

## **AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION**

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

I have reviewed the interim consolidated financial information of Eastern Water Resources Development and Management Public Company Limited and its subsidiaries, and the interim separate financial information of Eastern Water Resources Development and Management Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2017, and the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

### **Scope of review**

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

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate 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 16.1 to the interim financial information regarding the litigation of 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 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.

PricewaterhouseCoopers ABAS Ltd.

**Sukhumaporn Wong-ariyaporn**

Certified Public Accountant (Thailand) No. 4843

Bangkok

11 May 2017

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

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

**31 MARCH 2017**

Eastern Water Resources Development and Management Public Company Limited  
Statement of Financial Position  
As at 31 March 2017

		(Unit: Baht'000)			
		Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
	Cash and cash equivalents	140,199	177,965	94,657	89,303
5	Short-term investments	487,220	744,065	33,654	374,318
6	Trade and other receivables	475,417	420,746	324,454	281,658
	Inventories	10,699	10,587	-	-
	Other current assets	31,555	31,033	11,268	19,114
	<b>Total current assets</b>	<b>1,145,090</b>	<b>1,384,396</b>	<b>464,033</b>	<b>764,393</b>
<b>Non-current assets</b>					
7	Investment in subsidiary	-	-	510,000	510,000
8	Investment property - net	192,251	193,923	219,998	221,690
8	Property, plant and equipment - net	14,118,525	14,062,211	13,886,310	13,822,751
	Goodwill	103,283	103,283	-	-
8	Intangible assets - net	3,729,595	3,692,725	43,874	38,585
	Deferred tax assets	24,865	24,051	-	-
9	Other non-current assets	370,643	399,806	338,317	367,530
	<b>Total non-current assets</b>	<b>18,539,162</b>	<b>18,475,999</b>	<b>14,998,499</b>	<b>14,960,556</b>
	<b>Total assets</b>	<b>19,684,252</b>	<b>19,860,395</b>	<b>15,462,532</b>	<b>15,724,949</b>

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

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these interim financial information.

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

**Statements of Financial Position (continued)**

**As at 31 March 2017**

		(Unit: Baht'000)			
		Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2017	2016	2017	2016
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
	Short-term borrowing from a				
	financial institution	11.1	1,600,000	1,600,000	-
	Trade accounts payable	10	152,403	133,254	102,575
	Payable for purchase of fixed assets		86,813	117,997	52,361
	Current portion of long-term liabilities				
	under finance lease agreements		785	1,407	785
	Current portion of long-term borrowings				
	from financial institutions	11.2	808,200	808,200	616,000
	Income tax payable		207,889	129,308	161,501
	Accrued expenses		125,285	176,960	84,064
	Other current liabilities		61,805	59,395	27,508
	<b>Total current liabilities</b>		<b>3,043,180</b>	<b>3,026,521</b>	<b>1,044,794</b>
<b>Non-current liabilities</b>					
	Long-term liabilities under				
	finance lease agreements		291	435	291
	Long-term borrowings from	11.2			
	financial institutions		2,640,600	3,200,600	2,064,000
	Debentures	11.3	2,397,277	2,397,185	2,397,277
	Deferred tax liabilities		405,164	410,097	39,915
	Employee benefit obligations		133,327	129,087	79,158
	Long-term provisions		24,362	20,670	-
	Other non-current liabilities	12	626,502	627,499	594,329
	<b>Total non-current liabilities</b>		<b>6,227,523</b>	<b>6,785,573</b>	<b>5,174,970</b>
	<b>Total liabilities</b>		<b>9,270,703</b>	<b>9,812,094</b>	<b>6,219,764</b>

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statements of Financial Position (continued)**  
**As at 31 March 2017**

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December
Notes	2017	2016	2017	2016
<b>Liabilities and equity (continued)</b>				
<b>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	200,154	200,154	200,154	200,154
Unappropriated	6,182,244	5,820,660	5,223,051	4,922,918
Other components of equity	17,316	18,696	17,316	18,696
Equity attributable to owners of the parent	10,201,961	9,841,757	9,242,768	8,944,015
Non-controlling interests	211,588	206,544	-	-
<b>Total equity</b>	<b>10,413,549</b>	<b>10,048,301</b>	<b>9,242,768</b>	<b>8,944,015</b>
<b>Total liabilities and equity</b>	<b>19,684,252</b>	<b>19,860,395</b>	<b>15,462,532</b>	<b>15,724,949</b>

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statement of Comprehensive Income**  
**For the three-month period ended 31 March 2017**

		(Unit: Baht'000)			
		Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2017	2016	2017	2016
	<b>Revenues</b>				
					15.1
	Sales - raw water	670,979	699,607	693,993	718,846
	Sales - tap water	346,808	344,554	92,709	90,842
	Construction revenue under concession agreements	98,424	7,909	-	-
	Rental and service income	47,028	51,170	24,840	21,808
	<b>Total sales and service income</b>	<b>1,163,239</b>	<b>1,103,240</b>	<b>811,542</b>	<b>831,496</b>
	Other income	20,483	7,796	15,606	9,198
	<b>Total revenues</b>	<b>1,183,722</b>	<b>1,111,036</b>	<b>827,148</b>	<b>840,694</b>
	<b>Expenses</b>				
					15.1
	Cost of sales - raw water	262,239	271,217	272,069	280,113
	Cost of sales - tap water	205,207	198,901	77,610	75,967
	Construction cost under concession agreements	98,424	7,909	-	-
	Cost of rental and services	37,434	39,929	16,454	16,321
	<b>Total costs of sales and services</b>	<b>603,304</b>	<b>517,956</b>	<b>366,133</b>	<b>372,401</b>
	Selling expenses	1,313	3,062	1,134	1,568
	Administrative expenses	94,899	84,006	67,481	54,823
	Finance costs	36,294	31,231	23,019	16,692
	<b>Total expenses</b>	<b>735,810</b>	<b>636,255</b>	<b>457,767</b>	<b>445,484</b>
	<b>Profit before income tax</b>	<b>447,912</b>	<b>474,781</b>	<b>369,381</b>	<b>395,210</b>
	Income tax expense	(81,284)	(91,419)	(69,248)	(79,692)
	<b>Net profit for the period</b>	<b>366,628</b>	<b>383,362</b>	<b>300,133</b>	<b>315,518</b>

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statement of Comprehensive Income**  
**For the three-month period ended 31 March 2017**

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited) 2017	(Unaudited) 2016	(Unaudited) 2017	(Unaudited) 2016
<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	(664)	(1,383)	(664)	(1,383)
Re-measuring of fair value of available-for-sale investments	-	1,403	-	1,403
Income tax relating to items that will be reclassified subsequently to profit or loss	133	(4)	133	(4)
<b>Other comprehensive income for the period, net of tax</b>	<b>(1,380)</b>	<b>(833)</b>	<b>(1,380)</b>	<b>(833)</b>
<b>Total comprehensive income for the period</b>	<b>365,248</b>	<b>382,529</b>	<b>298,753</b>	<b>314,685</b>
<b>Profit attributable to</b>				
Owners of the parent company	361,584	378,581	300,133	315,518
Non-controlling interests	5,044	4,781	-	-
	<b>366,628</b>	<b>383,362</b>	<b>300,133</b>	<b>315,518</b>
<b>Total comprehensive income attributable to</b>				
Owners of the parent company	360,204	377,748	298,753	314,685
Non-controlling interests	5,044	4,781	-	-
	<b>365,248</b>	<b>382,529</b>	<b>298,753</b>	<b>314,685</b>
<b>Earnings per share (Baht)</b>				
Basic earnings per share	0.22	0.23	0.18	0.19

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these interim financial information.

Eastern Water Resources Development and Management Public Company Limited  
Statement of Changes in Equity  
For the three-month period ended 31 March 2017

(Unit: Baht'000)										
Consolidated financial information										
Attributable to owners of the parent										
Notes					Other components of equity		Total other component of equity	Total owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Assets transferred from customers-net	Change in value of available-for-sale investments				
			Appropriated - legal reserve	Unappropriated						
<b>Opening balance as at 1 January 2016</b>										
- as previously reported	1,663,725	2,138,522	166,500	5,303,277	21,562	1,107	22,669	9,294,693	204,870	9,499,563
Appropriation of legal reserve	13	-	-	23,452	(23,452)	-	-	-	-	-
<b>Opening balance as at 1 January 2016</b>										
- as newly reported	1,663,725	2,138,522	189,952	5,279,825	21,562	1,107	22,669	9,294,693	204,870	9,499,563
Comprehensive income for the period	-	-	-	378,581	(849)	16	(833)	377,748	4,781	382,529
<b>Closing balance as at 31 March 2016</b>										
	<u>1,663,725</u>	<u>2,138,522</u>	<u>189,952</u>	<u>5,658,406</u>	<u>20,713</u>	<u>1,123</u>	<u>21,836</u>	<u>9,672,441</u>	<u>209,651</u>	<u>9,882,092</u>
<b>Opening balance as at 1 January 2017</b>										
- as previously reported	1,663,725	2,138,522	166,500	5,854,314	18,165	531	18,696	9,841,757	206,544	10,048,301
Appropriation of legal reserve	13	-	-	33,654	(33,654)	-	-	-	-	-
<b>Opening balance as at 1 January 2017</b>										
- as newly reported	1,663,725	2,138,522	200,154	5,820,660	18,165	531	18,696	9,841,757	206,544	10,048,301
Comprehensive income for the period	-	-	-	361,584	(849)	(531)	(1,380)	360,204	5,044	365,248
<b>Closing balance as at 31 March 2017</b>										
	<u>1,663,725</u>	<u>2,138,522</u>	<u>200,154</u>	<u>6,182,244</u>	<u>17,316</u>	<u>-</u>	<u>17,316</u>	<u>10,201,961</u>	<u>211,588</u>	<u>10,413,549</u>

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these interim financial information.



Eastern Water Resources Development and Management Public Company Limited

Statement of Changes in Equity (continued)

For the three-month period ended 31 March 2017

								(Unit: Baht'000)
Separate financial information								(Unaudited)
					Other components of equity			
					Other comprehensive income			
					Assets	Change in		
					transferred	value of	Total other	
					from	available-for-sale	component	Total
					customers-net	investments	of equity	equity
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings Appropriated - legal reserve	Unappropriated				
<b>Opening balance as at 1 January 2016</b>								
- as previously reported								
	1,663,725	2,138,522	166,500	4,521,360	21,562	1,107	22,668	8,512,775
Appropriation of legal reserve	13	-	-	23,452	(23,452)	-	-	-
<b>Opening balance as at 1 January 2016</b>								
- as newly reported								
	1,663,725	2,138,522	189,952	4,497,908	21,562	1,107	22,668	8,512,775
Comprehensive income for the period	-	-	-	315,518	(849)	16	(833)	314,685
<b>Closing balance as at 31 March 2017</b>								
	<u>1,663,725</u>	<u>2,138,522</u>	<u>189,952</u>	<u>4,813,426</u>	<u>20,713</u>	<u>1,123</u>	<u>21,835</u>	<u>8,827,460</u>
<b>Opening balance as at 1 January 2017</b>								
- as previously reported								
	1,663,725	2,138,522	166,500	4,956,572	18,165	531	18,696	8,944,015
Appropriation of legal reserve	13	-	-	33,654	(33,654)	-	-	-
<b>Opening balance as at 1 January 2017</b>								
- as newly reported								
	1,663,725	2,138,522	200,154	4,922,918	18,165	531	18,696	8,944,015
Comprehensive income for the period	-	-	-	300,133	(849)	(531)	(1,380)	298,753
<b>Closing balance as at 31 March 2017</b>								
	<u>1,663,725</u>	<u>2,138,522</u>	<u>200,154</u>	<u>5,223,051</u>	<u>17,316</u>	<u>-</u>	<u>17,316</u>	<u>9,242,768</u>

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statement of Cash Flows**  
**For the three-month period ended 31 March 2017**

	(Unit: Baht'000)				
	Consolidated financial information		Separate financial information		
	Notes	(Unaudited) 2017	(Unaudited) 2016	(Unaudited) 2017	(Unaudited) 2016
<b>Cash flows from operating activities</b>					
Profit before income tax		447,912	474,781	369,381	395,210
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities					
Depreciation	8	95,252	93,888	90,387	89,734
Amortisation	8	68,554	65,812	1,711	1,567
Income from amortisation of assets transferred from customers		(849)	(849)	(849)	(849)
Write-off equipment		3,341	2,586	3,341	2,586
Gain on sales of short-term investments		(1,736)	(1,594)	(1,736)	(1,594)
Long-term provisions		4,726	1,054	-	-
Employee benefit obligations		4,240	3,941	2,453	2,276
Interest income		(1,997)	(2,622)	(412)	(996)
Interest expenses		36,163	31,410	22,889	16,387
<b>Profit from operating activities before changes in operating assets and liabilities</b>		655,606	668,407	487,165	504,321
Changes in operating assets (increase) decrease					
Trade and other accounts receivable		(54,671)	(34,073)	(42,796)	(43,873)
Inventories		(112)	(622)	-	-
Other current assets		2,431	2,876	8,030	(6,718)
Other non-current assets		13,496	1,510	13,540	201
Changes in operating liabilities increase (decrease)					
Trade accounts payable		19,149	(27,982)	828	(43,218)
Accrued expenses		(75,078)	(47,308)	(55,580)	(27,890)
Other current liabilities		7,065	16,587	(908)	3,112
Employee benefit obligations - paid		-	(201)	-	(201)
Long-term provisions - paid		(1,025)	(1,844)	-	-
Other non-current liabilities		(997)	(4,133)	(1,264)	(3,583)
Cash provided by operations		565,864	573,217	409,015	382,151
Income tax paid		(11,120)	(12,118)	(4,919)	(5,424)
<b>Net cash generated from operating activities</b>		554,744	561,099	404,096	376,727

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these interim financial information.

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

**Statement of Cash Flows** (continued)

For the three-month period ended 31 March 2017

		(Unit: Baht'000)			
		Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2017	2016	2017	2016
<b>Cash flows from investing activities</b>					
	Purchase of short-term investments	(501,516)	(222,669)	(160,000)	(54,860)
	Proceeds from disposals of short-term investments	759,433	500,544	501,736	401,594
	Interest received	1,848	1,744	228	563
	Purchase of investment property	(675)	(6)	(782)	(7)
	Purchase of plant and equipment and advance for construction	(139,726)	(104,616)	(149,413)	(103,322)
	Purchase of intangible assets	(110,697)	(11,997)	(7,000)	-
	Interest paid capitalised in qualifying assets	(19,698)	(14,029)	(19,698)	(14,029)
	<b>Net cash generated from (used in) investing activities</b>	<b>(11,031)</b>	<b>148,971</b>	<b>165,071</b>	<b>229,939</b>
<b>Cash flows from financing activities</b>					
	Payment on long-term borrowings from financial institutions	11.2 (560,000)	(560,000)	(560,000)	(560,000)
	Payment on liabilities under finance lease agreements	(766)	(684)	(766)	(684)
	Dividends paid	(4,438)	(9)	(21)	(9)
	Interest paid	(16,275)	(30,394)	(3,026)	(15,853)
	<b>Net cash used in financing activities</b>	<b>(581,479)</b>	<b>(591,087)</b>	<b>(563,813)</b>	<b>(576,546)</b>
	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(37,766)</b>	<b>118,983</b>	<b>5,354</b>	<b>30,120</b>
	Cash and cash equivalents at beginning of the period	177,965	287,766	89,303	225,661
	<b>Cash and cash equivalents at the end of the period</b>	<b>140,199</b>	<b>406,749</b>	<b>94,657</b>	<b>255,781</b>
<b>Supplemental cash flow information</b>					
Non-cash related transactions:					
	Purchase of fixed assets and intangible assets on payable	34,198	169,996	-	161,290

The accompanying condensed notes to the interim financial information on pages 11 to 27 are an integral part of these 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. 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 Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

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

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

<b>Company’s name</b>	<b>Nature of business</b>	<b>Country of incorporation</b>	<b>Percentage of Shareholding</b>
<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

These interim financial information were authorised on 11 May 2017 by the Company’s Board of Directors.

These interim financial information have been reviewed, and not audited.

## 2 Accounting Policies

### 2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (the statement of financial position, the statement of comprehensive income, the statements of changes in shareholders’ equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. 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 2016.

**2 Accounting Policies** (continued)

**2.1 Basis of preparation** (continued)

An English version of the interim consolidated and separate 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 2016.

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 period are accrued using the tax rate that would be applicable to expected total annual profit or loss.

**2.2 Revised financial reporting standards**

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. This standard is relevant to the group.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The management uses the cost method which is the policy that the Group has applied. Therefore, the revised standard does not have an impact to the financial information being presented.

**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 financial statements for the year ended 31 December 2016.

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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 comprises the supply of raw water, production and supply of tap water, waterworks management, and engineering services. Other business activities, such as office building rental, are aggregated under the segment "Others".

These business operations are only conducted in 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 are 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 three-month period ended 31 March is summarised as follows:

	Consolidated financial information (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		
<b>For the three-month period ended 31 March 2017</b>							
<b>Revenue</b>							
Revenue from third parties	670,979	392,123	54,364	23,255	22,518	-	1,163,239
Revenue from inter-segment	23,014	-	53,733	-	2,322	(79,069)	-
<b>Total revenue</b>	<b>693,993</b>	<b>392,123</b>	<b>108,097</b>	<b>23,255</b>	<b>24,840</b>	<b>(79,069)</b>	<b>1,163,239</b>
<b>Cost of sales and services</b>	<b>(272,069)</b>	<b>(277,385)</b>	<b>(94,147)</b>	<b>(21,567)</b>	<b>(17,205)</b>	<b>79,069</b>	<b>(603,304)</b>
Segment operating profit	421,924	114,738	13,950	1,688	7,635	-	559,935
<b>Unallocated revenue (expenses)</b>							
Other income							20,483
Selling expenses							(1,313)
Administrative expenses							(94,899)
Finance costs							(36,294)
Income tax							(81,284)
<b>Net profit</b>							<b>366,628</b>

	Consolidated financial information (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		
<b>For the three-month period ended 31 March 2016</b>							
<b>Revenue</b>							
Revenue from third parties	699,607	351,601	1,174	30,772	20,086	-	1,103,240
Revenue from inter-segment	19,239	-	52,298	-	1,722	(73,259)	-
<b>Total revenue</b>	<b>718,846</b>	<b>351,601</b>	<b>53,472</b>	<b>30,772</b>	<b>21,808</b>	<b>(73,259)</b>	<b>1,103,240</b>
<b>Cost of sales and services</b>	<b>(280,113)</b>	<b>(232,644)</b>	<b>(37,820)</b>	<b>(25,928)</b>	<b>(14,710)</b>	<b>73,259</b>	<b>(517,956)</b>
Segment operating profit	438,733	118,957	15,652	4,844	7,098	-	585,284
<b>Unallocated revenue (expenses)</b>							
Other income							7,796
Selling expenses							(3,062)
Administrative expenses							(84,006)
Finance costs							(31,231)
Income tax							(91,419)
<b>Net profit</b>							<b>383,362</b>

**5 Short-term investments**

The detail of short-term investments is as follows:

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b>	
	<b>financial information</b>		<b>Separate</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Fixed deposits	217,243	133,424	-	-
Fixed deposits under the requirement of concession agreement	269,977	269,977	33,654	33,654
Available for sale investments	-	340,664	-	340,664
<b>Total</b>	<b>487,220</b>	<b>744,065</b>	<b>33,654</b>	<b>374,318</b>

As at 31 March 2017, the Group has short-term investments in fixed deposits with financial institutions that have maturity dates during 6 -12 months and interest rates at 0.90% - 1.90% per annum (31 December 2016: 1.35% - 2.30% per annum).

Fixed deposits under the requirement of concession agreement are fixed deposits for a reserve under the requirement of tap water concession agreement (Note 13).

Available-for-sale investments are open-ended funds in deposit at financial institutions, government debt and private debt. As at 31 December 2016, available-for-sale investments are carried at fair value at quoted prices in active markets (Level 1) for identical assets.

**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>financial information</b>		<b>Separate</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Trade receivables	422,431	395,718	290,842	264,555
Other receivables	423	257	1,442	1,256
Service income receivable - water loss treatment - related party (Note 15.2)	15,810	3,911	-	-
Prepayments	36,727	20,830	32,144	15,817
Others	26	30	26	30
<b>Total</b>	<b>475,417</b>	<b>420,746</b>	<b>324,454</b>	<b>281,658</b>

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

The detail of trade account receivables is as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial information</b>		<b>financial information</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Trade accounts receivable - billed				
- Third parties	125,108	110,474	125,073	110,042
- Related parties (Note 15.2)	182,893	188,580	165,769	154,513
<b>Total trade account receivable - billed</b>	<b>308,001</b>	<b>299,054</b>	<b>290,842</b>	<b>264,555</b>
Unbilled receivables				
- Third parties	1,960	743	-	-
- Related parties (Note 15.2)	112,470	95,921	-	-
<b>Total unbilled receivables</b>	<b>114,430</b>	<b>96,664</b>	<b>-</b>	<b>-</b>
	<b>442,431</b>	<b>395,718</b>	<b>290,842</b>	<b>264,555</b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial information</b>		<b>financial information</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Within credit term	306,405	298,134	289,897	263,649
Overdue below 3 months	1,590	915	945	906
Overdue 3 - 6 months	1	2	-	-
Overdue 6 - 12 months	5	3	-	-
Overdue more than 12 months	615	615	615	615
	308,616	299,669	291,457	265,170
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	<b>308,001</b>	<b>299,054</b>	<b>290,842</b>	<b>264,555</b>

The age analysis of other receivables is as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial information</b>		<b>financial information</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Within credit term	310	257	1,329	1,256
Overdue below 3 months	113	-	113	-
	<b>423</b>	<b>257</b>	<b>1,442</b>	<b>1,256</b>



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**7 Investment in subsidiary**

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

Company	Nature of business	Country of incorporation	Separate financial information					
			Paid-up share capital		Ownership interest		Investment value	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
			31 March	31 December	31 March	31 December	31 March	31 December
			2017	2016	2017	2016	2017	2016
			(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
Total investment in subsidiary							510,000	510,000

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8 Capital expenditures

(Unit: Baht'000)

	Consolidated financial information			Separate financial information		
	Investment property	Property, plant and equipment	Intangible assets	Investment property	Property, plant and equipment	Intangible assets
<b>For the three-month period ended 31 March 2017</b>						
Opening net book amount (Audited)	193,923	14,062,211	3,692,725	221,690	13,822,751	38,585
Addition	675	166,611	91,379	782	154,813	7,000
Transfer, net	-	(14,045)	14,045	-	-	-
Write-off, net	-	(3,347)	-	-	(3,341)	-
Depreciation/Amortisation	(2,347)	(92,905)	(68,554)	(2,474)	(87,913)	(1,711)
Closing net book amount (Unaudited)	192,251	14,118,525	3,729,595	219,998	13,886,310	43,874

As at 31 March 2017, the Group has commitments for capital expenditures of Baht 333.2 million (31 December 2016: Baht 457.8 million).

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**9 Other non-current assets**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b>	
	<b>financial information</b>		<b>Separate</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Advance for construction payment	330,547	346,220	330,547	346,220
Prepaid expenses	37,254	37,487	7,673	7,985
Deposit and retention	2,115	15,377	-	13,228
Other receivables	32,802	32,802	-	-
Allowance for doubtful accounts				
- other receivables	(32,802)	(32,802)	-	-
Others	727	722	97	97
	<b>370,643</b>	<b>399,806</b>	<b>338,317</b>	<b>367,530</b>

Other receivables of Baht 32.8 million are transactions between Universal Utilities Public Company Limited, a subsidiary, and a private company. These 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 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 subsidiary sued a private company regarding a breach of raw water purchase agreement and requested 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>financial information</b>		<b>Separate</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Third parties	109,461	103,109	76,007	79,310
Related parties (Note 15.2)	42,942	30,145	26,568	22,437
	<b>152,403</b>	<b>133,254</b>	<b>102,575</b>	<b>101,747</b>

**11 Borrowings from financial institutions**

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b>	
	<b>financial information</b>		<b>Separate</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Current</b>				
Short-term borrowing from a financial institution	1,600,000	1,600,000	-	-
Current portion of long-term borrowings from financial institutions	808,200	808,200	616,000	616,000
Total current borrowings	<b>2,408,200</b>	<b>2,408,200</b>	<b>616,000</b>	<b>616,000</b>
<b>Non-current</b>				
Long-term borrowings from financial institutions	2,640,600	3,200,600	2,064,000	2,624,000
Debentures	2,397,277	2,397,185	2,397,277	2,397,185
Total non-current borrowings	<b>5,037,877</b>	<b>5,597,785</b>	<b>4,461,277</b>	<b>5,021,185</b>
Total	<b>7,446,077</b>	<b>8,005,985</b>	<b>5,077,277</b>	<b>5,637,185</b>

11 Borrowings from financial institutions (continued)

11.1 Short-term borrowing from a financial institution

	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited) 31 March 2017	(Audited) 31 December 2016	(Unaudited) 31 March 2017	(Audited) 31 December 2016
	Borrowing from a financial institution	1,600,000	1,600,000	-
	<u>1,600,000</u>	<u>1,600,000</u>	<u>-</u>	<u>-</u>

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

11.2 Long-term borrowings from financial institutions

	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited) 31 March 2017	(Audited) 31 December 2016	(Unaudited) 31 March 2017	(Audited) 31 December 2016
	Long-term borrowings from financial institutions	3,448,800	4,008,800	2,680,000
<u>Less</u> Current portion of long-term borrowings	<u>(808,200)</u>	<u>(808,200)</u>	<u>(616,000)</u>	<u>(616,000)</u>
Long-term borrowings from financial institutions - net	<u>2,640,600</u>	<u>3,200,600</u>	<u>2,064,000</u>	<u>2,624,000</u>

Change in the long-term borrowings from financial institutions is as follows:

	Consolidated financial information	(Unit: Baht'000) Separate financial information
Balance as at 31 December 2016 (Audited)	4,008,800	3,240,000
Repayment	<u>(560,000)</u>	<u>(560,000)</u>
Balance as at 31 March 2017 (Unaudited)	<u>3,448,800</u>	<u>2,680,000</u>

As at 31 March 2017, the Group has long-term credit facility that is not yet used amounting to Baht 1,700.0 million. (As at 31 December 2016: 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.

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
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	<u>(2,723)</u>	<u>(2,815)</u>	<u>(2,723)</u>	<u>(2,815)</u>
Debentures - net	<u>2,397,277</u>	<u>2,397,185</u>	<u>2,397,277</u>	<u>2,397,185</u>

Change in the debentures for the three-month period ended 31 March 2017 is as follows:

	(Unit: Baht'000)	
	Consolidated	Separate
	financial information	financial information
Balance as at 31 December 2016 (Audited)	2,397,185	2,397,185
Amortisation of issuing cost	92	92
Balance as at 31 March 2017 (Unaudited)	<u>2,397,277</u>	<u>2,397,277</u>

12 Other non-current liabilities

	Consolidated		(Unit: Baht '000)	
	financial information		Separate	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Retentions payable	254,767	255,764	222,536	223,800
Bank guarantee received (Note 16.1)	371,735	371,735	371,735	371,735
Rental guarantees received from a subsidiary (Note 15.2)	-	-	58	58
	<u>626,502</u>	<u>627,499</u>	<u>594,329</u>	<u>595,593</u>

**13 Legal reserve**

Legal reserve comprises of:

- 1) Reserve pursuant to section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve equal to at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of the Company's registered share capital. The legal reserve is non-distributable.
- 2) Reserve under the requirement of an amendment to tap water concession agreement which requires the Company to set aside a reserve equal to 10 percent of net profit for the year. The reserve shall be maintained by the fixed deposit at bank. This reserve is non-distributable.

As at 31 March 2017, the Company has legal reserve under the Public Limited Companies Act B.E. 2535 of Baht 166.5 million, and reserve under tap water concession agreement of Baht 33.7 million, totalling Baht 200.2 million (As at 31 December 2016: Reserve under the Public Limited Companies Act B.E. 2535 of Baht 166.5 million, and reserve under tap water concession agreement of Baht 33.7 million, totalling Baht 200.2 million).

The Company recorded additional reserve under the requirement of an amendment to tap water concession agreement resulting to an increase of legal reserve as at 1 January 2016 and as at 1 January 2017 amounting to Baht 23.5 million and Baht 33.7 million, respectively.

**14 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 18.23% per annum. (The estimated tax rate used for the three-month period ended 31 March 2016 was 19.77% per annum).

**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, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and these related parties.

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b>	
	<b>financial information</b>	<b>financial information</b>	<b>Separate</b>	<b>financial information</b>
<b>For the three-month period ended 31 March</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b><u>Sales - raw water</u></b>				
<b>Major Shareholders</b>				
Provincial Waterworks Authority	122,564	164,561	122,564	164,561
Industrial Estate Authority of Thailand	246,770	243,449	246,770	243,449
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	23,014	19,239
<b><u>Sales - tap water</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	298,782	299,160	45,829	46,574
<b><u>Construction revenue under concession agreement</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	98,424	7,909	-	-
<b><u>Rental and Service income</u></b>				
<b>Shareholder</b>				
Provincial Waterworks Authority	14,487	16,432	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	2,322	1,722
<b><u>Other income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	2,583	2,808
<b><u>Costs of sales and costs of services</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	53,733	54,053

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

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

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

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15 Related parties transactions (continued)

15.2 Outstanding balances at the end of the periods

	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited) 31 March 2017	(Audited) 31 December 2016	(Unaudited) 31 March 2017	(Audited) 31 December 2016
<b><u>Trade accounts receivable - billed</u></b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	92,594	102,040	68,023	62,776
Industrial Estate Authority of Thailand	90,299	86,540	90,299	86,540
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	7,447	5,197
	<u>182,893</u>	<u>188,580</u>	<u>165,769</u>	<u>154,513</u>
<b><u>Unbilled receivables</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	112,470	95,921	-	-
	<u>112,470</u>	<u>95,921</u>	<u>-</u>	<u>-</u>
<b><u>Water loss treatment service income receivables</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority				
- billed	261	1,799	-	-
- unbilled	15,549	2,112	-	-
	<u>15,810</u>	<u>3,911</u>	<u>-</u>	<u>-</u>
<b><u>Other receivable</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	20	16	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	1,130	1,103
	<u>20</u>	<u>16</u>	<u>1,130</u>	<u>1,103</u>
<b><u>Trade accounts payable</u></b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	42,942	30,145	6,115	2,028
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	20,453	20,409
	<u>42,942</u>	<u>30,145</u>	<u>26,568</u>	<u>22,437</u>
<b><u>Rental guarantees</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	58	58



**15 Related parties transactions** (continued)

**15.3 Key management compensation**

Key management compensation can be categorised as follows:

For the three-month period ended 31 March	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
Short-term employee benefits	22,082	20,337	15,435	13,699
Post-employee benefits	1,100	1,049	662	628
Other long-term employee benefits	8	7	3	2
	<u>23,190</u>	<u>21,393</u>	<u>16,100</u>	<u>14,329</u>

**16 Commitments and contingent liabilities**

As at 31 March 2017, 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 2016 except for the following:

**16.1 Litigations**

**Progress of last year litigations**

**The Company:**

- The Company engaged the contractor in the Tubma reservoir development project starting from 31 January 2012 to 15 July 2016. However, the construction is delayed and incomplete. The total construction in progress and advance for construction as at 31 December 2016 are Baht 1,495.1 million and Baht 242.9 million respectively. On 12 October 2016, the Company was sued as a defendant in a lawsuit of a black case number 1668/2559 regarding a breach of a construction agreement. The contractor requested the Company to pay damages totalling Baht 480.9 million plus interest of 7.50% per annum, 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. On 27 January 2017, the Company made a counterclaim to the Rayong Provincial Court. This case is currently in process of consideration by the Rayong Provincial Court. The Company believes that this case 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 the financial information.

On 13 October 2016, the Company received cash of a guarantee from a bank for this project totalling Baht 371.7 million. 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. The Company has recorded cash received as other non-current liabilities in the financial information.

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

**16.1 Litigations** (continued)

**Progress of last year litigations** (continued)

**The Company:**

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

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

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

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

In 2011, the Company has recorded liabilities of the construction costs and the retention costs of Baht 16.8 million. The amount of Baht 7.0 million of the additional costs was not recorded.

On 9 July 2013, The Appeal Court delivered its judgement to decrease additional costs that the Company is required to pay from Baht 7.0 million to Baht 1.9 million. Other judgements are remained the same. In the third quarter of 2013, the Company has recorded additional liabilities of fee of bank guarantees and interest totalling Baht 5.6 million.

On 18 April 2017, the Supreme Court delivered its judgement according to the Appeal Court. The Company has recorded transactions in the first quarter of 2017 by recognising other income as a result of a delay of work of Baht 8.8 million and property, plant and equipment of Baht 1.9 million.

3. On 9 January 2015, the Company was sued as a co-defendant together with State Railway of Thailand in a lawsuit of a black case number Por62/2558 by a private company regarding a pipeline construction in the overlapping rental area that the plaintiff rent from the State Railway of Thailand in Chachoengsao Province. The litigation filed with the Civil Court by the plaintiff requested the Company to pay 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. On 9 January 2017, the Appeal Court delivered its verdict according to the Court of First Instance to dismiss the case. The private company request for an extension of time to file a petition and the Supreme Court has allowed the extension of filing a petition to 5 May 2017. However, the private company did not file a petition within the deadline. Therefore, the case is finalised.

**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 7.50% per annum and dismissed the case against the Company. On 17 March 2016, the Company lodged an appeal regarding the fine imposed on Samed Utilities Company Limited. On 22 December 2016, the Appeal Court delivered its verdict according to the Court of First Instance ordering Samed Utilities Company Limited to pay the private company, and to dismiss the case for the Company part. On 20 April 2017, Samed Utilities Company Limited filed a petition. Currently, this case is on a process of following up to the filing petition of the private company.

**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 considers that new rate is 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 requires the Company to disclose information regarding raw water usage and sales classified by distribution networks for using in calculation of compensation amount as follows;

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

	<b>Separate financial information (Unaudited)</b>			
	<b>For the three-month period ended 31 March</b>			
	<b>2017</b>		<b>2016</b>	
<b>Sales Volume Cubic Meters'000</b>	<b>Sales Baht'000</b>	<b>Sales Volume Cubic Meters'000</b>	<b>Sales Baht'000</b>	
<b>Total used volume of raw water</b>				
Nong Pla Lai - Map Ta Pud Network	23,067	252,266	24,498	267,459
Dok Krai - Map Ta Pud Network	21,833	241,344	19,413	210,211
Chachoengsao - Chonburi Network	17,980	184,989	22,739	233,448
Nong Pla Lai - Nong Khor Network	7,097	77,326	5,979	63,536
<b>Total</b>	<b>69,977</b>	<b>755,925</b>	<b>72,629</b>	<b>774,654</b>
<b>Less Raw water uses to produce tap water</b>				
Dok Krai - Map Ta Pud Network	(4,104)	(45,119)	(4,334)	(42,904)
Nong Pla Lai - Nong Khor Network	(1,534)	(16,813)	(1,303)	(12,904)
<b>Total sales of raw water</b>	<b>64,339</b>	<b>693,993</b>	<b>66,992</b>	<b>718,846</b>

**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:

	(Unit: Baht'000)	
	Separate financial information	
	(Unaudited)	
	For the three-month period ended 31 March	
	2017	2016
Nong Khor - Laem Chabang Network 1	113,082	134,987
Nong Khor - Laem Chabang Network 2	36,493	45,688
Chachoengsao Network	35,414	52,773
Total	<u>184,989</u>	<u>233,448</u>

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

	Separate financial information	
	(Unaudited)	
	For the three-month period ended 31 March	
	2017	2016
	%	%
Industrial Estates	59	53
Waterworks Authority	19	25
Factories	22	22
Total	<u>100</u>	<u>100</u>

**19 Events after the reporting period**

- On 24 April 2017, the Annual General Shareholders' meeting of Universal Utilities Public Company Limited approved a dividend payment of the year 2016 to the Company of Baht 0.202 per share, totalling Baht 103.02 million. Universal Utilities Public Company Limited already paid an interim dividend of Baht 0.111 per share, totalling Baht 56.61 million and will pay the remaining dividend of Baht 0.091 per share, totalling Baht 46.41 million within one month after the meeting date.
- On 18 April 2017, the Annual General Shareholders' meeting of the Company approved a dividend payment of the year 2016 of Baht 0.47 per share, totalling Baht 781.95 million. The Company already paid an interim dividend of Baht 0.20 per share, totalling Baht 332.75 million on 29 September 2016. The remaining dividend payment of Baht 0.27 per share, totalling Baht 449.20 million, will be paid on 16 May 2017.