

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 30 June 2017, and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, changes in equity, and cash flows for the six-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 18.1 to the interim financial information regarding the litigation of Tubma reservoir development project, which the contractor cannot complete the construction in time. This case is in a conciliation period. I also draw your attention to Note 19 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 August 2017

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

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

30 JUNE 2017

Eastern Water Resources Development and Management Public Company Limited
Statement of Financial Position
As at 30 June 2017

		(Unit: Baht'000)			
		Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2017	2016	2017	2016
Assets					
Current assets					
		134,200	177,965	76,144	89,303
		398,086	744,065	33,654	374,318
		421,281	420,746	272,254	281,658
		11,620	10,587	-	-
		26,790	31,033	8,913	19,114
		<u>991,977</u>	<u>1,384,396</u>	<u>390,965</u>	<u>764,393</u>
Non-current assets					
		-	-	510,000	510,000
		190,306	193,923	217,500	221,690
		14,205,208	14,062,211	13,959,575	13,822,751
		103,283	103,283	-	-
		3,708,700	3,692,725	42,108	38,585
		25,809	24,051	-	-
		355,604	399,806	324,545	367,530
		<u>18,588,910</u>	<u>18,475,999</u>	<u>15,053,728</u>	<u>14,960,556</u>
		<u>19,580,887</u>	<u>19,860,395</u>	<u>15,444,693</u>	<u>15,724,949</u>

Director _____ Director _____
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The accompanying condensed 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 June 2017

		(Unit: Baht'000)				
		Consolidated financial information		Separate financial information		
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
		30 June	31 December	30 June	31 December	
Notes		2017	2016	2017	2016	
Liabilities and equity						
Current liabilities						
	Short-term borrowings from financial institutions	11.1	1,930,000	1,600,000	200,000	-
	Trade accounts payable	10	188,685	133,254	137,831	101,747
	Payable for purchase of fixed assets		61,248	117,997	51,694	85,963
	Current portion of long-term liabilities under finance lease agreements		575	1,407	575	1,407
	Current portion of long-term borrowings from financial institutions	11.2	808,200	808,200	616,000	616,000
	Income tax payable		162,627	129,308	130,371	98,815
	Accrued expenses		118,518	176,960	75,406	116,241
	Other current liabilities		61,504	59,395	32,100	28,437
	Total current liabilities		3,331,357	3,026,521	1,243,977	1,048,610
Non-current liabilities						
	Long-term liabilities under finance lease agreements		146	435	146	435
	Long-term borrowings from financial institutions	11.2	2,392,400	3,200,600	2,008,000	2,624,000
	Debentures	11.3	2,397,370	2,397,185	2,397,370	2,397,185
	Deferred tax liabilities		400,764	410,097	42,015	38,406
	Employee benefit obligations		132,664	129,087	76,710	76,705
	Long-term provisions		27,102	20,670	-	-
	Other non-current liabilities	12	593,879	627,499	560,075	595,593
	Total non-current liabilities		5,944,325	6,785,573	5,084,316	5,732,324
	Total liabilities		9,275,682	9,812,094	6,328,293	6,780,934

The accompanying condensed 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 June 2017

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Liabilities and equity (continued)				
Equity				
Share capital				
Registered share capital				
Ordinary shares, 1,663,725,149 shares of par Baht 1 each	1,663,725	1,663,725	1,663,725	1,663,725
Issued and paid-up share capital				
Ordinary shares, 1,663,725,149 shares of par Baht 1 each	1,663,725	1,663,725	1,663,725	1,663,725
Share premium	2,138,522	2,138,522	2,138,522	2,138,522
Retained earnings				
Appropriated - legal reserve	200,154	200,154	200,154	200,154
Unappropriated	6,077,648	5,820,660	5,097,529	4,922,918
Other components of equity	16,470	18,696	16,470	18,696
Equity attributable to owners of the parent	10,096,519	9,841,757	9,116,400	8,944,015
Non-controlling interests	208,686	206,544	-	-
Total equity	10,305,205	10,048,301	9,116,400	8,944,015
Total liabilities and equity	19,580,887	19,860,395	15,444,693	15,724,949

The accompanying condensed 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 June 2017

		(Unit: Baht'000)			
		Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2017	2016	2017	2016
	Revenues				
	Sales - raw water	639,067	734,352	652,658	754,837
	Sales - tap water	361,195	357,679	95,073	98,420
	Construction revenue under concession agreements	49,916	2,886	-	-
	Rental and service income	35,652	34,556	24,647	23,410
	Total sales and service income	1,085,830	1,129,473	772,378	876,667
	Other income	9,344	15,265	52,407	62,304
	Total revenues	1,095,174	1,144,738	824,785	938,971
	Expenses				
	Cost of sales - raw water	230,159	311,785	238,998	322,024
	Cost of sales - tap water	210,532	205,333	77,253	82,449
	Construction cost under concession agreements	49,916	2,886	-	-
	Cost of rental and services	29,477	28,842	17,943	17,158
	Total cost of sales and services	520,084	548,846	334,194	421,631
	Selling expenses	2,051	3,027	1,723	1,464
	Administrative expenses	102,417	105,140	69,423	71,419
	Finance costs	34,419	25,427	20,990	11,200
	Total expenses	658,971	682,440	426,330	505,714
	Profit before income tax	436,203	462,298	398,455	433,257
	Income tax expense	(86,382)	(100,833)	(74,772)	(81,755)
	Net profit for the period	349,821	361,465	323,683	351,502

The accompanying condensed 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 June 2017

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited) 2017	(Unaudited) 2016	(Unaudited) 2017	(Unaudited) 2016
Other comprehensive income :				
<i>Items that will be reclassified to profit or loss</i>				
Asset transferred from customers	(846)	(850)	(846)	(850)
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	-	281	-	281
Other comprehensive income for the period, net of tax	(846)	(1,972)	(846)	(1,972)
Total comprehensive income for the period	348,975	359,493	322,837	349,530
Profit attributable to				
Owners of the parent company	344,609	356,860	323,683	351,502
Non-controlling interests	5,212	4,605	-	-
	349,821	361,465	323,683	351,502
Total comprehensive income attributable to				
Owners of the parent company	343,763	354,888	322,837	349,530
Non-controlling interests	5,212	4,605	-	-
	348,975	359,493	322,837	349,530
Earnings per share (Baht)				
Basic earnings per share	0.21	0.21	0.19	0.21

The accompanying condensed 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 six-month period ended 30 June 2017

		(Unit: Baht'000)			
		Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2017	2016	2017	2016
	Revenues				
	17.1				
	Sales - raw water	1,310,046	1,433,959	1,346,651	1,473,683
	Sales - tap water	708,003	702,233	187,782	189,262
	Construction revenue under concession agreements	148,340	10,795	-	-
	Rental and service income	82,680	85,726	49,487	45,218
	Total sales and service income	2,249,069	2,232,713	1,583,920	1,708,163
	Other income	29,827	23,061	68,013	71,502
	Total revenues	2,278,896	2,255,774	1,651,933	1,779,665
	Expenses				
	17.1				
	Cost of sales - raw water	492,398	583,002	511,067	602,137
	Cost of sales - tap water	415,739	404,234	154,863	158,416
	Construction cost under concession agreements	148,340	10,795	-	-
	Cost of rental and services	66,911	68,771	34,397	33,479
	Total cost of sales and services	1,123,388	1,066,802	700,327	794,032
	Selling expenses	3,364	6,089	2,857	3,032
	Administrative expenses	197,316	189,146	136,904	126,242
	Finance costs	70,713	56,658	44,009	27,892
	Total expenses	1,394,781	1,318,695	884,097	951,198
	Profit before income tax	884,115	937,079	767,836	828,467
	Income tax expense	(167,666)	(192,252)	(144,020)	(161,447)
	Net profit for the period	716,449	744,827	623,816	667,020

The accompanying condensed 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 six-month period ended 30 June 2017

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
Other comprehensive income :				
<i>Items that will be reclassified to profit or loss</i>				
Asset transferred from customers	(1,695)	(1,699)	(1,695)	(1,699)
Fair value of available-for-sale investments recycled to profit or loss	(664)	(1,383)	(664)	(1,383)
Income tax relating to items that will be reclassified subsequently to profit or loss	133	277	133	277
Other comprehensive income for the period, net of tax	<u>(2,226)</u>	<u>(2,805)</u>	<u>(2,226)</u>	<u>(2,805)</u>
Total comprehensive income for the period	<u>714,223</u>	<u>742,022</u>	<u>621,590</u>	<u>664,215</u>
Profit attributable to				
Owners of the parent company	706,193	735,441	623,816	667,020
Non-controlling interests	10,256	9,386	-	-
	<u>716,449</u>	<u>744,827</u>	<u>623,816</u>	<u>667,020</u>
Total comprehensive income attributable to				
Owners of the parent company	703,967	732,636	621,590	664,215
Non-controlling interests	10,256	9,386	-	-
	<u>714,223</u>	<u>742,022</u>	<u>621,590</u>	<u>664,215</u>
Earnings per share (Baht)				
Basic earnings per share	<u>0.42</u>	<u>0.44</u>	<u>0.37</u>	<u>0.40</u>

The accompanying condensed 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 Equity

For the six-month period ended 30 June 2017

(Unit: Baht'000)												
Consolidated financial information												
(Unaudited)												
Attributable to owners of the parent												
	Notes	Attributable to owners of the parent				Other components of equity						
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Assets transferred from customers-net	Other comprehensive income		Total other component of equity	Total owners of the parent	Non-controlling interests	Total equity
				Appropriated - legal reserve	Unappropriated		Change in value of available-for-sale investments					
Opening balance as at 1 January 2016												
- as previously reported												
		1,663,725	2,138,522	166,500	5,303,277	21,562	1,106	22,668	9,294,692	204,871	9,499,563	
Appropriation of legal reserve	13	-	-	23,452	(23,452)	-	-	-	-	-	-	
Opening balance as at 1 January 2016												
- as newly reported												
		1,663,725	2,138,522	189,952	5,279,825	21,562	1,106	22,668	9,294,692	204,871	9,499,563	
Dividend paid		-	-	-	(415,931)	-	-	-	(415,931)	(8,697)	(424,628)	
Comprehensive income for the period		-	-	-	735,441	(1,699)	(1,106)	(2,805)	732,636	9,386	742,022	
Closing balance as at 30 June 2016												
		<u>1,663,725</u>	<u>2,138,522</u>	<u>189,952</u>	<u>5,599,335</u>	<u>19,863</u>	<u>-</u>	<u>19,863</u>	<u>9,611,397</u>	<u>205,560</u>	<u>9,816,957</u>	
Opening balance as at 1 January 2017												
- 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)	-	-	-	-	-	-	
Opening balance as at 1 January 2017												
- 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	
Dividend paid	16	-	-	-	(449,205)	-	-	-	(449,205)	(8,114)	(457,319)	
Comprehensive income for the period		-	-	-	706,193	(1,695)	(531)	(2,226)	703,967	10,256	714,223	
Closing balance as at 30 June 2017												
		<u>1,663,725</u>	<u>2,138,522</u>	<u>200,154</u>	<u>6,077,648</u>	<u>16,470</u>	<u>-</u>	<u>16,470</u>	<u>10,096,519</u>	<u>208,686</u>	<u>10,305,205</u>	

The accompanying condensed 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 Equity (continued)

For the six-month period ended 30 June 2017

								(Unit: Baht'000)
Separate financial information								(Unaudited)
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total other component of equity	Total equity
			Appropriated - legal reserve	Unappropriated	Other comprehensive income			
					Assets transferred from customers-net	Change in value of available-for-sale investments		
Opening balance as at 1 January 2016								
- as previously reported								
	1,663,725	2,138,522	166,500	4,521,360	21,562	1,106	22,668	8,512,775
Appropriation of legal reserve	-	-	23,452	(23,452)	-	-	-	-
Opening balance as at 1 January 2016								
- as newly reported								
	1,663,725	2,138,522	189,952	4,497,908	21,562	1,106	22,668	8,512,775
Dividend paid	-	-	-	(415,931)	-	-	-	(415,931)
Comprehensive income for the period	-	-	-	667,020	(1,699)	(1,106)	(2,805)	664,215
Closing balance as at 30 June 2016	1,663,725	2,138,522	189,952	4,748,997	19,863	-	19,863	8,761,059
Opening balance as at 1 January 2017								
- 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	-	-	33,654	(33,654)	-	-	-	-
Opening balance as at 1 January 2017								
- as newly reported								
	1,663,725	2,138,522	200,154	4,922,918	18,165	531	18,696	8,944,015
Dividend paid	-	-	-	(449,205)	-	-	-	(449,205)
Comprehensive income for the period	-	-	-	623,816	(1,695)	(531)	(2,226)	621,590
Closing balance as at 30 June 2017	1,663,725	2,138,522	200,154	5,097,529	16,470	-	16,470	9,116,400

The accompanying condensed 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 six-month period ended 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		2017	2016	2017	2016
(Unit: Baht'000)					
Cash flows from operating activities					
Profit before income tax		884,115	937,079	767,836	828,467
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities					
Depreciation	8	191,018	188,282	181,049	179,658
Amortisation	8	139,365	132,173	3,477	3,216
Income from amortisation of assets transferred from customers		(1,695)	(1,699)	(1,695)	(1,699)
Write-off equipment		2,652	3,816	2,652	3,816
Gain on sales of short-term investments		(1,825)	(3,173)	(1,825)	(3,173)
Long-term provisions		9,453	2,105	-	-
Employee benefit obligations		8,479	7,880	4,907	4,554
Dividend income		-	-	(46,410)	(52,020)
Interest income		(4,023)	(5,475)	(766)	(1,885)
Interest expenses		70,353	56,067	43,649	27,302
Profit from operating activities before changes in operating assets and liabilities		1,297,892	1,317,055	952,874	988,236
Changes in operating assets (increase) decrease					
Trade and other accounts receivable		(535)	(19,115)	9,404	(36,702)
Inventories		(1,033)	(508)	-	-
Other current assets		6,134	368	9,907	(9,154)
Other non-current assets		15,087	(1,062)	13,853	203
Changes in operating liabilities increase (decrease)					
Trade accounts payable		55,431	9,475	36,084	(8,606)
Accrued expenses		(57,872)	(11,286)	(40,265)	(3,177)
Other current liabilities		6,842	12,147	3,630	(1,825)
Employee benefit obligations - paid		(4,902)	(857)	(4,902)	(857)
Long-term provisions - paid		(3,001)	(2,746)	-	-
Other non-current liabilities		(33,619)	14,469	(35,518)	14,939
Cash provided by operations		1,280,424	1,317,940	945,067	943,057
Income tax paid		(147,271)	(170,320)	(108,721)	(122,764)
Net cash generated from operating activities		1,133,153	1,147,620	836,346	820,293

The accompanying condensed 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 six-month period ended 30 June 2016

		(Unit: Baht'000)			
		Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2016	2015	2016	2015
Cash flows from investing activities					
	Purchases of short-term investments	(986,272)	(348,138)	(334,000)	(80,948)
	Proceeds from disposals of				
	short-term investments	1,333,412	899,481	675,825	603,173
	Interest received	4,097	5,667	1,060	2,094
	Dividend received from other long-term				
	investments and a subsidiary	7	-	-	-
				46,410	52,020
	Purchases of investment property	(1,265)	(340)	(1,466)	(394)
	Purchases of plant and equipment				
	and advance for construction	(291,786)	(433,976)	(273,659)	(418,835)
	Purchases of intangible assets	(176,860)	(20,200)	(7,000)	(5,191)
	Interest paid capitalised in qualifying assets	(42,682)	(61,874)	(42,682)	(61,715)
Net cash generated from (used in) investing activities		(161,356)	40,620	64,488	90,204
Cash flows from financing activities					
	Proceeds from short-term borrowings from				
	financial institutions	552,000	25,000	350,000	-
	Payment on short-term borrowings from				
	financial institutions	(222,000)	-	(150,000)	-
	Payment on long-term borrowings from				
	financial institutions	11.2	(808,200)	(752,200)	(616,000)
					(560,000)
	Payment on liabilities under				
	finance lease agreements	(1,121)	(1,388)	(1,121)	(1,388)
	Dividends paid	16	(461,703)	(424,555)	(449,172)
					(415,858)
	Interest paid	(74,538)	(68,093)	(47,700)	(40,233)
Net cash used in financing activities		(1,015,562)	(1,221,236)	(913,993)	(1,017,479)
Net decrease in cash and cash equivalents		(43,765)	(32,996)	(13,159)	(106,982)
	Cash and cash equivalents at beginning				
	of the period	177,965	311,218	89,303	249,113
Cash and cash equivalents at the end of the period		134,200	278,222	76,144	142,131
Supplemental cash flow information					
Non-cash related transactions:					
	Purchases of fixed assets and				
	intangible assets on payable	9,316	70,693	-	68,238

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

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

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:

<u>Company’s name</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of Shareholding</u>
<u>Subsidiary 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 financial information was authorised on 11 August 2017 by the Company’s Board of Directors.

This interim financial information has 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 standard which is effective for annual periods beginning on or after 1 January 2017 and 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 (revised 2016). 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.

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

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 six-month period ended 30 June 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		
For the six-month period ended 30 June 2017							
Revenue							
Revenue from third parties	1,310,046	768,035	90,884	35,263	44,841	-	2,249,069
Revenue from inter-segment	36,604	-	108,418	-	4,645	(149,667)	-
Total revenue	1,346,650	768,035	119,302	35,263	49,486	(149,667)	2,249,069
Cost of sales and services	(511,067)	(520,334)	(172,158)	(33,267)	(36,229)	149,667	(1,123,388)
Segment operating profit	835,583	247,701	27,144	1,996	13,257	-	1,125,681
Unallocated revenue (expenses)							
Other income							29,827
Selling expenses							(3,364)
Administrative expenses							(197,316)
Finance costs							(70,713)
Income tax							(167,666)
Net profit							716,449

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

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

5 Short-term investments

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Fixed deposits	119,919	133,424	-	-
Fixed deposits under the requirement of concession agreement	278,167	269,977	33,654	33,654
Available-for-sale investments	-	340,664	-	340,664
Total	398,086	744,065	33,654	374,318

As at 30 June 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 0.80% - 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. Available-for-sale investments are carried at fair value at quoted prices in active markets for identical assets (Level 1).

6 Trade and other receivables - net

The detail of trade and other receivables is as follows:

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Trade receivables	385,325	395,718	245,110	264,555
Other receivables	704	257	2,323	1,256
Service income receivable - water loss treatment - related party (Note 17.2)	4,955	3,911	-	-
Prepayments	30,022	20,830	24,546	15,817
Others	275	30	275	30
Total	421,281	420,746	272,254	281,658

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

6 Trade and other receivables - net (continued)

The detail of trade receivables is as follows:

	Consolidated		Separate	
	financial information		financial information	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Trade receivables - billed				
- Third parties	103,180	110,474	103,065	110,042
- Related parties (Note 17.2)	159,974	188,580	142,045	154,513
Total trade receivables - billed	263,154	299,054	245,110	264,555
Unbilled receivables				
- Third parties	1,241	743	-	-
- Related parties (Note 17.2)	120,930	95,921	-	-
Total unbilled receivables	122,171	96,664	-	-
	385,325	395,718	245,110	264,555

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

	Consolidated		Separate	
	financial information		financial information	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Within credit term	255,742	298,134	237,721	263,649
Overdue below 3 months	7,406	915	7,389	906
Overdue 3 - 6 months	-	2	-	-
Overdue 6 - 12 months	6	3	-	-
Overdue more than 12 months	615	615	615	615
	263,769	299,669	245,725	265,170
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	263,154	299,054	245,110	264,555

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

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		Dividend Income	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
			30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
			(Baht'000)	(Baht'000)	2017	2016	2017	2016	2017	2016
			(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	46,410	52,020
Total investment in subsidiary							510,000	510,000	46,410	52,020

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

8 Capital expenditures

	Consolidated financial information			Separate financial information		
	Investment property	Property, plant and equipment	Intangible assets	Investment property	Property, plant and equipment	Intangible assets
(Unit: Baht'000)						
For the six-month period ended 30 June 2017						
Opening net book amount (Audited)	193,923	14,062,211	3,692,725	221,690	13,822,751	38,585
Addition	1,265	345,949	141,295	1,466	314,971	7,000
Transfer, net	-	(14,045)	14,045	-	-	-
Write-off, net	(36)	(2,735)	-	(42)	(2,712)	-
Depreciation/Amortisation	(4,846)	(186,172)	(139,365)	(5,614)	(175,435)	(3,477)
Closing net book amount (Unaudited)	190,306	14,205,208	3,708,700	217,500	13,959,575	42,108

As at 30 June 2017, the Group has commitments for capital expenditures of Baht 271.7 million (31 December 2016: Baht 457.8 million).

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

9 Other non-current assets

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017	(Audited) 31 December 2016	(Unaudited) 30 June 2017	(Audited) 31 December 2016
Advance for construction	316,986	346,220	316,986	346,220
Prepaid expenses	35,669	37,487	7,360	7,985
Deposit and retention	2,108	15,377	-	13,228
Other receivables	32,802	32,802	-	-
Allowance for doubtful accounts - other receivables	(32,802)	(32,802)	-	-
Others	841	722	199	97
	<u>355,604</u>	<u>399,806</u>	<u>324,545</u>	<u>367,530</u>

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. On 19 July 2017, the Civil Court ordered the defendant to repay the damages to the subsidiary in the amount of Baht 37.5 million plus interest at the rate of 7.5 percent per annum commencing from the filing date. At present, the subsidiary is in process of following up the defendant's appeal which the period will end on 17 August 2017.

10 Trade accounts payable

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017	(Audited) 31 December 2016	(Unaudited) 30 June 2017	(Audited) 31 December 2016
Third parties	131,514	103,109	109,936	79,310
Related parties (Note 17.2)	57,171	30,145	27,895	22,437
	<u>188,685</u>	<u>133,254</u>	<u>137,831</u>	<u>101,747</u>

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

11 Borrowings

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017	(Audited) 31 December 2016	(Unaudited) 30 June 2017	(Audited) 31 December 2016
Current				
Short-term borrowings from financial institutions	1,930,000	1,600,000	200,000	-
Current portion of long-term borrowings from financial institutions	808,200	808,200	616,000	616,000
Total current borrowings	<u>2,738,200</u>	<u>2,408,200</u>	<u>816,000</u>	<u>616,000</u>
Non-current				
Long-term borrowings from financial institutions	2,392,400	3,200,600	2,008,000	2,624,000
Debentures	2,397,370	2,397,185	2,397,370	2,397,185
Total non-current borrowings	<u>4,789,770</u>	<u>5,597,785</u>	<u>4,405,370</u>	<u>5,021,185</u>
Total	<u>7,527,970</u>	<u>8,005,985</u>	<u>5,221,370</u>	<u>5,637,185</u>

11.1 Short-term borrowings from financial institutions

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017	(Audited) 31 December 2016	(Unaudited) 30 June 2017	(Audited) 31 December 2016
Promissory note	330,000	-	200,000	-
Borrowings from financial institutions	1,600,000	1,600,000	-	-
	<u>1,930,000</u>	<u>1,600,000</u>	<u>200,000</u>	<u>-</u>

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

Borrowing from a financial institution is a borrowing of Universal Utilities Public Company Limited. The loan bears interest rate at BIBOR+fixed rate per annum and the principal is repayable on 29 August 2017.

11.2 Long-term borrowings from financial institutions

	(Unit: Baht'000)			
	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017	(Audited) 31 December 2016	(Unaudited) 30 June 2017	(Audited) 31 December 2016
Long-term borrowings from financial institutions	3,200,600	4,008,800	2,624,000	3,240,000
<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>2,392,400</u>	<u>3,200,600</u>	<u>2,008,000</u>	<u>2,624,000</u>

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

11 Borrowings (continued)

11.2 Long-term borrowings from financial institutions (continued)

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>(808,200)</u>	<u>(616,000)</u>
Balance as at 30 June 2017 (Unaudited)	<u>3,200,600</u>	<u>2,624,000</u>

As at 30 June 2017, the Group has long-term credit facility that is not yet used amounting to Baht 1,700.0 million (31 December 2016: Baht 1,700.0 million).

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 financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited) 30 June 2017	(Audited) 31 December 2016	(Unaudited) 30 June 2017	(Audited) 31 December 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>(2,630)</u>	<u>(2,815)</u>	<u>(2,630)</u>	<u>(2,815)</u>
Debentures - net	<u>2,397,370</u>	<u>2,397,185</u>	<u>2,397,370</u>	<u>2,397,185</u>

Change in the debentures for the six-month period ended 30 June 2017 is as follows:

	Consolidated financial information	(Unit: Baht'000) Separate financial information
Balance as at 31 December 2016 (Audited)	2,397,185	2,397,185
Amortisation of issuing cost	<u>185</u>	<u>185</u>
Balance as at 30 June 2017 (Unaudited)	<u>2,397,370</u>	<u>2,397,370</u>

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

12 Other non-current liabilities

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Retentions payable	222,144	255,764	188,282	223,800
Bank guarantee received (Note 18.1)	371,735	371,735	371,735	371,735
Rental guarantees received from a subsidiary (Note 17.2)	-	-	58	58
	<u>593,879</u>	<u>627,499</u>	<u>560,075</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 30 June 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 Other Income

For the three-month period ended 30 June	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
Interest income	2,026	2,853	354	890
Dividend income	-	-	46,410	52,020
Gain on sales of available-for-sale investments	90	1,579	90	1,579
Others	7,228	10,833	5,553	7,815
	<u>9,344</u>	<u>15,265</u>	<u>52,407</u>	<u>62,304</u>

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

14 Other Income (continued)

For the six-month period ended 30 June	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
Interest income	4,023	5,474	766	1,885
Dividend income	-	-	46,410	52,020
Gain on sales of available-for-sale investments	1,826	3,173	1,826	3,173
Others	23,978	14,414	19,011	14,424
	<u>29,827</u>	<u>23,061</u>	<u>68,013</u>	<u>71,502</u>

15 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 six-month period ended 30 June 2016 was 18.48% per annum).

16 Dividend payments

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 782.0 million. The Company already paid an interim dividend of Baht 0.20 per share, totalling Baht 332.8 million on 29 September 2016. The remaining dividend payment of Baht 0.27 per share, totalling Baht 449.2 million was paid on 16 May 2017.

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

17 Related parties transactions

The Company is a public listed company. The first major of shareholder is the Provincial Waterworks Authority which owns 40.20% of the Company's share.

17.1 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.

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
For the three-month period ended 30 June	2017	2016	2017	2016
<u>Sales - raw water</u>				
Major Shareholders				
Provincial Waterworks Authority	111,684	172,942	111,684	172,942
Industrial Estate Authority of Thailand	237,574	245,733	237,574	245,733
Subsidiary				
Universal Utilities Public Company Limited	-	-	13,591	20,486
<u>Sales - tap water</u>				
Major Shareholder				
Provincial Waterworks Authority	309,336	305,489	44,387	47,375
<u>Construction revenue under concession agreement</u>				
Major Shareholder				
Provincial Waterworks Authority	19,268	2,143	-	-
<u>Rental and Service income</u>				
Major Shareholder				
Provincial Waterworks Authority	4,530	3,144	-	-
Subsidiary				
Universal Utilities Public Company Limited	-	-	2,323	2,315
<u>Dividend income (include in other income)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	46,410	52,020
<u>Other income</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	2,753	2,448
<u>Cost of sales and cost of services</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	54,685	54,524

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

17 Related parties transactions (continued)

17.1 Transactions incurred during the periods (continued)

For the six-month period ended 30 June	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
<u>Sales - raw water</u>				
Major Shareholders				
Provincial Waterworks Authority	234,248	337,503	234,248	337,503
Industrial Estate Authority of Thailand	484,343	489,181	484,343	489,181
Subsidiary				
Universal Utilities Public Company Limited	-	-	36,604	39,724
<u>Sales - tap water</u>				
Major Shareholder				
Provincial Waterworks Authority	608,118	606,649	90,216	93,949
<u>Construction revenue under concession agreement</u>				
Major Shareholder				
Provincial Waterworks Authority	64,489	9,244	-	-
<u>Rental and Service income</u>				
Major Shareholder				
Provincial Waterworks Authority	19,017	19,575	-	-
Subsidiary				
Universal Utilities Public Company Limited	-	-	4,645	4,037
<u>Dividend income (include in other income)</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	46,410	52,020
<u>Other income</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	5,336	5,256
<u>Cost of sales and cost of services</u>				
Subsidiary				
Universal Utilities Public Company Limited	-	-	108,418	108,578

Pricing policy for selling of raw water and rental is mutually - agreed prices as stipulated in the contracts.

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.

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

17 Related parties transactions (continued)

17.2 Outstanding balances at the end of the periods

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Trade accounts receivable - billed				
Major shareholders				
Provincial Waterworks Authority	78,138	102,040	56,316	62,776
Industrial Estate Authority of Thailand	81,836	86,540	81,836	86,540
Subsidiary				
Universal Utilities Public Company Limited	-	-	3,893	5,197
	<u>159,974</u>	<u>188,580</u>	<u>142,045</u>	<u>154,513</u>
Unbilled receivables				
Major shareholder				
Provincial Waterworks Authority	120,930	95,921	-	-
	<u>120,930</u>	<u>95,921</u>	<u>-</u>	<u>-</u>
Water loss treatment service income receivables				
Major shareholder				
Provincial Waterworks Authority				
- billed	176	1,799	-	-
- unbilled	4,779	2,112	-	-
	<u>4,955</u>	<u>3,911</u>	<u>-</u>	<u>-</u>
Other receivable				
Major shareholder				
Provincial Waterworks Authority	21	16	-	-
Subsidiary				
Universal Utilities Public Company Limited	-	-	1,031	1,103
	<u>21</u>	<u>16</u>	<u>1,031</u>	<u>1,103</u>
Trade accounts payable				
Major shareholder				
Provincial Waterworks Authority	57,171	30,145	7,863	2,028
Subsidiary				
Universal Utilities Public Company Limited	-	-	20,032	20,409
	<u>57,171</u>	<u>30,145</u>	<u>27,895</u>	<u>22,437</u>
Rental guarantees				
Subsidiary				
Universal Utilities Public Company Limited	-	-	58	58

17 Related parties transactions (continued)

17.3 Key management compensation

Key management compensation can be categorised as follows:

	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
For the three-month period ended 30 June				
Short-term employee benefits	26,968	23,467	19,722	16,208
Post-employee benefits	1,101	1,050	663	629
Other long-term employee benefits	7	7	2	2
	<u>28,076</u>	<u>24,524</u>	<u>20,387</u>	<u>16,839</u>

	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
For the six-month period ended 30 June				
Short-term employee benefits	49,050	43,803	35,157	29,907
Post-employee benefits	2,201	2,100	1,325	1,257
Other long-term employee benefits	16	14	5	4
	<u>51,267</u>	<u>45,917</u>	<u>36,487</u>	<u>31,168</u>

18 Commitments and contingent liabilities

As at 30 June 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:

18.1 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. 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 and requested compensation, totalling Baht 1,746.8 million. This case is currently in a conciliation period at the Rayong Provincial Court.

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.

As at 30 June 2017, the financial information shows total construction in progress and advance for construction Baht 1,495.1 million and Baht 242.9 million, respectively. 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 recognised in the financial information.

18 Commitments and contingent liabilities (continued)

18.1 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 30th and 31st 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. Therefore, the case is finalised.

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 Por 62/2558 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.
4. 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. On 14 June 2017, the plaintiff withdrew the case. The Court ordered to dispose the case only for the Company's lawsuit part. The plaintiff confirmed the Court that he will not file a lawsuit against the Company as a new case.

18 Commitments and contingent liabilities (continued)

18.1 Litigations (continued)

Progress of last year litigations (continued)

The Company:

5. The Company and Samed Utilities Company Limited, were sued for compensation and damages in a lawsuit of black case number Por 808/2558 regarding a breach of an agreement. The private company filed a complaint with the Civil Court requesting that the Company and the subsidiary be ordered to pay damages totalling Baht 30.9 million. On 17 November 2015, the Court made the decision that Samed Utilities Company Limited to pay the private company Baht 20.5 million plus interest at 7.50% per annum and dismissed the case 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. As at 30 June 2017, this case is in process of consideration by the Supreme Court.

The Subsidiary:

1. On 16 February 2016, Universal Utilities Public Company Limited is plaintiff filed a private suit in civil Black Case No. 710/2559 about with a breach of the Raw Water Purchase Agreement, together with the payment of damages of Baht 2.3 million and interest of 7.5% per annum, counting from the date until the payment is completed. And pay compensation at the rate of 0.1 million per day, counting from the date of filing until the execution of the Raw Water Purchase Agreement. Or until the end of the contract.

On 3 March 2016, Universal Utilities Public Company Limited was sued by a private company in a lawsuit of black case number Por 994/2559 regarding a breach of a raw water purchase agreement. The private company requested the subsidiary to pay for the raw water totalling Baht 2.0 million as well as damages for the opportunity cost and investment totalling Baht 453.5 million plus interest at 7.50% per annum, counting from the date of filing until the payment is completed.

On 5 June 2017, the Court agreed with a compromise by which between both parties in a lawsuit had compromised together. The plaintiff withdrew the lawsuit from the Court and Universal Utilities Public Company Limited had no negative impact from this case.

19 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.

20 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;

20.1 Sales volume of raw water classified by distribution networks

	Separate financial information (Unaudited)			
	For the three-month period ended 30 June			
	2017		2016	
	Sales Volume	Sales	Sales Volume	Sales
	Cubic Meters'000	Baht'000	Cubic Meters'000	Baht'000
Total used volume of raw water				
Nong Pla Lai - Map Ta Pud Network	20,873	225,520	27,234	301,333
Dok Krai - Map Ta Pud Network	23,478	252,932	18,898	200,387
Chachoengsao - Chonburi Network	16,624	162,510	23,814	244,482
Nong Pla Lai - Nong Khor Network	6,043	62,153	6,128	65,552
Total	67,018	703,115	76,074	811,754
Less Raw water uses to produce tap water				
Dok Krai - Map Ta Pud Network	(4,137)	(36,468)	(4,341)	(42,976)
Nong Pla Lai - Nong Khor Network	(1,577)	(13,989)	(1,409)	(13,941)
Total volume and sales of raw water	<u>61,304</u>	<u>652,658</u>	<u>70,324</u>	<u>754,837</u>

Eastern Water Resources Development and Management Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2017

20 Sales of raw water by distribution networks (continued)

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

	Separate financial information (Unaudited)			
	For the six-month period ended 30 June			
	2017		2016	
	Sales Volume Cubic Meters'000	Sales Baht'000	Sales Volume Cubic Meters'000	Sales Baht'000
Total used volume of raw water				
Nong Pla Lai - Map Ta Pud Network	43,940	477,786	46,647	511,544
Dok Krai - Map Ta Pud Network	45,311	494,276	43,396	467,846
Chachoengsao - Chonburi Network	34,604	347,499	46,553	477,930
Nong Pla Lai - Nong Khor Network	13,140	139,479	12,107	129,088
Total	136,995	1,459,040	148,703	1,586,408
Less Raw water uses to produce tap water				
Dok Krai - Map Ta Pud Network	(8,241)	(81,587)	(8,675)	(85,880)
Nong Pla Lai - Nong Khor Network	(3,111)	(30,802)	(2,712)	(26,845)
Total volume and sales of raw water	125,643	1,346,651	137,316	1,473,683

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

	(Unit: Baht'000)	
	Separate financial information (Unaudited)	
	For the three-month period ended 30 June	
	2017	2016
Nong Khor - Laem Chabang Network 1	87,844	139,106
Nong Khor - Laem Chabang Network 2	35,458	46,720
Chachoengsao Network	39,208	58,656
Total	162,510	244,482

	(Unit: Baht'000)	
	Separate financial information (Unaudited)	
	For the six-month period ended 30 June	
	2017	2016
Nong Khor - Laem Chabang Network 1	200,926	274,093
Nong Khor - Laem Chabang Network 2	71,951	92,408
Chachoengsao Network	74,622	111,429
Total	347,499	477,930

20 Sales of raw water by distribution networks (continued)

20.2 Quantity proportion of raw water sold to end users

	Separate financial information (Unaudited)	
	For the six-month period ended 30 June	
	2017	2016
	%	%
Industrial Estates	57	52
Waterworks Authority	19	25
Factories	24	23
Total	<u>100</u>	<u>100</u>