

## **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 September 2016, and the related consolidated and company statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and company statements of changes in shareholders' equity, and cash flows for the nine-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 16.3 to the interim financial information regarding the Tubma reservoir development project, which the contractor cannot complete the construction in time. The Company and the contractor are in dispute. I also draw your attention to Note 17 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 these matters.

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

Bangkok  
11 November 2016

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

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

**30 SEPTEMBER 2016**

Eastern Water Resources Development and Management Public Company Limited

Statement of Financial Position

As at 30 September 2016

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2016	2015	2016	2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		86,489	311,218	44,076	249,113
Short-term investments	5	413,275	862,598	26,088	546,523
Trade and other receivables	6	410,979	447,164	268,850	282,814
Inventories		9,996	9,381	-	-
Other current assets		37,542	33,849	26,723	13,645
<b>Total current assets</b>		<b>958,281</b>	<b>1,664,210</b>	<b>365,737</b>	<b>1,092,095</b>
<b>Non-current assets</b>					
Investment in subsidiary	7	-	-	510,000	510,000
Investment property - net	8	196,244	216,902	224,346	231,204
Property, plant and equipment - net	8	13,947,032	13,265,976	13,712,113	13,066,999
Goodwill		103,283	103,283	-	-
Intangible assets - net	8	3,712,152	3,831,897	40,022	36,075
Deferred tax assets		23,857	23,288	-	-
Other non-current assets	9	425,046	521,907	391,090	488,272
<b>Total non-current assets</b>		<b>18,407,614</b>	<b>17,963,253</b>	<b>14,877,571</b>	<b>14,332,550</b>
<b>Total assets</b>		<b>19,365,895</b>	<b>19,627,463</b>	<b>15,243,308</b>	<b>15,424,645</b>

Director \_\_\_\_\_ Director \_\_\_\_\_  
( ) ( )

The accompanying notes on pages 13 to 33 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 September 2016

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowing from					
a financial institution	11.1	1,655,000	1,600,000	55,000	-
Trade accounts payable	10	191,223	133,930	186,694	104,881
Payable for purchase of fixed assets		175,828	63,579	144,711	58,418
Current portion of long-term liabilities					
under finance lease agreements		2,008	2,856	2,008	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		75,969	149,495	59,060	111,845
Accrued expenses		178,238	175,191	122,827	118,265
Other current liabilities		61,366	60,958	33,145	34,570
<b>Total current liabilities</b>		<b>3,147,832</b>	<b>2,938,209</b>	<b>1,219,445</b>	<b>990,835</b>
<b>Non-current liabilities</b>					
Long-term liabilities under					
finance lease agreements		578	1,843	578	1,842
Long-term borrowings from	11.2	3,200,600	4,008,800	2,624,000	3,240,000
financial institutions					
Debentures	11.3	2,397,093	2,396,822	2,397,093	2,396,822
Deferred tax liabilities		413,771	421,234	35,726	24,798
Employee benefit obligations		126,220	119,687	75,167	73,361
Long-term provisions		26,951	26,881	-	-
Other non-current liabilities		243,740	214,424	212,503	184,212
<b>Total non-current liabilities</b>		<b>6,408,953</b>	<b>7,189,691</b>	<b>5,345,067</b>	<b>5,921,035</b>
<b>Total liabilities</b>		<b>9,556,785</b>	<b>10,127,900</b>	<b>6,564,512</b>	<b>6,911,870</b>

The accompanying notes on pages 13 to 33 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 September 2016**

	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
<b>Liabilities and shareholders' equity (continued)</b>				
<b>Shareholders' equity</b>				
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	5,614,956	5,303,277	4,691,035	4,521,360
Other components of equity	19,014	22,668	19,014	22,668
Equity attributable to owners of the parent	9,602,717	9,294,692	8,678,796	8,512,775
Non-controlling interests	206,393	204,871	-	-
<b>Total shareholders' equity</b>	<b>9,809,110</b>	<b>9,499,563</b>	<b>8,678,796</b>	<b>8,512,775</b>
<b>Total liabilities and shareholders' equity</b>	<b>19,365,895</b>	<b>19,627,463</b>	<b>15,243,308</b>	<b>15,424,645</b>

The accompanying notes on pages 13 to 33 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 September 2016

		(Unit: Baht'000)			
	Notes	Consolidated		Company	
		(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015
<b>Revenues</b>	15.1				
Sales - raw water		646,559	739,447	656,715	745,433
Sales - tap water		351,766	294,927	95,715	93,397
Construction revenue under concession agreements		59,923	20,493	-	-
Rental and service income		42,018	53,544	24,936	23,544
<b>Total sales and service income</b>		1,100,266	1,108,411	777,366	862,374
Other income	12	5,333	249,156	4,673	9,582
<b>Total revenues</b>		1,105,599	1,357,567	782,039	871,956
<b>Expenses</b>	15.1, 15.3				
Cost of sales - raw water		278,645	317,987	290,704	323,054
Cost of sales - tap water		205,493	185,506	82,064	81,657
Construction cost under concession agreements		59,923	20,493	-	-
Cost of rental and services		34,276	44,595	17,069	17,396
<b>Total costs of sales and services</b>		578,337	568,581	389,837	422,107
Selling expenses		2,523	2,563	2,160	2,119
Administrative expenses		96,038	138,365	67,250	72,364
Finance costs		24,886	25,646	10,980	16,312
<b>Total expenses</b>		701,784	735,155	470,227	512,902
<b>Profit before income tax</b>		403,815	622,412	311,812	359,054
Income tax expense		(73,958)	(78,624)	(60,480)	(70,731)
<b>Net profit for the period</b>		329,857	543,788	251,332	288,323

The accompanying notes on pages 13 to 33 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 September 2016

	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2016	2015	2016	2015
<b>Other comprehensive income :</b>				
<i>Items that will be reclassified to profit or loss</i>				
Asset transferred from customers	(849)	(849)	(849)	(849)
Fair value of available-for-sale investments recycled to profit or loss	-	202	-	202
Income tax relating to items will be reclassified to profit or loss	-	(40)	-	(40)
<b>Other comprehensive income for the period, net of tax</b>	<b>(849)</b>	<b>(687)</b>	<b>(849)</b>	<b>(687)</b>
<b>Total comprehensive income for the period</b>	<b>329,008</b>	<b>543,101</b>	<b>250,483</b>	<b>287,636</b>
<b>Profit attributable to</b>				
Equity holders of the parent company	324,916	542,379	251,332	288,323
Non-controlling interests	4,941	1,409	-	-
	<b>329,857</b>	<b>543,788</b>	<b>251,332</b>	<b>288,323</b>
<b>Total comprehensive income attributable to</b>				
Equity holders of the parent company	324,067	541,692	250,483	287,636
Non-controlling interests	4,941	1,409	-	-
	<b>329,008</b>	<b>543,101</b>	<b>250,483</b>	<b>287,636</b>
<b>Earnings per share for profit attributable to the equity holders of the parent company (Baht)</b>				
Basic earnings per share	<b>0.20</b>	<b>0.33</b>	<b>0.15</b>	<b>0.17</b>

The accompanying notes on pages 13 to 33 are an integral part of this interim financial information.

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

**Statement of Comprehensive Income**

**For the nine-month period ended 30 September 2016**

		(Unit: Baht'000)			
	Notes	Consolidated		Company	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		2016	2015	2016	2015
<b>Revenues</b>	15.1				
Sales - raw water		2,080,518	2,263,526	2,130,398	2,289,741
Sales - tap water		1,053,999	819,230	284,977	274,312
Construction revenue under concession agreements		70,718	64,725	-	-
Rental and service income		127,744	181,598	70,154	71,301
<b>Total sales and service income</b>		3,332,979	3,329,079	2,485,529	2,635,354
Other income	12	28,394	280,518	76,175	301,572
<b>Total revenues</b>		3,361,373	3,609,597	2,561,704	2,936,926
<b>Expenses</b>	15.1, 15.3				
Cost of sales - raw water		861,647	863,394	892,841	884,942
Cost of sales - tap water		609,727	493,008	240,480	230,714
Construction cost under concession agreements		70,718	64,725	-	-
Cost of rental and services		103,047	148,613	50,548	51,371
<b>Total costs of sales and services</b>		1,645,139	1,569,740	1,183,869	1,167,027
Selling expenses		8,612	8,088	5,192	6,454
Administrative expenses		285,184	324,517	193,492	201,156
Finance costs		81,538	82,168	38,872	62,803
<b>Total expenses</b>		2,020,473	1,984,513	1,421,425	1,437,440
<b>Profit before income tax</b>		1,340,900	1,625,084	1,140,279	1,499,486
Income tax expense	13	(266,217)	(319,200)	(221,927)	(290,600)
<b>Net profit for the period</b>		1,074,683	1,305,884	918,352	1,208,886

The accompanying notes on pages 13 to 33 are an integral part of this interim financial information.



Eastern Water Resources Development and Management Public Company Limited

Statement of Comprehensive Income

For the nine-month period ended 30 September 2016

	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2016	2015	2016	2015
<b>Other comprehensive income :</b>				
<i>Items that will be reclassified to profit or loss</i>				
Asset transferred from customers	(2,548)	(2,548)	(2,548)	(2,548)
Fair value of available-for-sale investments recycled to profit or loss	(1,383)	202	(1,383)	202
Income tax relating to items will be reclassified to profit and loss	277	(40)	277	(40)
<b>Other comprehensive income for the period, net of tax</b>	<b>(3,654)</b>	<b>(2,386)</b>	<b>(3,654)</b>	<b>(2,386)</b>
<b>Total comprehensive income for the period</b>	<b>1,071,029</b>	<b>1,303,498</b>	<b>914,698</b>	<b>1,206,500</b>
<b>Profit attributable to</b>				
Equity holders of the parent company	1,060,356	1,304,393	918,352	1,208,886
Non-controlling interests	14,327	1,491	-	-
	<b>1,074,683</b>	<b>1,305,884</b>	<b>918,352</b>	<b>1,208,886</b>
<b>Total comprehensive income attributable to</b>				
Equity holders of the parent company	1,056,702	1,302,007	914,698	1,206,500
Non-controlling interests	14,327	1,491	-	-
	<b>1,071,029</b>	<b>1,303,498</b>	<b>914,698</b>	<b>1,206,500</b>
<b>Earnings per share for profit attributable to the equity holders of the parent company (Baht)</b>				
Basic earnings per share	<b>0.64</b>	<b>0.78</b>	<b>0.55</b>	<b>0.73</b>

The accompanying notes on pages 13 to 33 are an integral part of this interim financial information.

**For the nine-month period ended 30 September 2016**

The accompanying notes on pages 13 to 33 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 nine-month period ended 30 September 2016**

(Unit: Baht'000)								
Company								
(Unaudited)								
					Other components of equity			
					Other comprehensive income			
					Assets			
					transferred	Available-	Total other	Total
					from	for-sale	component	shareholders'
Note	Issued and	Premium	Retained earnings		customers-net	investments	of equity	equity
	paid-up	on share	Appropriated -	Unappropriated				
	share capital	capital	legal reserve					
Opening balance								
as at 1 January 2015	1,663,725	2,138,522	166,500	3,846,799	24,960	-	24,960	7,840,506
Dividend paid								-
Comprehensive income	-	-	-	(765,289)	-	-	-	(765,289)
for the period	-	-	-	1,208,886	(2,548)	162	(2,386)	1,206,500
Closing balance								
as at 30 September 2015	1,663,725	2,138,522	166,500	4,290,396	22,412	162	22,574	8,281,717
Opening balance								
as at 1 January 2016	1,663,725	2,138,522	166,500	4,521,360	21,562	1,106	22,668	8,512,775
Dividend paid	14	-	-	(748,677)	-	-	-	(748,677)
Comprehensive income								
for the period	-	-	-	918,352	(2,548)	(1,106)	(3,654)	914,698
Closing balance								
as at 30 September 2016	1,663,725	2,138,522	166,500	4,691,035	19,014	-	19,014	8,678,796

The accompanying notes on pages 13 to 33 are an integral part of this interim financial information.

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

**Statement of Cash Flows**

**For the nine-month period ended 30 September 2016**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2016	2015	2016	2015
<b>Cash flows from operating activities</b>					
		1,340,900	1,625,084	1,140,279	1,499,486
	Profit before income tax				
	Adjustments to reconcile profit before				
	income tax to net cash received				
	(paid) from operating activities				
8	Depreciation	283,751	276,501	270,342	264,509
8	Amortisation	198,259	115,927	4,987	4,633
	Income from amortisation of assets				
	transferred from customers	(2,548)	(2,548)	(2,548)	(2,548)
	Write-off equipment	5,214	4,805	5,214	4,805
	Doubtful accounts	-	32,802	-	-
	Gain on disposals of subsidiary	-	(518)	-	-
	Gain on disposals of				
	other long-term investments	-	-	-	(226,320)
	Gain on fair value measurement of equity interest				
	held before the business combination	-	(226,320)	-	-
	Gain on sales of short-term investments	(3,173)	(90)	(3,173)	(90)
	Long-term provisions	3,158	7,439	-	-
	Employee benefit obligations	11,821	10,532	6,831	6,752
12	Dividend income	-	(23,670)	(52,020)	(48,247)
12	Interest income	(7,388)	(6,075)	(2,492)	(9,116)
	Interest expenses	80,373	81,196	37,707	61,947
<b>Profit from operating activities before</b>					
<b>changes in operating assets and liabilities</b>		1,910,367	1,895,065	1,405,127	1,555,811
	Changes in operating assets (increase) decrease				
	Trade accounts receivable	35,925	(2,551)	13,964	(2,678)
	Inventories	(615)	269	-	-
	Other current assets	(3,303)	24,701	(12,688)	25,357
	Other non-current assets	1,212	(6,562)	202	203
	Changes in operating liabilities increase (decrease)				
	Trade accounts payable	57,293	(3,409)	81,813	(4,071)
	Accrued expenses	(20,470)	7,165	(18,955)	14,303
	Other current liabilities	2,792	(10,020)	(1,610)	13,728
	Employee benefit obligations - paid	(5,288)	(5,648)	(5,025)	(839)
	Long-term provisions - paid	(4,653)	(2,573)	-	-
	Other non-current liabilities	29,316	24,299	28,291	24,460
	Cash provided by operations	2,002,576	1,920,736	1,491,119	1,626,274
	Income tax paid	(347,497)	(384,325)	(263,507)	(345,488)
<b>Net cash generated from operating activities</b>		<b>1,655,079</b>	<b>1,536,411</b>	<b>1,227,612</b>	<b>1,280,786</b>

The accompanying notes on pages 13 to 33 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 nine-month period ended 30 September 2016**

(Unit: Baht'000)				
	Consolidated		Company	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Note	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Purchases of short-term investments	(631,558)	(743,565)	(80,948)	(550,000)
Proceeds from redemption of short-term investments	1,083,296	470,790	603,173	350,090
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	-	32,010
Payment on loans to related parties	-	-	-	(644,000)
Proceeds from loans to related parties	-	-	-	644,000
Interest received	6,634	4,676	2,102	7,242
Proceeds from disposal of other long-term investments	-	-	-	317,790
Dividend received from other long-term investments and a subsidiary	-	23,670	52,020	48,247
Proceeds from disposal of equipment	-	5,762	-	5,762
Purchases of intangible assets	(55,511)	(71,983)	(8,934)	-
Purchases of investment property	(340)	(1,244)	(394)	(1,334)
Purchases of plant and equipment and advance construction payment	(653,601)	(1,630,425)	(618,818)	(1,606,168)
Interest paid capitalised in qualifying assets	(84,408)	(35,542)	(84,128)	(35,213)
<b>Net cash used in investing activities</b>	<b>(335,488)</b>	<b>(3,402,072)</b>	<b>(135,927)</b>	<b>(1,431,574)</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term borrowings from financial institutions	155,000	4,067,000	130,000	2,142,000
Payment on short-term borrowings from financial institutions	(100,000)	(2,700,000)	(75,000)	(2,281,000)
Proceeds from long-term borrowings	-	4,773,000	-	3,812,000
Payment on long-term borrowings	11.2 (752,200)	(5,224,001)	(560,000)	(4,580,000)
Payment on liabilities under finance lease agreements	(2,112)	(1,480)	(2,112)	(1,480)
Proceeds from issuance of debentures	-	2,400,000	-	2,400,000
Transaction cost of debentures	-	(3,369)	-	(3,369)
Additional purchase of interests in subsidiaries	-	(2,780)	-	-
Dividends paid to shareholders	(748,492)	(747,002)	(748,492)	(765,364)
Dividends paid to minority shareholders	(14,072)	-	-	-
Interest paid	(82,444)	(121,324)	(41,118)	(104,523)
<b>Net cash generated from (used in) financing activities</b>	<b>(1,544,320)</b>	<b>2,440,044</b>	<b>(1,296,722)</b>	<b>618,264</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(224,729)</b>	<b>574,383</b>	<b>(205,037)</b>	<b>467,476</b>
Cash and cash equivalents at beginning of the period	311,218	112,860	249,113	90,464
<b>Cash and cash equivalents at the end of the period</b>	<b>86,489</b>	<b>687,243</b>	<b>44,076</b>	<b>557,940</b>
<b>Supplemental cash flow information</b>				
Non-cash related transactions:				
Purchases of fixed assets and intangible assets on payable	106,984	81,685	76,946	76,737

The accompanying notes on pages 13 to 33 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:

<u>Company’s name</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of Shareholding</u>
<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 four 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 November 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 nine-month period ended 30 September is summarised as follows:

	(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 nine-month period ended 30 September 2016							
Revenue							
Revenue from third parties	2,080,518	1,110,074	15,455	63,116	63,816	-	3,332,979
Revenue from inter-segment	49,880	-	164,085	5,265	6,338	(225,568)	-
Total revenue	2,130,398	1,110,074	179,540	68,381	70,154	(225,568)	3,332,979
Cost of sales and services	(892,841)	(739,245)	(128,612)	(58,657)	(51,352)	225,568	(1,645,139)
Segment operating profit	1,237,557	370,829	50,928	9,724	18,802	-	1,687,840
Unallocated revenue (expenses)							
Other income							28,394
Selling expenses							(8,612)
Administrative expenses							(285,184)
Finance costs							(81,538)
Income tax							(266,217)
Net profit							1,074,683



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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 nine-month period ended 30 September 2015							
Revenue	2,263,526	850,998	76,921	69,682	67,952	-	3,329,079
Revenue from third parties	26,215	-	163,699	5,220	3,349	(198,483)	-
Revenue from inter-segment							
	2,289,741	850,998	240,620	74,902	71,301	(198,483)	3,329,079
Total revenue							
Cost of sales and services	(884,942)	(581,072)	(182,778)	(67,916)	(51,515)	198,483	(1,569,740)
Segment operating profit	1,404,799	269,926	57,842	6,986	19,786	-	1,759,339
Unallocated revenue (expenses)							
Other income							280,518
Selling expenses							(8,088)
Administrative expenses							(324,517)
Finance costs							(82,168)
Income tax							(319,200)
Net profit							1,305,884

**5 Short-term investments**

The detail of short-term investments is as follows:

(Unit: Baht'000)

	Consolidated		Company	
	(Unaudited) 30 September 2016	(Audited) 31 December 2015	(Unaudited) 30 September 2016	(Audited) 31 December 2015
Fixed deposits	413,275	316,075	26,088	-
Available-for-sale investments	-	546,523	-	546,523
<b>Total</b>	<u>413,275</u>	<u>862,598</u>	<u>26,088</u>	<u>546,523</u>

As at 30 September 2016, the Group has short-term investments in fixed deposits with financial institutions that have maturity date during 3-12 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:

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>
Trade receivables	381,737	394,770	248,378	260,331
Other receivables	415	18,700	1,486	727
Service income receivables - water loss treatment - related party (Note 15.2)	4,640	4,440	-	-
Prepayments	24,102	23,496	18,901	17,190
Others	85	5,758	85	4,566
	<b>410,979</b>	<b>447,164</b>	<b>268,850</b>	<b>282,814</b>

The detail of trade receivables is as follows:

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>
Trade receivables - billed				
- Third parties	103,524	102,961	103,174	102,647
- Related parties (Note 15.2)	180,974	197,755	145,204	157,684
Total trade receivables - billed	<b>284,498</b>	<b>300,716</b>	<b>248,378</b>	<b>260,331</b>
Unbilled receivables				
- Third parties	3,980	417	-	-
- Related parties (Note 15.2)	93,259	93,637	-	-
Total unbilled receivables	<b>97,239</b>	<b>94,054</b>	<b>-</b>	<b>-</b>
	<b>381,737</b>	<b>394,770</b>	<b>248,378</b>	<b>260,331</b>

**6 Trade and other receivables - net (continued)**

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

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September 2016</b>	<b>31 December 2015</b>	<b>30 September 2016</b>	<b>31 December 2015</b>
Within credit term	281,882	299,761	245,804	259,398
Overdue below 3 months	1,475	943	1,440	933
Overdue 3 - 6 months	1,141	1	1,134	-
Overdue 6 - 12 months	-	11	-	-
Overdue more than 12 months	615	615	615	615
	285,113	301,331	248,993	260,946
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	<u>284,498</u>	<u>300,716</u>	<u>248,378</u>	<u>260,331</u>

The age analysis of other receivables is as follows:

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September 2016</b>	<b>31 December 2015</b>	<b>30 September 2016</b>	<b>31 December 2015</b>
Within credit term	415	18,700	1,486	727
	<u>415</u>	<u>18,700</u>	<u>1,486</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)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
			30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015
			(Baht'000)	(Baht'000)	%	%	(Baht'000)	(Baht'000)	(Baht'000)	(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**

	<b>Consolidated</b>			<b>Company</b>		
	<b>Investment property</b>	<b>Property, plant and equipment</b>	<b>Intangible assets</b>	<b>Investment property</b>	<b>Property, plant and equipment</b>	<b>Intangible assets</b>
<b>For the nine-month period ended 30 September 2016</b>						
Opening net book amount (Audited)	216,902	13,265,976	3,831,897	231,204	13,066,999	36,075
Additions	340	949,284	79,653	394	913,487	8,934
Transfer - net	(14,555)	14,555	-	212	(212)	-
Write-off - net	(12)	(5,463)	(1,139)	(14)	(5,269)	-
Depreciation/Amortisation	(6,431)	(277,320)	(198,259)	(7,450)	(262,892)	(4,987)
Closing net book amount (Unaudited)	<u>196,244</u>	<u>13,947,032</u>	<u>3,712,152</u>	<u>224,346</u>	<u>13,712,113</u>	<u>40,022</u>

As at 30 September 2016, the Group has commitments from capital expenditures of Baht 528.7 million (31 December 2015: Baht 1,789.9 million).

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**9 Other non-current assets**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited) 30 September 2016</b>	<b>(Audited) 31 December 2015</b>	<b>(Unaudited) 30 September 2016</b>	<b>(Audited) 31 December 2015</b>
Advance construction payment	372,592	469,640	372,592	469,640
Prepaid expenses	35,868	36,409	5,173	5,376
Deposit and retention	15,846	15,378	13,228	13,228
Other receivable	32,802	32,802	-	-
Allowance for doubtful accounts				
- other receivable	(32,802)	(32,802)	-	-
Other	740	480	97	28
	<b>425,046</b>	<b>521,907</b>	<b>391,090</b>	<b>488,272</b>

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. On 17 February 2016, the Company sued a private company regarding a breach of raw water purchase agreement and request a private company to pay damages of Baht 37.5 million plus interest at 7.5% per annum. This case is currently in process of consideration by the Civil Court.

**10 Trade accounts payable**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited) 30 September 2016</b>	<b>(Audited) 31 December 2015</b>	<b>(Unaudited) 30 September 2016</b>	<b>(Audited) 31 December 2015</b>
Third parties	172,655	109,979	154,036	83,569
Related parties (Note 15.2)	18,568	23,951	32,658	21,312
	<b>191,223</b>	<b>133,930</b>	<b>186,694</b>	<b>104,881</b>

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**11 Borrowings from financial institutions**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
		2016	2015	2016	2015
Notes					
<b>Current</b>					
Short-term borrowing from a financial institution	11.1	1,655,000	1,600,000	55,000	-
Current portion of long-term borrowings					
Borrowings from financial institutions	11.2	808,200	752,200	616,000	560,000
Total current borrowings		2,463,200	2,352,200	671,000	560,000
<b>Non-current</b>					
Borrowings from financial institutions	11.2	3,200,600	4,008,800	2,624,000	3,240,000
Debentures	11.3	2,397,093	2,396,822	2,397,093	2,396,822
Total non-current borrowings		5,597,693	6,405,622	5,021,093	5,636,822
Total		8,060,893	8,757,822	5,692,093	6,196,822

**11.1 Short-term borrowing from a financial institution**

		(Unit: Baht'000)			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
		2016	2015	2016	2015
Promissory note		55,000	-	55,000	-
Borrowing from a financial institution		1,600,000	1,600,000	-	-
		1,655,000	1,600,000	55,000	-

Promissory note bears interest rate at fixed rate per annum. Principal is repayable at call.

Borrowing from a financial institution is of Universal Utilities Public Company Limited for the purpose of purchasing shares of Egcom Tara Company Limited. Principal was initially repayable on 27 August 2016. Later, the Company entered into a new loan agreement and principal is repayable on 29 August 2017. The loan bears interest rate at BIBOR+fixed rate per annum.

**11 Borrowings from financial institutions (continued)**

**11.2 Long-term borrowings from financial institutions**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited) 30 September 2016</b>	<b>(Audited) 31 December 2015</b>	<b>(Unaudited) 30 September 2016</b>	<b>(Audited) 31 December 2015</b>
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	(808,200)	(752,200)	(616,000)	(560,000)
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 nine-month period ended 30 September 2016 is as follows:

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

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



**11 Borrowings from financial institutions (continued)**

**11.3 Debentures**

Debentures comprise:

The first tranche is senior and unsecured debenture of Baht 1,200 million. Debenture has a maturity of 7 years which due in 2022. 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. Debenture has a maturity of 10 years which due in 2025. 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.

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>
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	(2,907)	(3,178)	(2,907)	(3,178)
Debentures - net	<u>2,397,093</u>	<u>2,396,822</u>	<u>2,397,093</u>	<u>2,396,822</u>

Movement in the debentures for the nine-month period ended 30 September 2016 is as follows:

	<b>Consolidated</b>	<b>(Unit: Baht'000)</b> <b>Company</b>
Balance as at 31 December 2015 (Audited)	2,396,822	2,396,822
<u>Less</u> Amortisation of issuing cost	271	271
Balance as at 30 September 2016 (Unaudited)	<u>2,397,093</u>	<u>2,397,093</u>

**12 Other income**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
<b>For the three-month period</b> <b>ended 30 September</b>	<b>(Unaudited)</b> <b>2016</b>	<b>(Unaudited)</b> <b>2015</b>	<b>(Unaudited)</b> <b>2016</b>	<b>(Unaudited)</b> <b>2015</b>
Interest income	1,914	2,513	607	1,950
Dividend income	-	11,122	-	-
Gain on sales of short-term investments	-	90	-	90
Gain on fair value measurement of equity interest held before the business combination	-	226,320	-	-
Others	3,419	9,111	4,066	7,542
	<u>5,333</u>	<u>249,156</u>	<u>4,673</u>	<u>9,582</u>

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**12 Other income (continued)**

For the nine-month period ended 30 September	Consolidated		(Unit: Baht'000) Company	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2016	2015	2016	2015
Interest income	7,388	6,075	2,492	9,116
Dividend income	-	23,670	52,020	48,247
Gain on sales of short-term investments	3,173	90	3,173	90
Gain on sales of other long-term investments	-	-	-	226,320
Gain on fair value measurement of equity interest held before the business combination	-	226,320	-	-
Others	17,833	24,363	18,490	17,799
	<u>28,394</u>	<u>280,518</u>	<u>76,175</u>	<u>301,572</u>

**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 nine-month period ended 30 September 2015 was 19.00% per annum).

**14 Dividend payments**

On 25 April 2016, at the Company's Annual General Shareholders' meeting, the meeting had approved a dividend payment of Baht 0.47 per share, totalling Baht 781.9 million. The Company paid an interim dividend of Baht 0.22 per share, totalling Baht 366.0 million on 17 September 2015. The remaining dividend payment of Baht 0.25 per share, totalling Baht 415.9 million, was paid on 23 May 2016.

On 29 August 2016, at the Board of Director's meeting, the meeting had approved an interim dividend payment from operating results for the six-months period ended 30 June 2016 to the Company's shareholders of Baht 0.20 per share, totalling Baht 332.7 million. The Company paid this dividend on 26 September 2016.

## 15 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.

### 15.1 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
<b>For the three-month period ended 30 September</b>				
<b><u>Sales - raw water</u></b>				
<b>Major Shareholders</b>				
Industrial Estate Authority of Thailand	233,261	242,974	233,261	242,974
Provincial Waterworks Authority	139,477	214,379	139,477	214,379
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	10,156	5,986
<b><u>Sales - tap water</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	303,094	246,611	48,068	46,214
<b><u>Construction revenue under concession agreement</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	59,923	20,492	-	-
<b><u>Rental and Service income</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	3,835	3,590	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	2,301	1,102
<b><u>Other income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	2,433	1,032
<b><u>Service fee (include in cost of sales - tap water)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	55,507	57,441

**15 Related parties transactions (continued)**

**15.1 Transactions incurred during the periods (continued)**

	(Unit: Baht'000)			
	Consolidated		Company	
	(Unaudited) 2016	(Unaudited) 2015	(Unaudited) 2016	(Unaudited) 2015
<b>For the nine-month period ended 30 September</b>				
<b><u>Sales - raw water</u></b>				
<b>Major Shareholders</b>				
Industrial Estate Authority of Thailand	722,443	711,263	722,443	711,263
Provincial Waterworks Authority	476,980	641,339	476,980	641,339
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	49,880	26,215
<b><u>Sales - tap water</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	907,698	678,389	142,017	137,009
<b><u>Construction revenue under concession agreement</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	70,718	64,725	-	-
<b><u>Rental and Service income</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	23,411	19,706	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	6,338	3,349
<b><u>Interest income (include in other income)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	-	4,879
<b><u>Dividend income (include in other income)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	52,020	35,700
<b><u>Other income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	7,689	3,771
<b><u>Service fee (include in cost of sales - tap water)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	164,085	168,919

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.

15 Related parties transactions (continued)

15.2 Outstanding balances at the end of the periods

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b> <b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>
<b><u>Trade accounts receivable - billed</u></b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	99,973	109,932	58,850	68,278
Industrial Estate Authority of Thailand	81,001	87,823	81,001	87,823
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	5,353	1,583
	<u>180,974</u>	<u>197,755</u>	<u>145,204</u>	<u>157,684</u>
<b><u>Unbilled receivables</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	93,259	93,637	-	-
	<u>93,259</u>	<u>93,637</u>	<u>-</u>	<u>-</u>
<b><u>Water loss treatment service income</u></b>				
<b><u>receivables</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority				
- billed	1,298	483	-	-
- unbilled	3,342	3,957	-	-
	<u>4,640</u>	<u>4,440</u>	<u>-</u>	<u>-</u>
<b><u>Other receivable</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	20	21	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	1,177	651
	<u>20</u>	<u>21</u>	<u>1,177</u>	<u>651</u>
<b><u>Trade accounts payable</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	18,568	23,951	818	1,066
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	31,840	20,246
	<u>18,568</u>	<u>23,951</u>	<u>32,658</u>	<u>21,312</u>
<b><u>Rental guarantees (include in other</u></b>				
<b><u>non-current liabilities)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	58	58

**15 Related parties transactions (continued)**

**15.3 Management compensation**

Management compensation can be categorised as follows:

For the three-month period ended 30 September	<b>(Unit: Baht'000)</b>		<b>(Unit: Baht'000)</b>	
	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited) 2016</b>	<b>(Unaudited) 2015</b>	<b>(Unaudited) 2016</b>	<b>(Unaudited) 2015</b>
Short-term employee benefits	26,781	23,267	20,136	13,138
Post-employee benefits	1,049	1,407	628	1,106
Other long-term employee benefits	8	15	3	12
	<u>27,838</u>	<u>24,689</u>	<u>20,767</u>	<u>14,256</u>

  

For the nine-month period ended 30 September	<b>(Unit: Baht'000)</b>		<b>(Unit: Baht'000)</b>	
	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited) 2016</b>	<b>(Unaudited) 2015</b>	<b>(Unaudited) 2016</b>	<b>(Unaudited) 2015</b>
Short-term employee benefits	70,584	64,415	50,043	39,413
Post-employee benefits	3,149	4,220	1,885	3,317
Other long-term employee benefits	22	47	7	37
	<u>73,755</u>	<u>68,682</u>	<u>51,935</u>	<u>42,767</u>

**16 Commitments and contingent liabilities**

As at 30 September 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:

**16.1 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 Bath 20.5 million plus interest at 7.5% 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.

**16 Commitments and contingent liabilities (continued)**

**16.1 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 7.5% 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 7.5% 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 11 November 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.

**16.2 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 Commitments and contingent liabilities (continued)**

**16.3 The Tubma reservoir development project**

The Company engaged the contractor in turnkey construction of the Tubma reservoir development project starting from 31 January 2012 to 15 July 2016. However, the construction is delayed and incomplete. The total work in progress as at 30 September 2016 is Baht 1,495.1 million. Currently, the contractor has started litigation and requested the Company to pay damages totalling Baht 480.7 million, by claiming the Company that the delay in construction is the Company's fault. The Company has argued this claim and requested compensation for fines, damages and other rights which the Company can claim due to the delay. The Company believes that this will not result to any significant losses to the Company. Therefore, the allowance for impairment of assets and the provision for liabilities have not been recorded in this financial information.

On 13 October 2016, the Company received cash of a guarantee from the bank for this project totalling Baht 371.7 million. However, the bank has reserved its right to retrieve the money if the contractor's responsibility for damages is lower than amount of the bank guarantee.

**17 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.



**18 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;

**18.1 Sales volume of raw water classified by distribution networks**

	Company (Unaudited)			
	For the three-month period ended 30 September			
	2016		2015	
	Sales Volume Cubic Meters'000	Sales Baht'000	Sales Volume Cubic Meters'000	Sales Baht'000
<b>Total used volume of raw water</b>				
Nong Pla Lai - Map Ta Pud Network	34,568	374,805	26,090	278,686
Dok Krai - Map Ta Pud Network	7,770	86,313	18,698	208,405
Chachoengsao - Chonburi Network	20,773	197,502	24,191	246,206
Nong Pla Lai - Nong Khor Network	5,056	54,072	6,245	66,223
Total	68,167	712,692	75,224	799,520
<b>Less Raw water uses to produce tap water</b>				
Dok Krai - Map Ta Pud Network	(4,180)	(41,389)	(4,254)	(42,109)
Nong Pla Lai - Nong Khor Network	(1,473)	(14,588)	(1,209)	(11,978)
Total sales of raw water	62,514	656,715	69,761	745,433

  

	Company (Unaudited)			
	For the nine-month periods ended 30 September			
	2016		2015	
	Sales Volume Cubic Meters'000	Sales Baht'000	Sales Volume Cubic Meters'000	Sales Baht'000
<b>Total used volume of raw water</b>				
Nong Pla Lai - Map Ta Pud Network	81,215	886,349	81,401	867,713
Dok Krai - Map Ta Pud Network	51,166	554,159	52,700	591,985
Chachoengsao - Chonburi Network	67,326	675,432	77,584	778,255
Nong Pla Lai - Nong Khor Network	17,163	183,160	19,707	209,398
Total	216,870	2,299,100	231,392	2,447,351
<b>Less Raw water uses to produce tap water</b>				
Dok Krai - Map Ta Pud Network	(12,855)	(127,269)	(12,363)	(122,392)
Nong Pla Lai - Nong Khor Network	(4,185)	(41,433)	(3,557)	(35,218)
Total sales of raw water	199,830	2,130,398	215,472	2,289,741

**18 Sales of raw water by distribution networks (continued)**

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

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

	<b>(Unit: Baht'000)</b>	
	<b>Company</b>	
	<b>(Unaudited)</b>	
	<b>For the three-month periods ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
Nong Khor - Laem Chabang Network 1	131,631	169,007
Nong Khor - Laem Chabang Network 2	34,335	38,615
Chachoengsao Network	31,536	38,584
Total	197,502	246,206

	<b>(Unit: Baht'000)</b>	
	<b>Company</b>	
	<b>(Unaudited)</b>	
	<b>For the nine-month periods ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
Nong Khor - Laem Chabang Network 1	405,724	526,189
Nong Khor - Laem Chabang Network 2	126,743	122,766
Chachoengsao Network	142,965	129,300
Total	675,432	778,255

**18.2 Quantity proportion of raw water sold to end users**

	<b>Company</b>	
	<b>(Unaudited)</b>	
	<b>For the nine-month periods ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Industrial Estates	54	50
Waterworks Authority	24	30
Factories	22	20
Total	100	100

**19 Event after the reporting period**

On 17 October 2016, the Board of Directors' meeting of Universal Utilities Public Company Limited approved an interim dividend payment to the Company Baht 0.111 per share, totalling Baht 56.6 million. The Universal Utilities Public Company Limited paid this dividend on 31 October 2016.