

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated and company statements of financial position as at 30 June 2016, and the related consolidated and company statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated and company statements of changes in shareholders' equity, and cash flows for the six-month period then ended, and condensed notes to interim financial information of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries, and of Eastern Water Resources Development and Management Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of Matter

I draw your attention to Note 16 to the interim financial information regarding compensation for the Company's pipeline connecting projects. Currently, the Company pays compensation at a preliminary rate because the government agency is considering a deal in which the Company will rent or manage connecting projects. As a result, the government agency is reviewing the compensation rate and it may be subject to change. My conclusion is not qualified in respect of this matter.

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

Bangkok
11 August 2016

**EASTERN WATER RESOURCES DEVELOPMENT AND
MANAGEMENT PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2016

Eastern Water Resources Development and Management Public Company Limited

Statement of Financial Position

As at 30 June 2016

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents		278,222	311,218	142,131	249,113
Short-term investments	5	313,045	862,598	26,088	546,523
Trade and other receivables	6	466,296	447,164	319,516	282,814
Inventories		9,889	9,381	-	-
Other current assets		33,272	33,849	22,590	13,645
Total current assets		1,100,724	1,664,210	510,325	1,092,095
Non-current assets					
Investment in subsidiary	7	-	-	510,000	510,000
Investment property - net	8	198,419	216,902	226,865	231,204
Property, plant and equipment - net	8	13,725,564	13,265,976	13,504,392	13,066,999
Goodwill		103,283	103,283	-	-
Intangible assets - net	8	3,715,711	3,831,897	38,050	36,075
Deferred tax assets		23,662	23,288	-	-
Other non-current assets	9	467,989	521,907	433,089	488,272
Total non-current assets		18,234,628	17,963,253	14,712,396	14,332,550
Total assets		19,335,352	19,627,463	15,222,721	15,424,645

Director _____ Director _____
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The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statements of Financial Position (continued)

As at 30 June 2016

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowing from a financial institution	11.1	1,625,000	1,600,000	-	-
Trade accounts payable	10	143,405	133,930	96,275	104,881
Payable for purchase of fixed assets		129,191	63,579	126,656	58,418
Current portion of long-term liabilities under finance lease agreements		2,589	2,856	2,589	2,856
Current portion of long-term borrowings from financial institutions	11.2	808,200	752,200	616,000	560,000
Corporate income tax payable		175,497	149,495	142,180	111,845
Accrued expenses		163,162	175,191	114,345	118,265
Other current liabilities		72,880	60,958	32,818	34,570
Total current liabilities		3,119,924	2,938,209	1,130,863	990,835
Non-current liabilities					
Long-term liabilities under finance lease agreements		721	1,843	721	1,842
Long-term borrowings from financial institutions	11.2	3,200,600	4,008,800	2,624,000	3,240,000
Debentures	11.3	2,397,001	2,396,822	2,397,001	2,396,822
Deferred tax liabilities		417,263	421,234	32,868	24,798
Employee benefit obligations		126,710	119,687	77,058	73,361
Long-term provisions		27,283	26,881	-	-
Other non-current liabilities		228,893	214,424	199,151	184,212
Total non-current liabilities		6,398,471	7,189,691	5,330,799	5,921,035
Total liabilities		9,518,395	10,127,900	6,461,662	6,911,870

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statements of Financial Position (continued)

As at 30 June 2016

	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Shareholders' equity				
Share capital				
Registered share capital				
Ordinary shares, 1,663,725,149 shares of par Baht 1 each	1,663,725	1,663,725	1,663,725	1,663,725
Issued and paid-up share capital				
Ordinary shares, 1,663,725,149 shares of par Baht 1 each	1,663,725	1,663,725	1,663,725	1,663,725
Share premium	2,138,522	2,138,522	2,138,522	2,138,522
Retained earnings				
Appropriated - legal reserve	166,500	166,500	166,500	166,500
Unappropriated	5,622,787	5,303,277	4,772,449	4,521,360
Other components of equity	19,863	22,668	19,863	22,668
Equity attributable to owners of the parent	9,611,397	9,294,692	8,761,059	8,512,775
Non-controlling interests	205,560	204,871	-	-
Total shareholders' equity	9,816,957	9,499,563	8,761,059	8,512,775
Total liabilities and shareholders' equity	19,335,352	19,627,463	15,222,721	15,424,645

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Comprehensive Income

For the three-month period ended 30 June 2016

		(Unit: Baht'000)			
	Notes	Consolidated		Company	
		(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015
Revenues	14.1				
Sales - raw water		734,352	782,769	754,837	793,598
Sales - tap water		357,679	268,166	98,420	91,519
Construction revenue under concession agreements		2,886	28,930	-	-
Rental and service income		34,556	61,994	23,410	24,207
Total sales and service income		1,129,473	1,141,859	876,667	909,324
Other income	12	15,265	20,854	62,304	285,993
Total revenues		1,144,738	1,162,713	938,971	1,195,317
Expenses	14.1, 14.3				
Cost of sales - raw water		311,785	300,827	322,024	309,985
Cost of sales - tap water		205,333	158,196	82,449	76,208
Construction cost under concession agreements		2,886	28,930	-	-
Cost of rental and services		28,842	46,478	17,158	17,422
Total costs of sales and services		548,846	534,431	421,631	403,615
Selling expenses		3,027	3,070	1,464	2,363
Administrative expenses		105,140	105,921	71,419	74,196
Finance costs		25,427	24,332	11,200	22,050
Total expenses		682,440	667,754	505,714	502,224
Profit before income tax		462,298	494,959	433,257	693,093
Income tax expense		(100,833)	(141,857)	(81,755)	(133,713)
Net profit for the period		361,465	353,102	351,502	559,380

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 June 2016

	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2016	2015	2016	2015
Other comprehensive income :				
<i>Items that will be reclassified to profit or loss</i>				
Asset transferred from customers	(850)	(850)	(850)	(850)
Fair value of available-for-sale investments recycled to profit or loss	(1,403)	-	(1,403)	-
Income tax relating to items will be reclassified to profit or loss	281	-	281	-
Other comprehensive income for the period, net of tax	(1,972)	(850)	(1,972)	(850)
Total comprehensive income for the period	359,493	352,252	349,530	558,530
Profit attributable to				
Equity holders of the parent company	356,860	353,072	351,502	559,380
Non-controlling interests	4,605	30	-	-
	361,465	353,102	351,502	559,380
Total comprehensive income attributable to				
Equity holders of the parent company	354,888	352,222	349,530	558,530
Non-controlling interests	4,605	30	-	-
	359,493	352,252	349,530	558,530
Earnings per share for profit attributable to the equity holders of the parent company (Baht)				
Basic earnings per share	0.21	0.21	0.21	0.34

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited
Statement of Comprehensive Income
For the six-month period ended 30 June 2016

		(Unit: Baht'000)			
Notes	Consolidated		Company		
	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015	
Revenues	14.1				
Sales - raw water		1,433,959	1,524,079	1,473,683	1,544,308
Sales - tap water		702,233	524,303	189,262	180,915
Construction revenue under concession agreements		10,795	44,232	-	-
Rental and service income		85,726	128,054	45,218	47,757
Total sales and service income		2,232,713	2,220,668	1,708,163	1,772,980
Other income	12	23,061	31,362	71,502	291,990
Total revenues		2,255,774	2,252,030	1,779,665	2,064,970
Expenses	14.1, 14.3				
Cost of sales - raw water		583,002	545,407	602,137	561,888
Cost of sales - tap water		404,234	307,502	158,416	149,057
Construction cost under concession agreements		10,795	44,232	-	-
Cost of rental and services		68,771	104,018	33,479	33,975
Total costs of sales and services		1,066,802	1,001,159	794,032	744,920
Selling expenses		6,089	5,525	3,032	4,335
Administrative expenses		189,146	186,152	126,242	128,792
Finance costs		56,658	56,522	27,892	46,491
Total expenses		1,318,695	1,249,358	951,198	924,538
Profit before income tax		937,079	1,002,672	828,467	1,140,432
Income tax expense	13	(192,252)	(240,576)	(161,447)	(219,869)
Net profit for the period		744,827	762,096	667,020	920,563

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited
Statement of Comprehensive Income
For the six-month period ended 30 June 2016

	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2016	2015	2016	2015
Other comprehensive income :				
<i>Items that will be reclassified to profit or loss</i>				
Asset transferred from customers	(1,699)	(1,699)	(1,699)	(1,699)
Fair value of available-for-sale investments recycled to profit or loss	(1,383)	-	(1,383)	-
Income tax relating to items will be reclassified to profit and loss	277	-	277	-
Other comprehensive income for the period, net of tax	(2,805)	(1,699)	(2,805)	(1,699)
Total comprehensive income for the period	742,022	760,397	664,215	918,864
Profit attributable to				
Equity holders of the parent company	735,441	762,014	667,020	920,563
Non-controlling interests	9,386	82	-	-
	744,827	762,096	667,020	920,563
Total comprehensive income attributable to				
Equity holders of the parent company	732,636	760,315	664,215	918,864
Non-controlling interests	9,386	82	-	-
	742,022	760,397	664,215	918,864
Earnings per share for profit attributable to the equity holders of the parent company (Baht)				
Basic earnings per share	0.44	0.46	0.40	0.55

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Changes in Shareholders' Equity

For the six-month period ended 30 June 2016

	(Unit: Baht'000)									
	Consolidated									
	(Unaudited)									
	Equity holders of the parent									
	Other components of equity									
	Other comprehensive income									
	Assets									
	Issued and paid-up share capital	Premium on share capital	Retained earnings Appropriated - legal reserve	Unappropriated	transferred from customers-net	Available- for-sale investments	Total other component of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
Opening balance										
as at 1 January 2015	1,663,725	2,138,522	166,500	4,493,850	24,960	-	24,960	8,487,557	29,513	8,517,070
Dividend paid	-	-	-	(399,282)	-	-	-	(399,282)	-	(399,282)
Comprehensive income for the period	-	-	-	762,014	(1,699)	-	(1,699)	760,315	82	760,397
Changes in ownership interests in subsidiaries	-	-	-	1,039	-	-	-	1,039	(3,819)	(2,780)
Closing balance										
as at 30 June 2015	1,663,725	2,138,522	166,500	4,857,621	23,261	-	23,261	8,849,629	25,776	8,875,405
Opening balance										
as at 1 January 2016	1,663,725	2,138,522	166,500	5,303,277	21,562	1,106	22,668	9,294,692	204,871	9,499,563
Dividend paid	-	-	-	(415,931)	-	-	-	(415,931)	(8,697)	(424,628)
Comprehensive income for the period	-	-	-	735,441	(1,699)	(1,106)	(2,805)	732,636	9,386	742,022
Closing balance										
as at 30 June 2016	1,663,725	2,138,522	166,500	5,622,787	19,863	-	19,863	9,611,397	205,560	9,816,957

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Changes in Shareholders' Equity (continued)

For the six-month period ended 30 June 2016

	(Unit: Baht'000)						
	Company						(Unaudited)
					Other components of equity		
					Other comprehensive income		
					Assets		
					transferred		
					from		
					customers-net		
					Available-		
					for-sale		
					investments		
					Total other		
					component		
					of equity		
					Total		
					shareholders'		
					equity		
	Issued and paid-up share capital	Premium on share capital	Retained earnings Appropriated - legal reserve	Unappropriated	transferred from customers-net	Available- for-sale investments	Total shareholders' equity
Opening balance							
as at 1 January 2015	1,663,725	2,138,522	166,500	3,846,799	24,960	-	7,840,506
Dividend paid	-	-	-	(399,282)	-	-	(399,282)
Comprehensive income for the period	-	-	-	920,563	(1,699)	-	918,864
Closing balance							
as at 30 June 2015	1,663,725	2,138,522	166,500	4,368,080	23,261	-	8,360,088
Opening balance							
as at 1 January 2016	1,663,725	2,138,522	166,500	4,521,360	21,562	1,106	8,512,775
Dividend paid	-	-	-	(415,931)	-	-	(415,931)
Comprehensive income for the period	-	-	-	667,020	(1,699)	(1,106)	664,215
Closing balance							
as at 30 June 2016	1,663,725	2,138,522	166,500	4,772,449	19,863	-	8,761,059

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Cash Flows

For the six-month period ended 30 June 2016

		(Unit: Baht'000)			
		Consolidated		Company	
	Notes	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015
Cash flows from operating activities					
Profit before income tax		937,079	1,002,672	828,467	1,140,432
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities					
Depreciation	8	188,282	183,170	179,658	175,236
Amortisation	8	132,173	67,719	3,216	3,064
Income from amortisation of assets transferred from customers		(1,699)	(1,699)	(1,699)	(1,699)
Write-off equipment		3,816	2,231	3,816	2,231
Gain on sales of short-term investments		(3,173)	-	(3,173)	-
Gain on sales of other long-term investments		-	-	-	(226,320)
Long-term provisions		2,105	4,924	-	-
Employee benefit obligations		7,880	7,021	4,554	4,501
Dividend income	12	-	(12,547)	(52,020)	(48,247)
Interest income		(5,475)	(3,563)	(1,885)	(7,166)
Interest expenses		56,067	55,815	27,302	45,860
Profit from operating activities before changes in operating assets and liabilities		1,317,055	1,305,743	988,236	1,087,892
Changes in operating assets (increase) decrease					
Trade accounts receivable		(19,115)	(68,592)	(36,702)	(62,091)
Inventories		(508)	324	-	-
Other current assets		368	31,068	(9,154)	30,891
Other non-current assets		(1,062)	(5,877)	203	203
Changes in operating liabilities increase (decrease)					
Trade accounts payable		9,475	(21,613)	(8,606)	(49,591)
Accrued expenses		(11,286)	12,519	(3,177)	30,001
Other current liabilities		12,147	(1,092)	(1,825)	1,325
Employee benefit obligations - paid		(857)	(1,108)	(857)	(397)
Long-term provisions - paid		(2,746)	(1,336)	-	-
Other non-current liabilities		14,469	12,493	14,939	10,859
Cash provided by operations		1,317,940	1,262,529	943,057	1,049,092
Income tax paid		(170,320)	(146,075)	(122,764)	(128,895)
Net cash generated from operating activities		1,147,620	1,116,454	820,293	920,197

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Cash Flows (continued)

For the six-month period ended 30 June 2016

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	2016	2015	2016	2015
Cash flows from investing activities					
Purchases of short-term investments		(348,138)	(50,290)	(80,948)	-
Proceeds from redemption of short-term investments		899,481	57,194	603,173	-
Payment on loans to a related party		-	-	-	(644,000)
Proceeds from loans to related parties		-	-	-	644,000
Interest received		5,667	3,466	2,094	6,990
Proceeds from disposal of other long-term investments		-	-	-	317,790
Dividend received from other long-term investments and a subsidiary		-	12,547	52,020	48,247
Proceeds from disposal of equipment		-	4,820	-	4,820
Purchases of intangible assets		(20,200)	(54,889)	(5,191)	-
Purchases of investment property		(340)	(1,010)	(394)	(1,083)
Purchases of plant and equipment and advance construction payment		(433,976)	(1,203,671)	(418,835)	(1,183,507)
Interest paid capitalised in qualifying assets		(61,715)	(52,749)	(61,715)	(52,749)
Net cash generated from (used in) investing activities		40,779	(1,284,582)	90,204	(859,492)
Cash flows from financing activities					
Proceeds from short-term borrowing from a financial institution		25,000	2,457,000	-	2,142,000
Payment on short-term borrowing from a financial institution		-	(1,835,000)	-	(1,464,000)
Proceeds from long-term borrowings	11.2	-	3,773,000	-	2,812,000
Payment on long-term borrowings	11.2	(752,200)	(5,224,001)	(560,000)	(4,580,000)
Payment on liabilities under finance lease agreements		(1,388)	(969)	(1,388)	(969)
Proceeds from issuance of debentures		-	2,400,000	-	2,400,000
Transaction cost of debentures		-	(3,360)	-	(3,360)
Additional purchase of interests in subsidiaries		-	(2,780)	-	-
Dividends paid to shareholders		(415,858)	(399,197)	(415,858)	(399,197)
Dividends paid to minority shareholders		(8,697)	-	-	-
Interest paid		(68,252)	(69,724)	(40,233)	(61,529)
Net cash generated from (used in) financing activities		(1,221,395)	1,094,969	(1,017,479)	844,945
Net increase (decrease) in cash and cash equivalents		(32,996)	926,841	(106,982)	905,650
Cash and cash equivalents at beginning of the period		311,218	112,860	249,113	90,464
Cash and cash equivalents at the end of the period		278,222	1,039,701	142,131	996,114
Supplemental cash flow information					
Non-cash related transactions:					
Purchases of fixed assets on payable		70,693	30,407	68,238	29,488

The accompanying notes on pages 13 to 31 are an integral part of this interim financial information.

1 General information

Eastern Water Resources Development and Management Public Company Limited (“the Company”) is a public limited company. It is incorporated and resident in Thailand on 15 October 1992. The Company is listed on the Stock Exchange of Thailand on 18 November 1996. The address of the Company’s registered office is as follows:

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

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

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The consolidated financial information includes the financial information of the Company and the following subsidiaries:

Company’s name	Nature of business	Country of incorporation	Percentage of Shareholding
<u>Subsidiaries held directly by the Company</u>			
Universal Utilities Public Company Limited	Production and supply of tap water, water loss treatment and investment in three tap water supply companies	Thailand	100
<u>Subsidiaries held by Universal Utilities Public Company Limited</u>			
Chachoengsao Water Supply Company Limited	Production and supply of tap water	Thailand	100
Bangpakong Water Supply Company Limited	Production and supply of tap water	Thailand	100
Nakornsawan Water Supply Company Limited	Production and supply of tap water	Thailand	100
Egcom Tara Company Limited	Production and supply of tap water	Thailand	90.07

This interim consolidated and company financial information was authorised on 11 August 2016 by the Audit Committee of the Company under authority delegated by the Company’s Board of Directors.

This interim consolidated and company financial information has been reviewed, and not audited.

2 Accounting Policies

2.1 Basis of preparation

This interim consolidated and company financial information was prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e. statements of financial position, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34, ‘Interim Financial Reporting’ and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015.

2 Accounting Policies (continued)

2.1 Basis of preparation (continued)

An English version of the interim consolidated and company financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2015.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

Revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group.

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

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

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

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

The above revised standards have no material impact to the Group.

3 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

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4 Segment information

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

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

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

The segment information for the six-month period ended 30 June is summarised as follows:

	Consolidated (Unaudited)						(Unit: Baht'000)
	Sales		Service income			Elimination	Total
	Supply of raw water business	Supply of tap water business	Waterworks management business	Engineering services	Others		
For the six-month period ended 30 June 2016							
Revenue							
Revenue from third parties	1,433,959	711,786	1,822	43,964	41,182	-	2,232,713
Revenue from inter-segment	39,724	-	112,088	3,510	4,037	(159,359)	-
Total revenue	1,473,683	711,786	113,910	47,474	45,219	(159,359)	2,232,713
Cost of sales and services	(602,137)	(469,612)	(75,728)	(41,297)	(37,387)	159,359	(1,066,802)
Segment operating profit	<u>871,546</u>	<u>242,174</u>	<u>38,182</u>	<u>6,177</u>	<u>7,832</u>	<u>-</u>	<u>1,165,911</u>
Unallocated revenue (expenses)							
Other income							23,061
Selling expenses							(6,089)
Administrative expenses							(189,146)
Finance costs							(56,658)
Income tax							(192,252)
Net profit							<u>744,827</u>

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4 Segment information (continued)

(Unit: Baht'000)

	Consolidated (Unaudited)						
	Sales		Service income				
	Supply of raw water business	Supply of tap water business	Waterworks management business	Engineering services	Others	Elimination	Total
For the six-month period ended 30 June 2015							
Revenue							
Revenue from third parties	1,524,079	535,252	65,482	50,345	45,510	-	2,220,668
Revenue from inter-segment	20,229	-	111,478	3,480	2,246	(137,433)	-
Total revenue	1,544,308	535,252	176,960	53,825	47,756	(137,433)	2,220,668
Cost of sales and services	(561,888)	(357,052)	(133,800)	(48,274)	(37,578)	137,433	(1,001,159)
Segment operating profit	982,420	178,200	43,160	5,551	10,178	-	1,219,509
Unallocated revenue (expenses)							
Other income							31,362
Selling expenses							(5,525)
Administrative expenses							(186,152)
Finance costs							(56,522)
Income tax							(240,576)
Net profit							762,096

5 Short-term investments

The detail of short-term investments is as follows:

(Unit: Baht'000)

	Consolidated		Company	
	(Unaudited) 30 June 2016	(Audited) 31 December 2015	(Unaudited) 30 June 2016	(Audited) 31 December 2015
Fixed deposits	313,045	316,075	26,088	-
Available-for-sale investments	-	546,523	-	546,523
Total	313,045	862,598	26,088	546,523

As at 30 June 2016, the Group has short-term investments in fixed deposits with financial institutions that have maturity date during 6 - 12 months and interest rates at 0.90% - 2.30% per annum (31 December 2015: 0.50 - 2.40 per annum).

Available-for-sale investments are open-ended funds in deposit at financial institutions, government debt and private debt. Available-for-sale investments are carried at fair value at quoted prices in active markets (Level 1) for identical assets. The Company sold all available-for-sale investments on 17 May 2016.

6 Trade and other receivables - net

The detail of trade and other receivables is as follows:

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Trade receivables	425,623	394,770	286,040	260,331
Other receivables	321	18,700	1,155	727
Service income receivables - water loss treatment - related party (Note 14.2)	2,861	4,440	-	-
Prepayments	36,055	23,496	32,093	17,190
Others	1,436	5,758	228	4,566
	<u>466,296</u>	<u>447,164</u>	<u>319,516</u>	<u>282,814</u>

The detail of trade receivables is as follows:

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Trade receivables - billed				
- Third parties	119,738	102,961	119,425	102,647
- Related parties (Note 14.2)	226,012	197,755	166,615	157,684
Total trade receivables - billed	<u>345,750</u>	<u>300,716</u>	<u>286,040</u>	<u>260,331</u>
Unbilled receivables				
- Third parties	6,053	417	-	-
- Related parties (Note 14.2)	73,820	93,637	-	-
Total unbilled receivables	<u>79,873</u>	<u>94,054</u>	<u>-</u>	<u>-</u>
	<u>425,623</u>	<u>394,770</u>	<u>286,040</u>	<u>260,331</u>

6 Trade and other receivables - net (continued)

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

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Within credit term	338,088	299,761	278,378	259,398
Overdue below 3 months	7,662	943	7,662	933
Overdue 3 - 6 months	-	1	-	-
Overdue 6 - 12 months	-	11	-	-
Overdue more than 12 months	615	615	615	615
	346,365	301,331	286,655	260,946
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	<u>345,750</u>	<u>300,716</u>	<u>286,040</u>	<u>260,331</u>

The age analysis of other receivables is as follows:

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Within credit term	321	18,700	1,155	727
	<u>321</u>	<u>18,700</u>	<u>1,155</u>	<u>727</u>

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7 Investment in subsidiary

Investment in subsidiary which presented in the Company financial information is as follows:

Company	Nature of business	Country of incorporation	Company							
			Paid-up share capital		Ownership interest		Investment value		Dividend Income	
			(Unaudited) 30 June 2016 (Baht'000)	(Audited) 31 December 2015 (Baht'000)	(Unaudited) 30 June 2016 %	(Audited) 31 December 2015 %	(Unaudited) 30 June 2016 (Baht'000)	(Audited) 31 December 2015 (Baht'000)	(Unaudited) 30 June 2016 (Baht'000)	(Unaudited) 30 June 2015 (Baht'000)
Universal Utilities Public Company Limited	Produce and Supply of tap water	Thailand	510,000	510,000	100	100	510,000	510,000	52,020	35,700
Total investment in subsidiary							510,000	510,000	52,020	35,700

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8 Capital expenditures

	Consolidated			Company		
	Investment property	Property, plant and equipment	Intangible assets	Investment property	Property, plant and equipment	Intangible assets
For the six-month period ended 30 June 2016						
Opening net book amount (Audited)	216,902	13,265,976	3,831,897	231,204	13,066,999	36,075
Additions	340	632,863	15,987	394	616,134	5,191
Transfer, net	(14,555)	14,555	-	212	(212)	-
Write-off, net	-	(3,816)	-	-	(3,816)	-
Depreciation/Amortisation	(4,268)	(184,014)	(132,173)	(4,945)	(174,713)	(3,216)
Closing net book amount (Unaudited)	<u>198,419</u>	<u>13,725,564</u>	<u>3,715,711</u>	<u>226,865</u>	<u>13,504,392</u>	<u>38,050</u>

As at 30 June 2016, the Group has commitments from capital expenditures of Baht 1,748.4 million (31 December 2015: 1,789.9 million).

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9 Other non-current assets

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Advance construction payment	414,660	469,640	414,660	469,640
Prepaid expenses	37,074	36,409	5,173	5,376
Deposit and retention	15,775	15,378	13,228	13,228
Other receivable	32,802	32,802	-	-
Allowance for doubtful accounts				
- other receivable	(32,802)	(32,802)	-	-
Other	480	480	28	28
	467,989	521,907	433,089	488,272

Other receivable of Baht 32.8 million is transactions between Universal Utilities Public Company Limited and a private company. This related to the fine from the production of tap water that did not meet the minimum volume. On 26 October 2015, the subsidiary's Board of Directors approved to record an allowance for doubtful accounts for all outstanding balance of a private company of Baht 32.8 million. This is because the subsidiary terminated a contract to purchase raw water with such company in 2015 and there is a potential for debt might not be collectable.

10 Trade accounts payable

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Third parties	99,775	109,979	74,200	83,569
Related parties (Note 14.2)	43,630	23,951	22,075	21,312
	143,405	133,930	96,275	104,881

11 Borrowings from financial institutions

	Notes	Consolidated		(Unit: Baht'000) Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
Current					
Short-term borrowing from a financial institution	11.1	1,625,000	1,600,000	-	-
Current portion of long-term borrowings					
Borrowings from financial institutions	11.2	808,200	752,200	616,000	560,000
Total current borrowings		2,433,200	2,352,200	616,000	560,000
Non-current					
Borrowings from financial institutions	11.2	3,200,600	4,008,800	2,624,000	3,240,000
Debentures	11.3	2,397,001	2,396,822	2,397,001	2,396,822
Total non-current borrowings		5,597,601	6,405,622	5,021,001	5,636,822
Total		8,030,801	8,757,822	5,637,001	6,196,822

11 Borrowings from financial institutions (continued)

11.1 Short-term borrowing from a financial institution

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Promissory Note	25,000	-	-	-
Borrowing from a financial institution	1,600,000	1,600,000	-	-
	<u>1,625,000</u>	<u>1,600,000</u>	<u>-</u>	<u>-</u>

Borrowing from a financial institution is of Universal Utilities Public Company Limited for the purpose of purchasing shares of Egcom Tara Company Limited. Principal is repayable on 27 August 2016. The loan bears interest rate at BIBOR+fixed rate per annum.

11.2 Long-term borrowings from financial institutions

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Long-term borrowings from financial Institutions	4,008,800	4,761,000	3,240,000	3,800,000
<u>Less</u> Current portion of long-term borrowings	<u>(808,200)</u>	<u>(752,200)</u>	<u>(616,000)</u>	<u>(560,000)</u>
Long-term borrowings from financial institutions - net	<u>3,200,600</u>	<u>4,008,800</u>	<u>2,624,000</u>	<u>3,240,000</u>

Movement in the long-term borrowings from financial institutions for the six-month period ended 30 June 2016 is as follows:

	(Unit: Baht'000)	
	Consolidated	Company
Balance as at 31 December 2015 (Audited)	4,761,000	3,800,000
<u>Less</u> Repayments	<u>(752,200)</u>	<u>(560,000)</u>
Balance as at 30 June 2016 (Unaudited)	<u>4,008,800</u>	<u>3,240,000</u>

As at 30 June 2016, the Group had long-term credit facility that are not yet used amounting to Baht 1,700.00 million. (As at 31 December 2015: Baht 1,700.0 million).

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11 Borrowings from financial institutions (continued)

11.3 Debentures

Debentures comprise:

The first tranche is senior and unsecured debenture of Baht 1,200 million. It bears interest at a fixed rate at 3.84% per annum. The interest will be paid semi-annually on 16 June and 16 December.

The second tranche is senior and unsecured debenture of Baht 1,200 million. It bears interest at a fixed rate at 4.18% per annum. The interest will be paid semi-annually on 16 June and 16 December.

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 30 June 2016	(Audited) 31 December 2015	(Unaudited) 30 June 2016	(Audited) 31 December 2015
Debenture tranche 1	1,200,000	1,200,000	1,200,000	1,200,000
Debenture tranche 2	1,200,000	1,200,000	1,200,000	1,200,000
<u>Less</u> Deferred debenture issuing costs	(2,999)	(3,178)	(2,999)	(3,178)
Debentures - net	<u>2,397,001</u>	<u>2,396,822</u>	<u>2,397,001</u>	<u>2,396,822</u>

Movement in the debentures for the six-month period ended 30 June 2016 is as follows:

	Consolidated	(Unit: Baht'000) Company
Balance as at 31 December 2015 (Audited)	2,396,822	2,396,822
<u>Less</u> Amortisation of issuing cost	179	179
Balance as at 30 June 2016 (Unaudited)	<u>2,397,001</u>	<u>2,397,001</u>

12 Other Income

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2014
For the three-month period ended 30 June				
Interest income	2,853	2,544	890	6,142
Dividend income	-	12,547	52,020	48,247
Gain on sales of short-term investments	1,579	-	1,579	-
Gain on sales of other long-term investments	-	-	-	226,320
Others	10,833	5,763	7,815	5,284
	<u>15,265</u>	<u>20,854</u>	<u>62,304</u>	<u>285,993</u>
	Consolidated		(Unit: Baht'000) Company	
	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2014
For the six-month period ended 30 June				
Interest income	5,474	3,563	1,885	7,166
Dividend income	-	12,547	52,020	48,247
Gain on sales of short-term investments	3,173	-	3,173	-
Gain on sales of other long-term investments	-	-	-	226,320
Others	14,414	15,252	14,424	10,257
	<u>23,061</u>	<u>31,362</u>	<u>71,502</u>	<u>291,990</u>

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13 Income tax

The interim income tax expense is accrued based on management's estimate using the tax rate that based on the expected profit for the full year. The estimated tax rate is 18.48% per annum. (The estimated tax rate for the six-month period ended 30 June 2015 was 19.00% per annum).

14 Related parties transactions

The Company is a public listed company. The major shareholder is the Provincial Waterworks Authority which owns 40.20% of the Company's share. The remaining 59.80% of the shares are widely held.

14.1 Transactions incurred during the periods

The following material transactions were carried out with related parties. Terms and conditions are commercial terms and agreed upon between the Company and these related parties.

			(Unit: Baht'000)	
	Consolidated		Company	
	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015
For the three-month period ended 30 June				
<u>Sales - raw water</u>				
Major Shareholders				
Industrial Estate Authority of Thailand	245,733	236,111	245,733	236,111
Provincial Waterworks Authority	172,942	228,833	172,942	228,833
Subsidiary				
Universal Utilities Public Company Limited	-	-	20,486	10,828
<u>Sales - tap water</u>				
Major Shareholder				
Provincial Waterworks Authority	305,489	219,305	47,375	43,869
<u>Construction revenue under concession agreement</u>				
Major Shareholder				
Provincial Waterworks Authority	2,886	28,930	-	-
<u>Rental and Service income</u>				
Major Shareholder				
Provincial Waterworks Authority	3,144	3,523	-	-
Subsidiary				
Universal Utilities Public Company Limited	-	-	2,315	1,127
<u>Interest income (include in other income)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	-	4,323
<u>Dividend income (include in other income)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	52,020	35,700
<u>Other income</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	2,448	1,241
<u>Gain on disposals of other long-term investments (include in other income)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	-	226,320
<u>Service fee (include in cost of sales - tap water)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	54,524	55,864

14 Related parties transactions (continued)

14.1 Transactions incurred during the periods (continued)

For the six-month period ended 30 June	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015
<u>Sales - raw water</u>				
Major Shareholders				
Industrial Estate Authority of Thailand	489,181	468,289	489,181	468,289
Provincial Waterworks Authority	337,503	426,960	337,503	426,960
Subsidiary				
Universal Utilities Public Company Limited	-	-	39,724	20,228
<u>Sales - tap water</u>				
Major Shareholder				
Provincial Waterworks Authority	607,757	431,777	97,057	90,795
<u>Construction revenue under concession agreement</u>				
Major Shareholder				
Provincial Waterworks Authority	10,795	44,232	-	-
<u>Rental and Service income</u>				
Major Shareholder				
Provincial Waterworks Authority	19,575	16,116	-	-
Subsidiary				
Universal Utilities Public Company Limited	-	-	4,037	2,246
<u>Interest income (include in other income)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	-	4,879
<u>Dividend income (include in other income)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	52,020	35,700
<u>Other income</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	5,256	2,740
<u>Gain on disposals of other long-term investments (include in other income)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	-	226,320
<u>Service fee (include in cost of sales - tap water)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	108,578	111,478

Pricing Policy for selling of raw water and rental is comparable to market price.

Pricing Policy for selling of tap water and service income are mutually - agreed prices as stipulated in the contracts.

Cost of sale tap water are charged at mutually - agreed prices as stipulated in the contracts.

14 Related parties transactions (continued)

14.2 Outstanding balances at the end of the periods

	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
<u>Trade accounts receivable - billed</u>				
Major shareholders				
Provincial Waterworks Authority	143,350	109,932	75,864	68,278
Industrial Estate Authority of Thailand	82,662	87,823	82,663	87,823
Subsidiary				
Universal Utilities Public Company Limited	-	-	8,088	1,583
	<u>226,012</u>	<u>197,755</u>	<u>166,615</u>	<u>157,684</u>
<u>Unbilled receivables</u>				
Major shareholder				
Provincial Waterworks Authority	73,820	93,637	-	-
	<u>73,820</u>	<u>93,637</u>	<u>-</u>	<u>-</u>
<u>Water loss treatment service income receivables</u>				
Major shareholder				
Provincial Waterworks Authority				
- billed	251	483	-	-
- unbilled	2,610	3,957	-	-
	<u>2,861</u>	<u>4,440</u>	<u>-</u>	<u>-</u>
<u>Other receivable</u>				
Major shareholder				
Provincial Waterworks Authority	20	21	-	-
Subsidiary				
Universal Utilities Public Company Limited	-	-	940	651
	<u>20</u>	<u>21</u>	<u>940</u>	<u>651</u>
<u>Trade accounts payable</u>				
Major shareholder				
Provincial Waterworks Authority	43,630	23,951	879	1,066
Subsidiary				
Universal Utilities Public Company Limited	-	-	21,196	20,246
	<u>43,630</u>	<u>23,951</u>	<u>22,075</u>	<u>21,312</u>
<u>Rental guarantees (include in other non-current liabilities)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	58	58

14 Related parties transactions (continued)

14.3 Management compensation

Management compensation can be categorised as follows:

For the three-month period ended 30 June			(Unit: Baht'000)	
	Consolidated		Company	
	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015
Short-term employee benefits	23,467	22,157	16,208	14,779
Post-employee benefits	1,050	1,406	629	1,105
Other long-term employee benefits	7	15	2	12
	<u>24,524</u>	<u>23,578</u>	<u>16,839</u>	<u>15,896</u>

For the six-month period ended 30 June			(Unit: Baht'000)	
	Consolidated		Company	
	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015
Short-term employee benefits	43,803	44,578	29,907	29,705
Post-employee benefits	2,100	2,813	1,257	2,211
Other long-term employee benefits	14	30	4	24
	<u>45,917</u>	<u>47,421</u>	<u>31,168</u>	<u>31,940</u>

15 Commitments and contingent liabilities

As at 30 June 2016, there is no significant change in commitments and contingent liabilities of the Group from the disclosures in the financial statements for the year ended 31 December 2015 except for the following:

15.1 Litigations

Progress of last year litigations

The Company:

The Company was sued as a co-defendant with the State Railway of Thailand in a lawsuit of a black case number Por62/2558 regarding a pipeline construction in the overlapping rental area that the plaintiff rent from the State Railway of Thailand in Chachoengsao Province. The litigation filed with the Civil Court by the plaintiff requested the Company to pay damages totalling Baht 295.9 million. On 20 January 2016, the Court dismissed the case because the Company and the State Railway of Thailand had agreed the dispute with the plaintiff. On 23 May 2016, the plaintiff lodged an appeal to the Court. This case is currently in process of consideration by the Appeal Court.

The Company and subsidiary:

The Company and Samed Utilities Company Limited, a subsidiary, were sued for compensation and damages in a lawsuit of black case number Por 808/2558 regarding a breach of an agreement. The private company filed a complaint with the Civil Court requesting that the Company and the subsidiary be ordered to pay damages totalling Baht 30.9 million. On 17 November 2015, the Court made the decision that Samed Utilities Company Limited to pay the private company Baht 20.5 million plus interest at 7.50% per annum and dismissed the case of the Company. On 17 March 2016, the Company lodged an appeal regarding the fine imposed on Samed Utilities Company Limited. This case is currently in process of consideration by the Appeal Court.

15 Commitments and contingent liabilities (continued)

15.1 Litigations (continued)

New litigations in 2016

The Company:

On 7 April 2016, the Company was sued in a criminal black case number 570/2559 with a limited partnership regarding the Company engaged the limited partnership to construct the pipeline in the same area of the plaintiff. The plaintiff's pipeline was damaged and they requested the Company to pay for damages totalling Baht 18.4 million with the interest of 7.50% per annum. This case is currently in process of consideration by the Chonburi Provincial Court.

The subsidiary:

1. On 25 February 2016, Universal Utilities Public Company Limited was sued in a lawsuit of black case number 570/2559 regarding the purchasing of raw water from a private company which the plaintiff claims that raw water was pumped from a well on the plaintiff's land. The plaintiff filed a complaint with the Chonburi Provincial Court requesting the subsidiary to return the raw water or to pay damages of Baht 49.8 million. This case is currently in process of consideration by the Chonburi Provincial Court.
2. On 3 March 2016, Universal Utilities Public Company Limited was sued by a private company in a lawsuit of black case number Por 994/2559 regarding a breach of a raw water purchase agreement. The private company requested the subsidiary to pay for the raw water totalling Baht 2.0 million as well as damages for the opportunity cost and investment totalling Baht 453.5 million plus interest at 7.50% per annum starting on the next day of litigation until the settlement date. On 1 July 2016, the Court settled a dispute and a private company offered the subsidiary to purchase its raw water pipeline and receive the transfer of the raw water purchase agreement. Currently, the subsidiary is considering the proposal. The Court set a date for the settlement of dispute on 19 August 2016. The subsidiary has recorded liabilities for the raw water of Baht 2.0 million in the financial information.

The ultimate outcome cannot be determined at this stage. The management believed that those claims will not result to any significant losses. Therefore, the provision for liabilities has not been recorded in this financial information.

15.2 Fine related to the volume of water being pumped exceeding the limit

On 3 August 2015, the Company received a claim letter for a fine of Baht 28.2 million. The fine relates to the volume of water being pumped exceeding the limit as stipulated in the agreement made with a government agency. The management of the company sent a letter to the government agency to waive the fine because the raw water purchase agreement has a clause exempting the Company from the fine in years of droughts. On 29 April 2016, the Company received a letter from the government agency to pay the fine Baht 27.7 million. However, the Company considered that the exceeding of water pumped was to protect and relieve from droughts in Chachoengsao and Chonburi provinces. On 18 May 2016, the Company sent a letter to the government agency to waive this fine again. However, on 5 July 2016, the government agency sent a letter to inform the result of consideration and affirm that the Company has to pay the fine. Therefore, the Company recorded the fine totalling Baht 27.7 million as accrued expenses in the financial information during second quarter of year 2016.

16 Project compensation

A government agency is considering a deal for the Company to rent/manage the 2 pipeline connecting projects (“projects”) and adjust the compensation. A letter issued by this government agency stipulated that the Company was to initially pay compensation for the projects at a percentage of the raw water sold from the operating year commenced (year 1998). In addition, if it is decided that a final rate is more than the rate at which the Company already paid, the Company is to make additional payment, in full, as a lump sum; while if the final rate is lower, the government agency agrees to pay back the surplus by offsetting it against the remuneration of the following years.

On 8 January 2010, the government agency issued a letter to the Company notifying it that a deal for the Company to rent/manage the projects and the adjusting of compensation must be processed in accordance with the Act on Private Participation in a State Undertaking B.E. 2535, whereby a committee has, under Section 13, authority to set the compensation rate and negotiate benefits with the Company in order to reach a preliminary conclusion. On 9 May 2011, the Committee under section 13 had a resolution to approve the Company’s rental of a pipeline without auction.

In 2015, the Company and the government agency hold a meeting to agree on project compensation rate. On 21 July 2015, the Company sent a letter to the government agency to inform that the Company was willing to pay the compensation for the current year at a higher rate and keep the previous rate for the past years. Subsequently, the government agency issued a letter dated 14 October 2015 to the Company notifying that the compensation rate must be processed and considered in accordance with the Act on Private Participation in a State Undertaking B.E. 2556 and then submitted to the Cabinet for approval. In the meanwhile, the government agency accepted the temporary payment with the new compensation rate from the year 2015 onwards.

The Company recorded the project compensation by changing to use the new compensation rate since 2015. The management considered that these rates are the best estimation based on the current information.

17 Sales of raw water by distribution networks

A government agency who owns the pipeline of distribution networks required the Company to disclose information regarding raw water usage and sales classified by distribution networks using for calculation of compensation amount as follows;

17.1 Sales volume of raw water classified by distribution networks

	Company (Unaudited)			
	For the three-month period ended 30 June			
	2016		2015	
	Sales Volume Cubic Meters'000	Sales Baht'000	Sales Volume Cubic Meters'000	Sales Baht'000
Total used volume of raw water				
Nong Pla Lai - Map Ta Pud Network	27,234	301,333	33,442	357,026
Dok Krai - Map Ta Pud Network	18,898	200,387	12,095	138,874
Chachoengsao - Chonburi Network	23,814	244,482	28,395	282,129
Nong Pla Lai - Nong Khor Network	6,128	65,552	6,304	67,175
Total	76,074	811,754	80,236	845,204
Less Raw water uses to produce tap water				
Dok Krai - Map Ta Pud Network	(4,341)	(42,976)	(4,002)	(39,627)
Nong Pla Lai - Nong Khor Network	(1,409)	(13,941)	(1,211)	(11,979)
Total sales of raw water	70,324	754,837	75,023	793,598

	Company (Unaudited)			
	For the six-month periods ended 30 June			
	2016		2015	
	Sales Volume Cubic Meters'000	Sales Baht'000	Sales Volume Cubic Meters'000	Sales Baht'000
Total used volume of raw water				
Nong Pla Lai - Map Ta Pud Network	46,647	511,544	55,311	589,027
Dok Krai - Map Ta Pud Network	43,396	467,846	34,002	383,580
Chachoengsao - Chonburi Network	46,553	477,930	53,393	532,049
Nong Pla Lai - Nong Khor Network	12,107	129,088	13,462	143,175
Total	148,703	1,586,408	156,168	1,647,831
Less Raw water uses to produce tap water				
Dok Krai - Map Ta Pud Network	(8,675)	(85,880)	(8,109)	(80,283)
Nong Pla Lai - Nong Khor Network	(2,712)	(26,845)	(2,348)	(23,240)
Total sales of raw water	137,316	1,473,683	145,711	1,544,308

17 Sales of raw water by distribution networks (continued)

17.1 Sales volume of raw water classified by distribution networks (continued)

Sales of raw water from Chachoengsao - Chonburi Network consisted of:

	(Unit: Baht'000)	
	Company	
	(Unaudited)	
	For the three-month periods ended 30 June	
	2016	2015
Nong Khor - Laem Chabang Network 1	139,106	181,808
Nong Khor - Laem Chabang Network 2	46,720	42,712
Chachoengsao Network	58,656	57,609
Total	244,482	282,129

	(Unit: Baht'000)	
	Company	
	(Unaudited)	
	For the six-month periods ended 30 June	
	2016	2015
Nong Khor - Laem Chabang Network 1	274,093	357,182
Nong Khor - Laem Chabang Network 2	92,408	84,151
Chachoengsao Network	111,429	90,716
Total	477,930	532,049

17.2 Quantity proportion of raw water sold to end users

	Company	
	(Unaudited)	
	For the six-month periods ended 30 June	
	2016	2015
	%	%
Industrial Estates	52	49
Waterworks Authority	25	29
Factories	23	22
Total	100	100