Corruption: The Practical Guide, Thai Institute of Director (IOD) – APCG 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			2011-2015 Department Assistant Vice President, Corporate Affairs Department 2009-2011 Manager, Procurement, Corporate Affairs Department 2006-2009 Manager, Relationships and Activities Office, Corporate Communication Department 2004-2006 Manager, Procurement, Corporate Affairs Department
10. Ms. Doungnat Pitak (Assistant Vice President, Human Resource Development and Acting Vice President, Human Resource Department)	50	- Master of Science Program in Industrial and Organizational Psychology, Kasetsart University - Sociology and Anthropology, Thammasart University Training -Good Governance for Middle Level Executives (Class 17/2015), King Prajadhipok's Institute - Leadership Development Workshop by Executive Coaching Institute Berkeley USA, 2012 (Module 1) - Executive Development Program (EDP 12) 2013	None	None	Eastern Water Resources Development and Management Public Company Limited 2015-Present Assistant Vice President, Human Resource Department Acting as Vice President, Human Resource Department 2013-2015 Assistant Vice President, Human Resource Department 2012-2013 Manager, Purchasing and Procurement Department 2011-2012 Manager, Human Resource Development Department 2009-2011 Manager, Human Resource Development Department

Name – Surname/ Position	Age (Year)	Educations/Training	No. of share holding in the Company (share)	Connected person: the Directors, executives, controlled interests and family	Working Experiences
11. Ms. Tharnthip Photisor (Manager, Network System – Information Technology Department, Acting Vice President, Information Technology Department)	44	<ul style="list-style-type: none"> - M.Sc. Program in Information Technology, King Mongkut's Institute of Technology Ladkrabang - Bachelor of Science Program in Mathematics, King Mongkut's University of Technology Thonburi Training <ul style="list-style-type: none"> - 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 	None	None	Eastern Water Resources Development and Management Public Company Limited 2015-Present Manager, Network System Office and Acting as Vice President, Information Technology Department 2007-2015 Manager, Network System

List of Subsidiary companies' Directors (As of December 31st, 2015)

Name-Surname		Universal Utilities PLC.	Chachoengsao Water Supply Co., Ltd.	Bangpakong Water Supply Co., Ltd.	Nakhonsawan Water Supply Co., Ltd.
1. Mr. Wittaya	Chaisuwan	☆☆	☆☆	☆☆	☆☆
2. Admiral Amorntep	Na Bangchang	☆			
3. Col. Premjiras	Tanathaipakdee	☆			
4. Ms. Achara	Vatthanasook	☆			
5. Mr. Saisuree	Bunnag	☆			
6. General Thanadol	Paojinda	☆			
7. Mr. Kanjapong	Kangwal	☆			
8. Mr. Chatchawal	Punyavateenun	☆	☆	☆	☆
9. Mrs. Chantima	Pattamasoontara	☆			
10. Lt.Gen.Anek	Inumnuay		☆	☆	☆

Remark: ☆☆ = Chairman ☆ = Director

Profiles of the President of Internal Audit and Corporate Governance

1. President of Internal Audit

Name-Surname	Mr. Prasit Skulkassareewan*
Position	Assistant Vice President of Audit Department and Acting Vice President of Audit Department)
Education Background	<ul style="list-style-type: none"> • Master of Business Administration (Accounting) , Chulalongkorn University • Bachelor of Accountancy (Cost Accounting), Rajamangala University of Technology Krungthep.
Working Experiences	<p>Eastern Water Resources Development and Management Public Company Limited</p> <p>July – Oct 2015 Assistant Vice President of Audit Department and Acting Vice President of Audit Department</p> <p>2013 - 2015 Manager of Corporate Secretary Division</p> <p>Feb 2011 Manager of CEO Office</p> <p>March 2010 Manager of Analysis and Development Division</p> <p>Oct 2009 Manager of Audit Department</p> <p>March 2009 Acting as Manager of Audit Department</p> <p>Oct 2004 Audit Senior</p> <p>Nov 2002 Audit Officer</p>
Trainings	<ul style="list-style-type: none"> • 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 Public Organization

Remark : *Resigned effective on 31 October 2015 and Actively recruiting new director.

2. President of the Corporate Governance

Name-Surname	Mrs. Wirawan Tharanont
Position	Vice President, President & CEO Office and Corporate Secretary
Education Background	<ul style="list-style-type: none"> • Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Accountancy, Chulalongkorn University
Working Experiences	<p>Eastern Water Resources Development and Management Public Company Limited</p> <p>Feb 2015 – Present Vice President, President & CEO Office and Corporate Secretary Department</p> <p>Sept 2013 – Feb 2015 Vice President, Human Resource Department</p> <p>Jan 2009 – Sept 2013 Vice President, Corporate Affairs Department</p>
Trainings	<ul style="list-style-type: none"> • Director Certification Program (DCP 192/2014), Thai Institute of Directors • Anti-Corruption: The Practical Guide (ACPG 8/2014), Thai Institute of Directors • Management Development Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Organization Risk Management Program, Thai Listed Companies Association • Corporate Secretary Program, Thai Institute of Directors • 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 Public Organization, King Prajadhipok's Institute
Responsibilities	<ul style="list-style-type: none"> • Review and govern business operation in complying with laws, regulations, orders and practices of the relevant parties • Prepare and submit the corporate governance report. Monitor, investigate and report any occurrences regularly and shall immediately report in case there is any occurrence that significantly affects the Company and the Capital Market. • Participate in consideration of the working process or transactions development, in complying with the procedures, practices, orders, criteria and code of conducts as suggested by the Board of Directors and as regulated by laws

	<ul style="list-style-type: none">• Collect and publish information, share knowledge and advise departments and divisions in regarding working compliance in accordance with announcements, regulations, guidelines, code of conducts and practices. Training arrangements on compliance are also accountable.• Coordinate with the Stock Exchange of Thailand and the Securities and Exchange Commission
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Details of Assets appraisal (Property valuation)

The Company employed Fanix Appraisal Company Limited to inspect and appraise the Company's property on December 18th, 2015 and present the appraisal reports as shown below;

Summary of appraisal report on the Company's headquarter building

Client name	Eastern Water Resources Development and Management Public Company Limited
Types of assets	Land: three proximate blogs of lands at total 1-2-48 Rai or 648 Sq. Wah and 25-storey building with basement, roof desk and improvements
Location of assets	1 Vibhavadi Rangsit Rd. Chomphol, Chatuchak, Bangkok
Land title	Land certificate number 69939-69941 Lat Yao Sub-District (North Bang Sue), Bangkhen District (Bang Sue), Bangkok
Obligation	No Obligation
Appraisal objectives	To acknowledge the property value
Appraisal criteria	Market price
Appraisal methods	Revenue method
Assessment date	December 18 th , 2015
Property value	THB 746,900,000 (Seven Hundred Forty Six Million Nine Hundred Thousand Baht)
Forced sale value	THB 522,830,000 (Five Hundred Twenty Two Million Eight Hundred Thirty Thousand Baht)
Fire insurance insured	THB 473,235,000 (Four Hundred Seventy Three Million Two Hundred Thirty Five Thousand Baht)
Assessors	1. Mr. Yodsapak Chudokphut, Inspector and Valuer 2. Mr. Chailark Thaongta, Inspector and Registered Key Valuer No. VT 148

Remark: Referring to the Fanix Appraisal Company Limited's property appraisal report 2015 No. FN 581897-W-R endorsed on December 24th, 2015.

Summary of appraisal report on the Company's property in Chachoengsao Province

Types of assets	Land: two proximate blogs of lands at total 10-0-0 Rai or 4,000 Sq. Wah
Location of assets	Moo 1 Sai Klongmai-Bangkwa Rd., Nong Chok Sub-District, Bang Pakong District, Chachoengsao
Land title	Land Certificate No. 20143 and 20146 Nong Chok Sub-District, Bang Pakong District, Chachoengsao
Obligation	No Obligation
Appraisal objectives	To acknowledge the property value
Appraisal criteria	Market price
Appraisal methods	Market price comparison
Assessment date	December 18 th , 2015
Property value	THB 19,000,000 (Nineteen Million Baht)
Forced sale value	THB 11,400,000 (Eleven Million Four Hundred Thousand Baht)
Fire insurance insured	1. Mr. Yodsapak Chudokphut, Inspector and Valuer 2. Mr. Chailark Thaongta, Inspector and Registered Key Valuer No. VT 148

Remark: Referring to the Fanix Appraisal Company Limited's property appraisal report 2015 No. FN 581898-W-R endorsed on December 24th, 2015.