

## **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 September 2017, and the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-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

10 November 2017

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

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

**30 SEPTEMBER 2017**

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

		(Unit: Baht'000)			
		Consolidated		Separate	
		financial information		financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
	Cash and cash equivalents	120,303	177,965	76,778	89,303
5	Short-term investments	351,161	744,065	33,654	374,318
6	Trade and other receivables	391,058	420,746	256,376	281,658
	Inventories	11,403	10,587	-	-
	Other current assets	29,687	31,033	9,168	19,114
	<b>Total current assets</b>	<b>903,612</b>	<b>1,384,396</b>	<b>375,976</b>	<b>764,393</b>
<b>Non-current assets</b>					
7	Investment in a subsidiary	-	-	510,000	510,000
8	Investment property - net	188,118	193,923	214,965	221,690
8	Property, plant and equipment - net	14,256,547	14,062,211	13,993,047	13,822,751
	Goodwill	103,283	103,283	-	-
8	Intangible assets - net	3,680,965	3,692,725	41,177	38,585
	Deferred tax assets	22,217	24,051	-	-
9	Other non-current assets	352,067	399,806	321,150	367,530
	<b>Total non-current assets</b>	<b>18,603,197</b>	<b>18,475,999</b>	<b>15,080,339</b>	<b>14,960,556</b>
	<b>Total assets</b>	<b>19,506,809</b>	<b>19,860,395</b>	<b>15,456,315</b>	<b>15,724,949</b>

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

The accompanying condensed notes on pages 13 to 32 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Financial Position (continued)

As at 30 September 2017

		(Unit: Baht'000)			
		Consolidated		Separate	
		financial information		financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2017	2016	2017	2016
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
	Short-term borrowings from				
	financial institutions	380,000	1,600,000	285,000	-
	Trade account payables	142,634	133,254	110,297	101,747
	Payable for purchase of fixed assets	58,607	117,997	52,958	85,963
	Current portion of long-term liabilities				
	under finance lease agreements	1,644	1,407	1,644	1,407
	Current portion of long-term borrowings				
	from financial institutions	808,200	808,200	616,000	616,000
	Income tax payable	82,610	129,308	66,764	98,815
	Accrued expenses	195,946	176,960	144,881	116,241
	Other current liabilities	74,536	59,395	47,479	28,437
	<b>Total current liabilities</b>	<b>1,744,177</b>	<b>3,026,521</b>	<b>1,325,023</b>	<b>1,048,610</b>
<b>Non-current liabilities</b>					
	Long-term liabilities under				
	finance lease agreements	2,888	435	2,888	435
	Long-term borrowings from				
	financial institutions	3,992,400	3,200,600	2,008,000	2,624,000
	Debentures	2,397,466	2,397,185	2,397,466	2,397,185
	Deferred tax liabilities	393,158	410,097	40,864	38,406
	Employee benefit obligations	131,527	129,087	94,608	76,705
	Long-term provisions	25,955	20,670	-	-
	Other non-current liabilities	608,825	627,499	573,219	595,593
	<b>Total non-current liabilities</b>	<b>7,552,219</b>	<b>6,785,573</b>	<b>5,117,045</b>	<b>5,732,324</b>
	<b>Total liabilities</b>	<b>9,296,396</b>	<b>9,812,094</b>	<b>6,442,068</b>	<b>6,780,934</b>

The accompanying condensed notes on pages 13 to 32 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Financial Position (continued)

As at 30 September 2017

	(Unit: Baht'000)			
	Consolidated		Separate	
	financial information		financial information	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
30 September	31 December	30 September	31 December	
2017	2016	2017	2016	
<b>Liabilities and equity</b> (continued)				
<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				
	5,983,032	5,820,660	4,996,224	4,922,918
Other components of equity	15,622	18,696	15,622	18,696
Equity attributable to owners of the parent	10,001,055	9,841,757	9,014,247	8,944,015
Non-controlling interests	209,358	206,544	-	-
<b>Total equity</b>	<b>10,210,413</b>	<b>10,048,301</b>	<b>9,014,247</b>	<b>8,944,015</b>
<b>Total liabilities and equity</b>	<b>19,506,809</b>	<b>19,860,395</b>	<b>15,456,315</b>	<b>15,724,949</b>

The accompanying condensed notes on pages 13 to 32 are an integral part of this interim financial information.

**Eastern Water Resources Development and Management Public Company Limited**  
**Statement of Comprehensive Income**  
**For the three-month period ended 30 September 2017**

		(Unit: Baht'000)			
		Consolidated		Separate	
		financial information		financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2017	2016	2017	2016
<b>Revenues</b>	17.1				
Sales - raw water		575,676	646,559	580,445	656,715
Sales - tap water		361,406	351,766	97,101	95,715
Construction revenue under concession agreements		44,000	59,923	-	-
Rental and service income		37,993	42,018	31,454	24,936
<b>Total sales and service income</b>		1,019,075	1,100,266	709,000	777,366
Other income	14	10,024	5,333	65,707	4,673
<b>Total revenues</b>		1,029,099	1,105,599	774,707	782,039
<b>Expenses</b>	17.1				
Cost of sales - raw water		219,946	278,645	223,326	290,704
Cost of sales - tap water		220,987	205,493	80,548	82,064
Construction cost under concession agreements		44,000	59,923	-	-
Cost of rental and services		31,561	34,276	23,567	17,069
<b>Total cost of sales and services</b>		516,494	578,337	327,441	389,837
Selling expenses		2,640	2,523	2,124	2,160
Administrative expenses		97,813	96,038	63,166	67,250
Finance costs		35,103	24,880	22,040	10,980
<b>Total expenses</b>		652,050	701,778	414,771	470,227
<b>Profit before income tax</b>		377,049	403,821	359,936	311,812
Income tax expense	15	(86,445)	(73,965)	(72,397)	(60,480)
<b>Net profit for the period</b>		290,604	329,856	287,539	251,332

The accompanying condensed notes on pages 13 to 32 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Comprehensive Income (continued)

For the three-month period ended 30 September 2017

	(Unit: Baht'000)			
	Consolidated		Separate	
	financial information	financial information	financial information	financial information
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
<b>Other comprehensive income :</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurements of post-employment benefit obligations	3,372	-	(7,734)	-
Related income tax	(674)	-	1,547	-
Total items that will not be reclassified subsequently to profit or loss	2,698	-	(6,187)	-
<i>Items that will be reclassified subsequently to profit or loss</i>				
Asset transferred from customers	(848)	(849)	(848)	(849)
Total items that will be reclassified subsequently to profit or loss	(848)	(849)	(848)	(849)
<b>Other comprehensive income for the period, net of tax</b>	1,850	(849)	(7,035)	(849)
<b>Total comprehensive income for the period</b>	292,454	329,007	280,504	250,483
<b>Profit attributable to</b>				
Owners of the parent company	285,343	324,915	287,539	251,332
Non-controlling interests	5,261	4,941	-	-
	290,604	329,856	287,539	251,332
<b>Total comprehensive income attributable to</b>				
Owners of the parent company	287,193	324,066	280,504	250,483
Non-controlling interests	5,261	4,941	-	-
	292,454	329,007	280,504	250,483
<b>Earnings per share (Baht)</b>				
Basic earnings per share	0.17	0.20	0.17	0.15

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Eastern Water Resources Development and Management Public Company Limited

Statement of Comprehensive Income (continued)

For the nine-month period ended 30 September 2017

		(Unit: Baht'000)			
		Consolidated		Separate	
		financial information		financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2017	2016	2017	2016
	<b>Revenues</b>				
	17.1				
	Sales - raw water	1,885,722	2,080,518	1,927,096	2,130,398
	Sales - tap water	1,069,409	1,053,999	284,883	284,977
	Construction revenue under concession agreements	192,340	70,718	-	-
	Rental and service income	120,673	127,744	80,941	70,154
	<b>Total sales and service income</b>	<b>3,268,144</b>	<b>3,332,979</b>	<b>2,292,920</b>	<b>2,485,529</b>
	Other income	39,851	28,394	133,720	76,175
	<b>Total revenues</b>	<b>3,307,995</b>	<b>3,361,373</b>	<b>2,426,640</b>	<b>2,561,704</b>
	<b>Expenses</b>				
	17.1				
	Cost of sales - raw water	712,344	861,647	734,393	892,841
	Cost of sales - tap water	636,726	609,727	235,411	240,480
	Construction cost under concession agreements	192,340	70,718	-	-
	Cost of rental and services	98,472	103,047	57,964	50,548
	<b>Total cost of sales and services</b>	<b>1,639,882</b>	<b>1,645,139</b>	<b>1,027,768</b>	<b>1,183,869</b>
	Selling expenses	6,004	8,612	4,981	5,192
	Administrative expenses	295,129	285,184	200,070	193,492
	Finance costs	105,816	81,538	66,049	38,872
	<b>Total expenses</b>	<b>2,046,831</b>	<b>2,020,473</b>	<b>1,298,868</b>	<b>1,421,425</b>
	<b>Profit before income tax</b>	<b>1,261,164</b>	<b>1,340,900</b>	<b>1,127,772</b>	<b>1,140,279</b>
	Income tax expense	(254,111)	(266,217)	(216,417)	(221,927)
	<b>Net profit for the period</b>	<b>1,007,053</b>	<b>1,074,683</b>	<b>911,355</b>	<b>918,352</b>

The accompanying condensed notes on pages 13 to 32 are an integral part of this interim financial information.



Eastern Water Resources Development and Management Public Company Limited

Statement of Comprehensive Income (continued)

For the nine-month period ended 30 September 2017

	(Unit: Baht'000)			
	Consolidated		Separate	
	financial information	financial information	financial information	financial information
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
<b>Other comprehensive income :</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurements of post-employment benefit obligations	3,372	-	(7,734)	-
Related income tax	(674)	-	1,547	-
Total items that will not be reclassified subsequently to profit or loss	2,698	-	(6,187)	-
<i>Items that will be reclassified subsequently to profit or loss</i>				
Asset transferred from customers	(2,543)	(2,548)	(2,543)	(2,548)
Fair value of available-for-sale investments recycled to profit or loss	(664)	(1,383)	(664)	(1,383)
Related income tax	133	277	133	277
Total items that will be reclassified subsequently to profit or loss	(3,074)	(3,654)	(3,074)	(3,654)
<b>Other comprehensive income for the period, net of tax</b>	(376)	(3,654)	(9,261)	(3,654)
<b>Total comprehensive income for the period</b>	1,006,677	1,071,029	902,094	914,698
<b>Profit attributable to</b>				
Owners of the parent company	991,536	1,060,356	911,355	918,352
Non-controlling interests	15,517	14,327	-	-
	1,007,053	1,074,683	911,355	918,352
<b>Total comprehensive income attributable to</b>				
Owners of the parent company	991,160	1,056,702	902,094	914,698
Non-controlling interests	15,517	14,327	-	-
	1,006,677	1,071,029	902,094	914,698
<b>Earnings per share (Baht)</b>				
Basic earnings per share	0.60	0.64	0.55	0.55

The accompanying condensed notes on pages 13 to 32 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 nine-month period ended 30 September 2017

(Unit: Baht'000)										
(Unaudited)										
Consolidated financial information										
Attributable to owners of the parent										
Notes	Retained earnings				Other components of equity			Total owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Premium on share capital	Appropriated -		Assets transferred from customers-net	Change in value of available-for-sale investments	Total other component of equity			
			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	1,106	22,668	9,294,692	204,871	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	1,106	22,668	9,294,692	204,871	9,499,563
Dividend paid	-	-	-	(748,677)	-	-	-	(748,677)	(12,805)	(761,482)
Comprehensive income for the period	-	-	-	1,060,356	(2,548)	(1,106)	(3,654)	1,056,702	14,327	1,071,029
<b>Closing balance as at 30 September 2016</b>	<u>1,663,725</u>	<u>2,138,522</u>	<u>189,952</u>	<u>5,591,504</u>	<u>19,014</u>	<u>-</u>	<u>19,014</u>	<u>9,602,717</u>	<u>206,393</u>	<u>9,809,110</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
Dividend paid	16	-	-	(831,862)	-	-	-	(831,862)	(12,703)	(844,565)
Comprehensive income for the period	-	-	-	994,234	(2,543)	(531)	(3,074)	991,160	15,517	1,006,677
<b>Closing balance as at 30 September 2017</b>	<u>1,663,725</u>	<u>2,138,522</u>	<u>200,154</u>	<u>5,983,032</u>	<u>15,622</u>	<u>-</u>	<u>15,622</u>	<u>10,001,055</u>	<u>209,358</u>	<u>10,210,413</u>

The accompanying condensed notes on pages 13 to 32 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 nine-month period ended 30 September 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		
<b>Opening balance as at 1 January 2016</b>								
	1,663,725	2,138,522	166,500	4,521,360	21,562	1,106	22,668	8,512,775
13	-	-	23,452	(23,452)	-	-	-	-
<b>Opening balance as at 1 January 2016 - as newly reported</b>								
	1,663,725	2,138,522	189,952	4,497,908	21,562	1,106	22,668	8,512,775
	-	-	-	(748,677)	-	-	-	(748,677)
	-	-	-	918,352	(2,548)	(1,106)	(3,654)	914,698
<b>Closing balance as at 30 September 2016</b>								
	1,663,725	2,138,522	189,952	4,667,583	19,014	-	19,014	8,678,796
<b>Opening balance as at 1 January 2017</b>								
	1,663,725	2,138,522	166,500	4,956,572	18,165	531	18,696	8,944,015
13	-	-	33,654	(33,654)	-	-	-	-
<b>Opening balance as at 1 January 2017 - as newly reported</b>								
	1,663,725	2,138,522	200,154	4,922,918	18,165	531	18,696	8,944,015
16	-	-	-	(831,862)	-	-	-	(831,862)
	-	-	-	905,168	(2,543)	(531)	(3,074)	902,094
<b>Closing balance as at 30 September 2017</b>								
	1,663,725	2,138,522	200,154	4,996,224	15,622	-	15,622	9,014,247

The accompanying condensed notes on pages 13 to 32 are an integral part of this interim financial information.

Eastern Water Resources Development and Management Public Company Limited

Statement of Cash Flows

For the nine-month period ended 30 September 2017

		(Unit: Baht'000)			
		Consolidated		Separate	
		financial information		financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2017	2016	2017	2016
<b>Cash flows from operating activities</b>					
	Profit before income tax	1,261,164	1,340,900	1,127,772	1,140,279
	Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities				
	Depreciation	8	289,723	283,751	274,293
	Amortisation	8	211,959	198,259	5,266
	Income from amortisation of assets transferred from customers		(2,543)	(2,548)	(2,543)
	Losses on write off equipment		776	5,214	476
	Gain on sales of available-for-sale investments	14	(1,863)	(3,173)	(1,863)
	Long-term provisions		14,178	3,158	-
	Employee benefit obligations		12,347	11,821	7,240
	Dividend income	7,14	-	-	(105,570)
	Interest income	14	(5,386)	(7,388)	(916)
	Interest expenses		105,010	80,373	65,243
	<b>Profit from operating activities before changes in operating assets and liabilities</b>	1,885,365	1,910,367	1,369,398	1,405,127
	Changes in operating assets (increase) decrease				
	Trade and other accounts receivable		29,688	35,925	34,746
	Inventories		(816)	(615)	-
	Other current assets		6,007	(3,303)	9,800
	Other non-current assets		15,769	1,212	14,368
	Changes in operating liabilities increase (decrease)				
	Trade accounts payable		9,380	57,293	8,550
	Accrued expenses		(4,806)	(20,470)	4,848
	Other current liabilities		19,796	2,792	18,688
	Employee benefit obligations - paid		(6,535)	(5,288)	(6,535)
	Long-term provisions - paid		(8,865)	(4,653)	-
	Other non-current liabilities		(18,674)	29,316	(22,374)
	Cash provided by operations		1,926,309	2,002,576	1,431,489
	Income tax paid		(321,576)	(347,497)	(244,331)
	<b>Net cash generated from operating activities</b>		1,604,733	1,655,079	1,187,158

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Eastern Water Resources Development and Management Public Company Limited

Statement of Cash Flows (continued)

For the nine-month period ended 30 September 2017

		(Unit: Baht'000)			
		Consolidated		Separate	
		financial information		financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		2017	2016	2017	2016
<b>Cash flows from investing activities</b>					
	Purchases of short-term investments	(1,211,495)	(631,558)	(419,000)	(80,948)
	Proceeds from disposal of short-term investments	1,605,597	1,083,296	760,863	603,173
	Interest received	5,845	6,634	1,062	2,102
7	Dividend received	-	-	105,570	52,020
	Purchase of investment property	(1,265)	(340)	(1,466)	(394)
	Purchase of fixed assets and advance for construction	(418,401)	(653,601)	(364,262)	(618,818)
	Purchase of intangible assets	(213,896)	(55,511)	(7,859)	(8,934)
	Interest capitalised in qualifying assets	(65,673)	(84,408)	(65,673)	(84,128)
<b>Net cash generated from (used in) investing activities</b>		<u>(299,288)</u>	<u>(335,488)</u>	<u>9,235</u>	<u>(135,927)</u>
<b>Cash flows from financing activities</b>					
	Proceeds from short-term borrowings from financial institutions	1,057,000	155,000	790,000	130,000
	Payment on short-term borrowings from financial institutions	(2,277,000)	(100,000)	(505,000)	(75,000)
	Proceeds from long-term borrowings from financial institutions	1,600,000	-	-	-
	Payment on long-term borrowings from financial institutions	(808,200)	(752,200)	(616,000)	(560,000)
	Payment on liabilities under finance lease agreements	(1,542)	(2,112)	(1,542)	(2,112)
	Dividend paid	(848,626)	(762,564)	(831,506)	(748,492)
	Interest paid	(84,739)	(82,444)	(44,870)	(41,118)
<b>Net cash used in financing activities</b>		<u>(1,363,107)</u>	<u>(1,544,320)</u>	<u>(1,208,918)</u>	<u>(1,296,722)</u>
<b>Net decrease in cash and cash equivalents</b>		(57,662)	(224,729)	(12,525)	(205,037)
	Cash and cash equivalents at the beginning of the period	<u>177,965</u>	<u>311,218</u>	<u>89,303</u>	<u>249,113</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>120,303</u></u>	<u><u>86,489</u></u>	<u><u>76,778</u></u>	<u><u>44,076</u></u>
<b>Supplemental cash flow information</b>					
Non-cash related transactions:					
	Purchase of fixed assets and intangible assets on payable	58,085	106,984	52,958	76,946
	Purchase of equipment from financial lease agreement	4,532	-	4,532	-

The accompanying condensed notes on pages 13 to 32 are an integral part of this interim financial information.

**1 General information**

Eastern Water Resources Development and Management Public Company Limited (“the Company”) is a public limited company. It is incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

23<sup>rd</sup> - 26<sup>th</sup> 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>Ownership interest</b>
<u>Subsidiary held directly by the Company</u>			
Universal Utilities Public Company Limited	Production and supply of tap water and water loss treatment.	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 10 November 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**

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.

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 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 Accounting policies** (continued)

**2.2 Revised financial reporting standards**

2.2.1 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): Separate financial statements, 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.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017): Statements of cash flows, the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash transactions.

TAS 12 (revised 2017): Income taxes, the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable

TFRS 12 (revised 2017): Disclosure of interests in other entities, the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as asset held for sale according to TFRS 5 (revised 2017) Non-current assets held for sale and discontinued operations, except for the disclosure of summarised financial information for subsidiaries, joint ventures or associates which are classified as non-current assets held for sale.

The Group's management has assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

**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 nine-month period ended 30 September 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 in annual financial statements. 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 nine-month period ended 30 September is summarised as follows:

(Unit: Baht'000)							
Consolidated financial information (Unaudited)							
	Sales		Service income			Elimination	Total
	Supply of raw water business	Supply of tap water business	Waterworks management business	Engineering services	Others		
<b>For the nine-month period ended 30 September 2017</b>							
<b>Revenue</b>							
Revenue from third parties	1,885,722	1,150,391	115,677	49,222	67,132	-	3,268,144
Revenue from inter-segment	41,375	-	164,156	-	13,809	(219,340)	-
<b>Total revenue</b>	<b>1,927,097</b>	<b>1,150,391</b>	<b>279,833</b>	<b>49,222</b>	<b>80,941</b>	<b>(219,340)</b>	<b>3,268,144</b>
<b>Cost of sales and services</b>	<b>(734,393)</b>	<b>(775,234)</b>	<b>(241,317)</b>	<b>(47,078)</b>	<b>(61,200)</b>	<b>219,340</b>	<b>(1,639,882)</b>
Segment operating profit	1,192,704	375,157	38,516	2,144	19,741	-	1,628,262
<b>Unallocated revenue (expenses)</b>							
Other income							39,851
Selling expenses							(6,004)
Administrative expenses							(295,129)
Finance costs							(105,816)
Income tax							(254,111)
<b>Net profit</b>							<b>1,007,053</b>

(Unit: Baht'000)							
Consolidated financial information (Unaudited)							
	Sales		Service income			Elimination	Total
	Supply of raw water business	Supply of tap water business	Waterworks management business	Engineering services	Others		
<b>For the nine-month period ended 30 September 2016</b>							
<b>Revenue</b>							
Revenue from third parties	2,080,518	1,110,074	15,455	63,116	63,816	-	3,332,979
Revenue from inter-segment	49,880	-	164,085	5,265	6,338	(225,568)	-
<b>Total revenue</b>	<b>2,130,398</b>	<b>1,110,074</b>	<b>179,540</b>	<b>68,381</b>	<b>70,154</b>	<b>(225,568)</b>	<b>3,332,979</b>
<b>Cost of sales and services</b>	<b>(892,841)</b>	<b>(739,245)</b>	<b>(128,612)</b>	<b>(58,657)</b>	<b>(51,352)</b>	<b>225,568</b>	<b>(1,645,139)</b>
Segment operating profit	1,237,557	370,829	50,928	9,724	18,802	-	1,687,840
<b>Unallocated revenue (expenses)</b>							
Other income							28,394
Selling expenses							(8,612)
Administrative expenses							(285,184)
Finance costs							(81,538)
Income tax							(266,217)
<b>Net profit</b>							<b>1,074,683</b>



**5 Short-term investments**

	<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>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Fixed deposits	63,256	133,424	-	-
Fixed deposits under the requirement of concession agreement	287,905	269,977	33,654	33,654
Available-for-sale investments	-	340,664	-	340,664
<b>Total</b>	<b>351,161</b>	<b>744,065</b>	<b>33,654</b>	<b>374,318</b>

As at 30 September 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% - 1.60% 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:

	<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>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Trade receivables	359,246	395,718	216,887	264,555
Other receivables	561	257	17,828	1,256
Service income receivables - water loss treatment - related party (Note 17.2)	5,814	3,911	-	-
Prepayments	25,350	20,830	21,574	15,817
Others	87	30	87	30
<b>Total</b>	<b>391,058</b>	<b>420,746</b>	<b>256,376</b>	<b>281,658</b>

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

The detail of trade 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>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Trade receivables - billed				
- Third parties	101,343	110,474	100,772	110,042
- Related parties (Note 17.2)	157,749	188,580	116,115	154,513
<b>Total trade receivables - billed</b>	<b>259,092</b>	<b>299,054</b>	<b>216,887</b>	<b>264,555</b>
Unbilled receivables				
- Third parties	1,314	743	-	-
- Related parties (Note 17.2)	98,840	95,921	-	-
<b>Total unbilled receivables</b>	<b>100,154</b>	<b>96,664</b>	<b>-</b>	<b>-</b>
	<b>359,246</b>	<b>395,718</b>	<b>216,887</b>	<b>264,555</b>

The aging analysis of the trade receivables - 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>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Within credit term	257,083	298,134	214,895	263,649
Overdue below 3 months	1,583	915	1,573	906
Overdue 3 - 6 months	421	2	419	-
Overdue 6 - 12 months	5	3	-	-
Overdue more than 12 months	615	615	615	615
	<b>259,707</b>	<b>299,669</b>	<b>217,502</b>	<b>265,170</b>
<u>Less</u> Allowance for doubtful accounts	(615)	(615)	(615)	(615)
	<b>259,092</b>	<b>299,054</b>	<b>216,887</b>	<b>264,555</b>

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**7 Investment in a subsidiary**

Investment in a 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 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	30 September 2016
			(Baht'000)	(Baht'000)	%	%	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)
Universal Utilities Public Company Limited	Produce and supply of tap water and water loss treatment	Thailand	510,000	510,000	100	100	510,000	510,000	105,570	52,020
Total investment in a subsidiary							510,000	510,000	105,570	52,020

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 nine-month period ended 30 September 2017</b>						
Opening net book amount (Audited)	193,923	14,062,211	3,692,725	221,690	13,822,751	38,585
Addition	1,265	496,804	186,154	1,466	441,826	7,858
Transfer, net	-	(14,045)	14,045	-	-	-
Write-off, net	(36)	(5,734)	-	(42)	(5,386)	-
Depreciation/Amortisation	(7,034)	(282,689)	(211,959)	(8,149)	(266,144)	(5,266)
Closing net book amount (Unaudited)	188,118	14,256,547	3,680,965	214,965	13,993,047	41,177

As at 30 September 2017, the Group has commitments for capital expenditures of Baht 237.2 million (31 December 2016: Baht 457.8 million).

9 Other non-current assets

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
Advance for construction	309,257	346,220	309,257	346,220
Prepaid expenses	34,986	37,487	6,845	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	5,716	722	5,048	97
	<u>352,067</u>	<u>399,806</u>	<u>321,150</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 November 2017.

10 Trade account payables

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
Third parties	102,775	103,109	80,560	79,310
Related parties (Note 17.2)	39,859	30,145	29,737	22,437
	<u>142,634</u>	<u>133,254</u>	<u>110,297</u>	<u>101,747</u>

11 Borrowings

	Consolidated		(Unit: Baht'000) Separate	
	financial information		financial information	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
<b>Current</b>				
Short-term borrowings from financial institutions	380,000	1,600,000	285,000	-
Current portion of long-term borrowings from financial institutions	808,200	808,200	616,000	616,000
Total current borrowings	1,188,200	2,408,200	901,000	616,000
<b>Non-current</b>				
Long-term borrowings from financial institutions	3,992,400	3,200,600	2,008,000	2,624,000
Debentures	2,397,466	2,397,185	2,397,466	2,397,185
Total non-current borrowings	6,389,866	5,597,785	4,405,466	5,021,185
Total borrowings	7,578,066	8,005,985	5,306,466	5,637,185

11.1 Short-term borrowings from financial institutions

	Consolidated		(Unit: Baht'000) Separate	
	financial information		financial information	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
Promissory note	380,000	-	285,000	-
Borrowings from a financial institution	-	1,600,000	-	-
	380,000	1,600,000	285,000	-

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

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

	(Unit: Baht'000) Separate	
	Consolidated financial information	financial information
Opening balance as at 31 December 2016 (Audited)	1,600,000	-
Addition	1,057,000	790,000
Repayment	(2,277,000)	(505,000)
Closing balance as at 30 September 2017 (Unaudited)	380,000	285,000

11 Borrowings (continued)

11.2 Long-term borrowings from financial institutions

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
Long-term borrowings from financial institutions	4,800,600	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>3,992,400</u>	<u>3,200,600</u>	<u>2,008,000</u>	<u>2,624,000</u>

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

	(Unit: Baht'000)	
	Consolidated financial information	Separate financial information
Opening balance as at 31 December 2016 (Audited)	4,008,800	3,240,000
Addition	1,600,000	-
Repayment	<u>(808,200)</u>	<u>(616,000)</u>
Closing balance as at 30 September 2017 (Unaudited)	<u>4,800,600</u>	<u>2,624,000</u>

As at 30 September 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).

On 25 August 2017, Universal Utilities Public Company Limited, a subsidiary, entered into long-term borrowing agreement with a financial institution amounting to Baht 1,600.0 million for the purpose of repayment the short-term borrowing from a financial institution of Baht 1,600.0 million, due in the third quarter of 2017. The long-term borrowing bears interest rate at BIBOR + fixed rate per annum and the principal is repayable on 29 August 2019.

11.3 Debentures

Debentures comprise of:

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) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 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>(2,534)</u>	<u>(2,815)</u>	<u>(2,534)</u>	<u>(2,815)</u>
Debentures - net	<u>2,397,466</u>	<u>2,397,185</u>	<u>2,397,466</u>	<u>2,397,185</u>

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**11 Borrowings** (continued)

**11.3 Debentures** (continued)

Change in the debentures is as follows:

	<b>Consolidated financial information</b>	<b>(Unit: Baht'000) Separate financial information</b>
Opening balance as at 31 December 2016 (Audited)	2,397,185	2,397,185
Amortisation of issuing cost	281	281
Closing balance as at 30 September 2017 (Unaudited)	<u>2,397,466</u>	<u>2,397,466</u>

**12 Other non-current liabilities**

	<b>Consolidated financial information</b>		<b>(Unit: Baht'000) Separate financial information</b>	
	<b>(Unaudited) 30 September 2017</b>	<b>(Audited) 31 December 2016</b>	<b>(Unaudited) 30 September 2017</b>	<b>(Audited) 31 December 2016</b>
Retentions payable	227,011	255,764	191,347	223,800
Bank guarantee received (Note 18.1)	381,814	371,735	381,814	371,735
Rental guarantees received from a subsidiary (Note 17.2)	-	-	58	58
	<u>608,825</u>	<u>627,499</u>	<u>573,219</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.

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.

As at 30 September 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.



14 Other Income

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>For the three-month period ended 30 September</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Interest income	1,363	1,914	150	607
Dividend income	-	-	59,160	-
Others	8,661	3,419	6,397	4,066
	<u>10,024</u>	<u>5,333</u>	<u>65,707</u>	<u>4,673</u>

  

	Consolidated		(Unit: Baht'000)	
	financial information		Separate	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>For the nine-month period ended 30 September</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Interest income	5,386	7,388	916	2,492
Dividend income (Note 7)	-	-	105,570	52,020
Gain on sales of available-for-sale investments	1,863	3,173	1,863	3,173
Others	32,602	17,833	25,371	18,490
	<u>39,851</u>	<u>28,394</u>	<u>133,720</u>	<u>76,175</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 18.82% per annum. (The estimated tax rate used for the nine-month period ended 30 September 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 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.

On 30 August 2017, the Board of Director's meeting approved an interim dividend payment from operating results for the six-month period ended 30 June 2017 to the Company's shareholders of Baht 0.23 per share, totalling Baht 382.7 million. The Company paid this dividend on 26 September 2017.

**17 Related parties transactions**

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

**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.

	<b>Consolidated</b>		<b>(Unit: Baht'000)</b>	
	<b>financial information</b>		<b>Separate</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>For the three-month period ended 30 September</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	73,435	139,477	73,435	139,477
Industrial Estate Authority of Thailand	237,535	233,261	237,535	233,261
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	4,770	10,156
<b><u>Sales - tap water</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	309,118	303,049	45,940	48,068
<b><u>Construction revenue under concession agreement</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	25,075	59,923	-	-
<b><u>Rental and Service income</u></b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	3,621	3,835	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	9,164	2,301
<b><u>Dividend income (include in other income)</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	59,160	-
<b><u>Other income</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	2,639	2,433
<b><u>Cost of sales and cost of services</u></b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	55,738	55,507

17 Related parties transactions (continued)

17.1 Transactions incurred during the periods (continued)

For the nine-month period ended 30 September	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
<b>Sales - raw water</b>				
<b>Major Shareholders</b>				
Provincial Waterworks Authority	307,683	476,980	307,683	476,980
Industrial Estate Authority of Thailand	721,879	722,443	721,879	722,443
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	41,375	49,880
<b>Sales - tap water</b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	917,235	907,698	136,156	142,017
<b>Construction revenue under concession agreement</b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	89,564	70,718	-	-
<b>Rental and Service income</b>				
<b>Major Shareholder</b>				
Provincial Waterworks Authority	22,639	23,411	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	13,809	6,338
<b>Dividend income (include in other income)</b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	105,570	52,020
<b>Other income</b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	7,976	7,689
<b>Cost of sales and cost of services</b>				
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	164,156	164,085

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.

17 Related parties transactions (continued)

17.2 Outstanding balances at the end of the periods

	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
<b>Trade receivables - billed</b>				
<b>Major shareholders</b>				
Provincial Waterworks Authority	74,947	102,040	32,839	62,776
Industrial Estate Authority of Thailand	82,802	86,540	82,802	86,540
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	474	5,197
	<u>157,749</u>	<u>188,580</u>	<u>116,115</u>	<u>154,513</u>
<b>Unbilled receivables</b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	98,840	95,921	-	-
	<u>98,840</u>	<u>95,921</u>	<u>-</u>	<u>-</u>
<b>Water loss treatment service income receivables</b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority				
- billed	2,446	1,799	-	-
- unbilled	3,368	2,112	-	-
	<u>5,814</u>	<u>3,911</u>	<u>-</u>	<u>-</u>
<b>Other receivables</b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	21	16	-	-
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	17,381	1,103
	<u>21</u>	<u>16</u>	<u>17,381</u>	<u>1,103</u>
<b>Trade account payables</b>				
<b>Major shareholder</b>				
Provincial Waterworks Authority	39,859	30,145	9,870	2,028
<b>Subsidiary</b>				
Universal Utilities Public Company Limited	-	-	19,867	20,409
	<u>39,859</u>	<u>30,145</u>	<u>29,737</u>	<u>22,437</u>
<b>Rental guarantees</b>				
<b>Subsidiary</b>				
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
<b>For the three-month period ended 30 September</b>				
Short-term employee benefits	25,244	26,781	18,572	20,136
Post-employee benefits	1,775	1,049	1,276	628
Other long-term employee benefits	21	8	11	3
	<u>27,040</u>	<u>27,838</u>	<u>19,859</u>	<u>20,767</u>

	Consolidated financial information		(Unit: Baht'000) Separate financial information	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2017	2016	2017	2016
<b>For the nine-month period ended 30 September</b>				
Short-term employee benefits	74,294	70,584	53,729	50,043
Post-employee benefits	3,976	3,149	2,601	1,885
Other long-term employee benefits	37	22	16	7
	<u>78,307</u>	<u>73,755</u>	<u>56,346</u>	<u>51,935</u>

**18 Commitments and contingent liabilities**

As at 30 September 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 September 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:** (continued)

2. On 20 October 2008, the Company was sued by a private company in a lawsuit with a black case number 5930/2551 regarding a breach of a construction agreement. The plaintiff filed with the Civil Court 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. The Company filed with the Civil Court 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 in accordance with the Appeal Court. Therefore, the case is finalised. 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 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:** (continued)

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 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. As at 30 September 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 using for the calculation of compensation as follows;

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

	<b>Separate financial information (Unaudited)</b>			
	<b>For the three-month period ended 30 September</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	25,008	273,909	34,568	374,805
Dok Krai - Map Ta Pud Network	17,749	191,742	7,770	86,313
Chachoengsao - Chonburi Network	10,538	106,001	20,773	197,502
Nong Pla Lai - Nong Khor Network	6,375	67,804	5,056	54,072
<b>Total</b>	<b>59,670</b>	<b>639,456</b>	<b>68,167</b>	<b>712,692</b>
<b>Less Raw water uses to produce tap water</b>				
Dok Krai - Map Ta Pud Network	(4,311)	(42,675)	(4,180)	(41,389)
Nong Pla Lai - Nong Khor Network	(1,650)	(16,336)	(1,473)	(14,588)
<b>Total volume and sales of raw water</b>	<b>53,709</b>	<b>580,445</b>	<b>62,514</b>	<b>656,715</b>

	<b>Separate financial information (Unaudited)</b>			
	<b>For the nine-month period ended 30 September</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	68,948	751,695	81,215	886,349
Dok Krai - Map Ta Pud Network	63,060	686,018	51,166	554,159
Chachoengsao - Chonburi Network	45,142	453,500	67,326	675,432
Nong Pla Lai - Nong Khor Network	19,515	207,283	17,163	183,160
<b>Total</b>	<b>196,665</b>	<b>2,098,496</b>	<b>216,870</b>	<b>2,299,100</b>
<b>Less Raw water uses to produce tap water</b>				
Dok Krai - Map Ta Pud Network	(12,552)	(124,262)	(12,855)	(127,269)
Nong Pla Lai - Nong Khor Network	(4,761)	(47,138)	(4,185)	(41,433)
<b>Total volume and sales of raw water</b>	<b>179,352</b>	<b>1,927,096</b>	<b>199,830</b>	<b>2,130,398</b>



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

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

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

	(Unit: Baht'000) Separate financial information (Unaudited) For the three-month period ended 30 September	
	2017	2016
Nong Khor - Laem Chabang Network 1	69,151	131,631
Nong Khor - Laem Chabang Network 2	29,025	34,335
Chachoengsao Network	7,825	31,536
Total	<u>106,001</u>	<u>197,502</u>

	(Unit: Baht'000) Separate financial information (Unaudited) For the nine-month period ended 30 September	
	2017	2016
Nong Khor - Laem Chabang Network 1	270,077	405,724
Nong Khor - Laem Chabang Network 2	100,976	126,743
Chachoengsao Network	82,447	142,965
Total	<u>453,500</u>	<u>675,432</u>

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

	Separate financial information (Unaudited) For the nine-month period ended 30 September	
	2017 %	2016 %
Industrial Estates	60	54
Waterworks Authority	17	24
Factories	23	22
Total	<u>100</u>	<u>100</u>