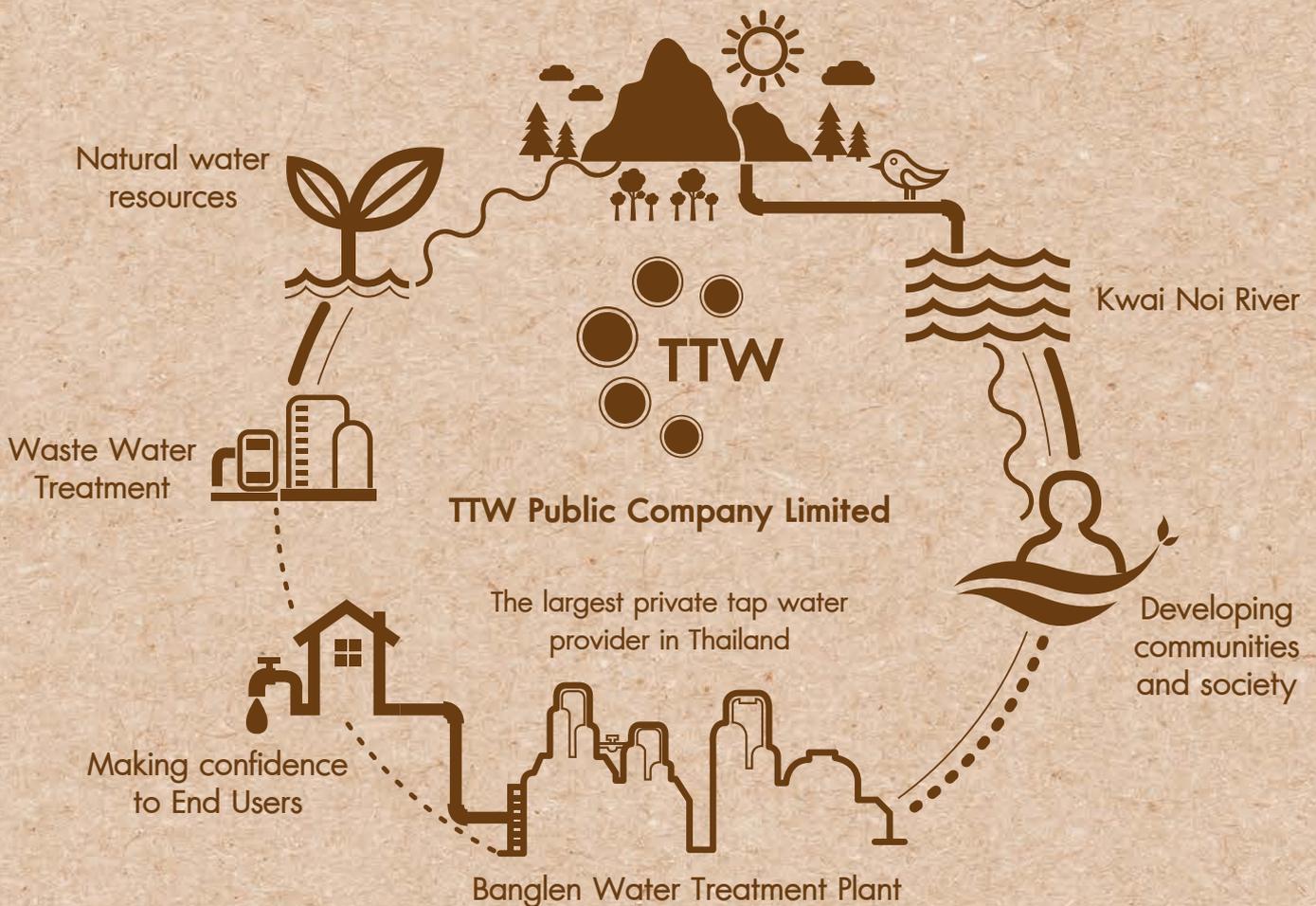


# Water Cycle Life Cycle

1 Million trees generating watershed project  
at Thong Pha Phum National Park



## TTW Public Company Limited

Annual Report  
**2016**

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the Board of Directors



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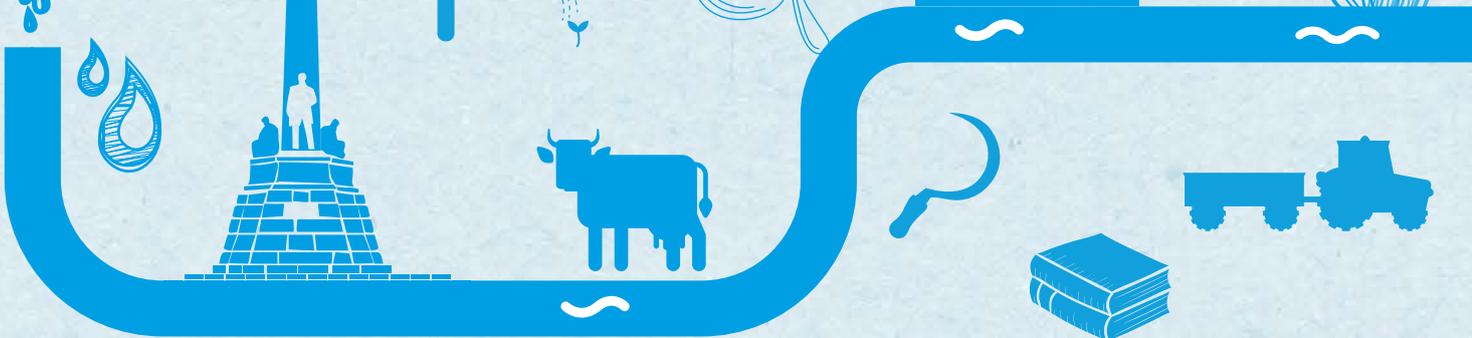
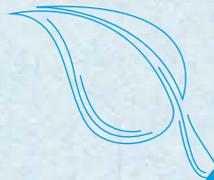
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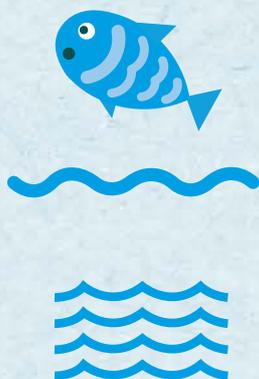
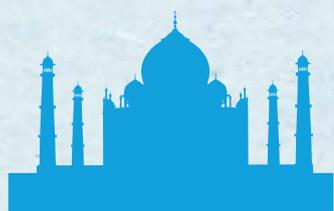


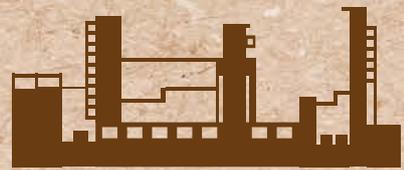
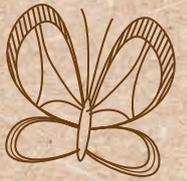
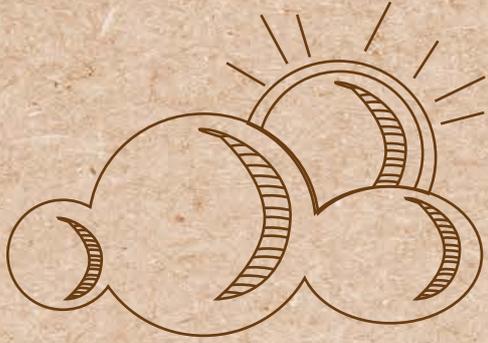


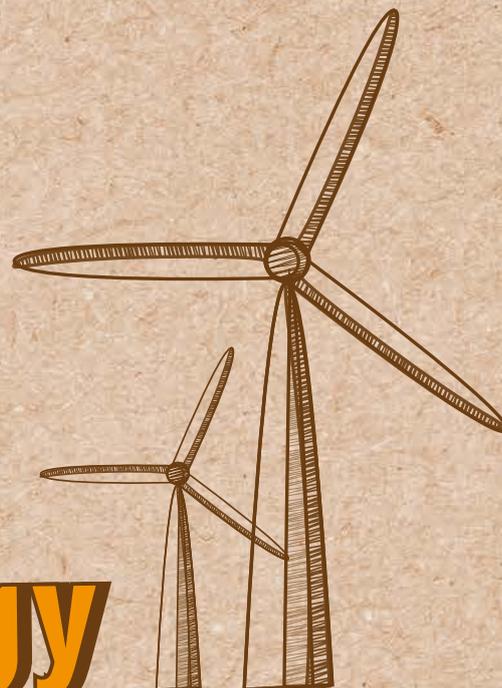
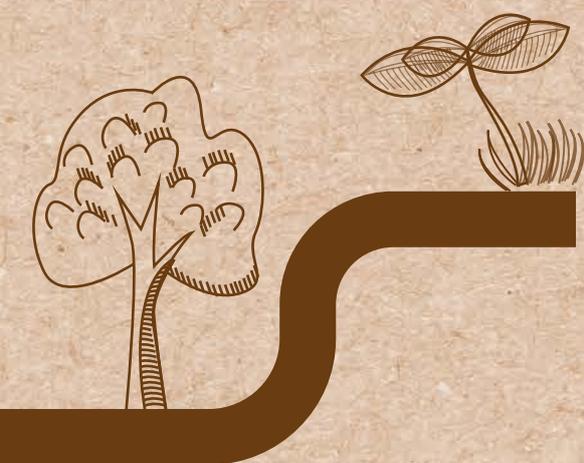


# water

We work together to operate water management business comprehensively, including wastewater management to restore the balance of water cycle and give utmost benefits to all people equally.



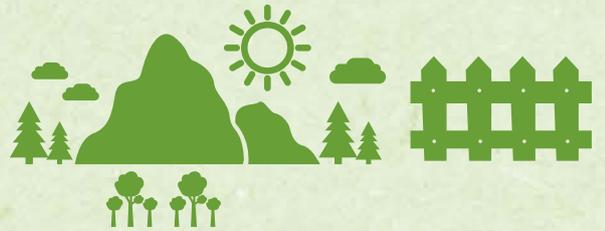
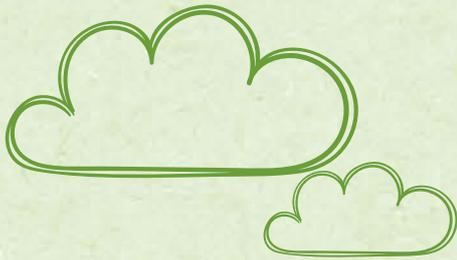




# energy

We have a study project regarding solar energy as a starting point toward other renewal energy business such as wind energy and so on.







# environment

We move forward together with mutual awareness about environmental problems and give a full support to resolve them in favor of the well being of people in society.





# Message from

the Chairman of  
the Board of Directors

**Dr. Thanong Bidaya**

Chairman of the Board of Directors



In 2017, TTW will dedicate further to develop the process and quality of the production, especially the R&D on new innovations of the manufacturing and personnel development. This will be consistent with national strategy under the scheme “Thailand 4.0”.



The passing away of His Majesty King Bhumibol Adulyadej (King Rama IX) on 13 October 2016 was a great loss of Thai people from all walks of life. This great loss has led to overwhelming grief and sorrow among all Thais, given that His Majesty had implemented so many things in favor of our well being for 70 years. The activities implemented by His Majesty for all Thai people had fostered significant social developments and a better quality of life for all Thais inclusively.

TTW Public Company Limited is also overwhelmed with deepest gratitude towards His Majesty. On behalf of the Board of Directors, executive management and employees of the company, we would like to make a commitment that we would dedicate ourselves to take the instruction of Your Majesty into practice and adapt it properly in a way that the commitment of Your Majesty can be achieved further.

2016 was another year for Thailand to face economic instability due to the recession of global economy. Despite this unfavorable situation, the company continued to operate its business in a professional manner based on the awareness of corporate social responsibility and commitment to take part in fostering the economic development and improving life quality of people in a sustainable manner. With such commitment and dedication of personnel in all levels of the company, TTW has received good acceptance from the entities in all sectors.

TTW has been honored as one of the 100 companies listed in the Stock Exchange of Thailand that have outstanding performance in the aspect of Environmental Social Governance (ESG) in the category of natural resources business, which reflected a higher level of information disclosure that covered both financial data and the information about environmental and social issues, as well as the corporate governance. This is consistent with results of another two assessments. That is, TTW was certified as a listed company with “very good” performance in implementing its corporate governance,

as assessed Thai Institute of Directors (IOD), and was certified as a listed company with “excellent performance in organizing annual general meeting of shareholders” (received 100 scores), as assessed by Thai Investors Association. Furthermore, TTW passed the sustainability assessment (covering Environment, Social and Governance (ESG) aspects) to get included in the list of Thailand Sustainability Investment (THSI) as a candidate for SET Sustainable Awards. TTW was also awarded as Thailand’s Top Corporate Brands 2016 in the category of energy and public utilities business. And finally, TRIS Rating Company Limited rated TTW for its credit and debt securities in the level of AA - (Double A Minus) with a “stable” trend. The results of all these assessments have nailed a confirmation very well on the good image and performance outcomes of TTW in the past year.

In 2017, TTW will dedicate further to develop the process and quality of the production, especially the R&D on new innovations of the manufacturing and personnel development. This will be consistent with national strategy under the scheme “Thailand 4.0”, which is a policy-oriented vision of Thailand about national economic development toward value-based economy (driven by innovations).

I would like to take this opportunity to pay my gratitude to the Board of Directors, executive management, and all employees who have been performing their duties with dedicated efforts. I would also like to pay my gratitude to shareholders, business counterparts, customers and communities for continuous supports to the company. I would like all of you to feel confident that we will operate our business in accordance with the principles of good governance and take responsibility for all stakeholders inclusively, in order to ensure a steady growth of the company, a good return of investment for shareholders, establishment of confidence among communities and society, and sustainable conservation of environment.





## Vision | Mission | Corporate Values



### Vision

To Be Thailand's Leading Company in Water, Energy and Eco-Friendly Businesses.



### Mission

To grow on a firm, continuous and sustainable basis in order to accomplish our vision through the balance of interests among customers, employees, business partners, shareholders, communities and environments.





*Continuous Improvement*



*Proactive & Initiative*



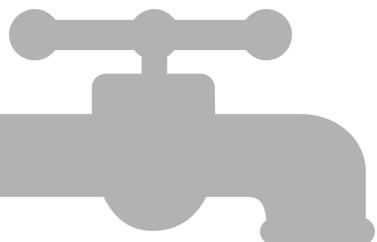
# Corporate Values

Running business to fulfill our vision and mission on the basis of sharing highest satisfaction and benefits among stakeholders by means of:



*Teamwork*





(Unit : Million Baht)

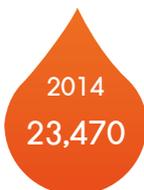
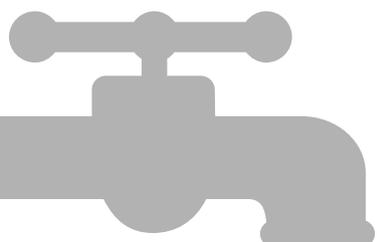
## Significant Financial Information

### TTW Public Company Limited

#### Total assets

##### Consolidated Financial Statements

	2016	2015	2014
Total assets	25,765	26,644	24,627
Total liabilities	14,230	15,214	13,238
Shareholders' equity	11,535	11,430	11,389



(Unit : Million Baht)

#### Total assets

##### Separate Financial Statements

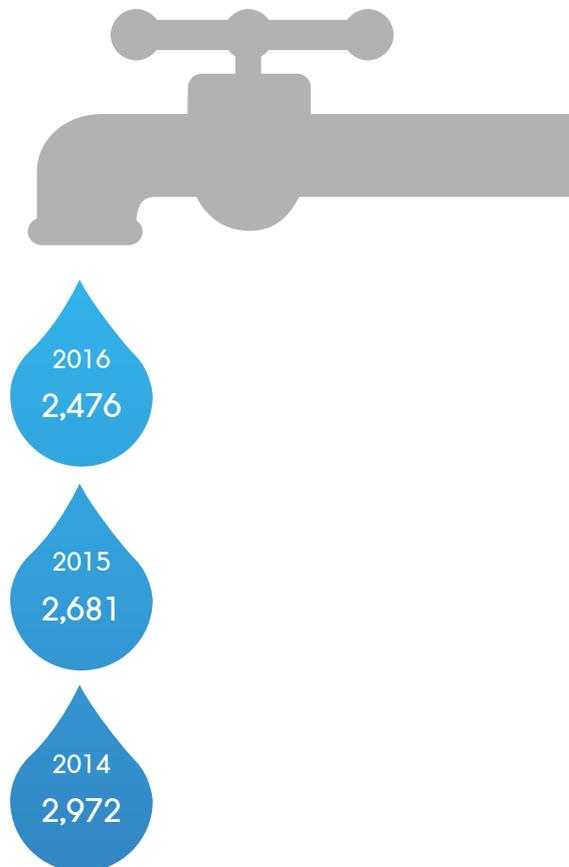
	2559	2558	2557
Total assets	24,370	25,361	23,470
Total liabilities	14,061	15,049	13,021
Shareholders' equity	10,309	10,312	10,449



## Net Income

### Consolidated Financial Statements

	2016	2015	2014
Net income	2,476	2,681	2,972
Book value per share (Bt./share)	2.89	2.86	2.85
Basic earnings per share (Bt./share)	0.62	0.67	0.74

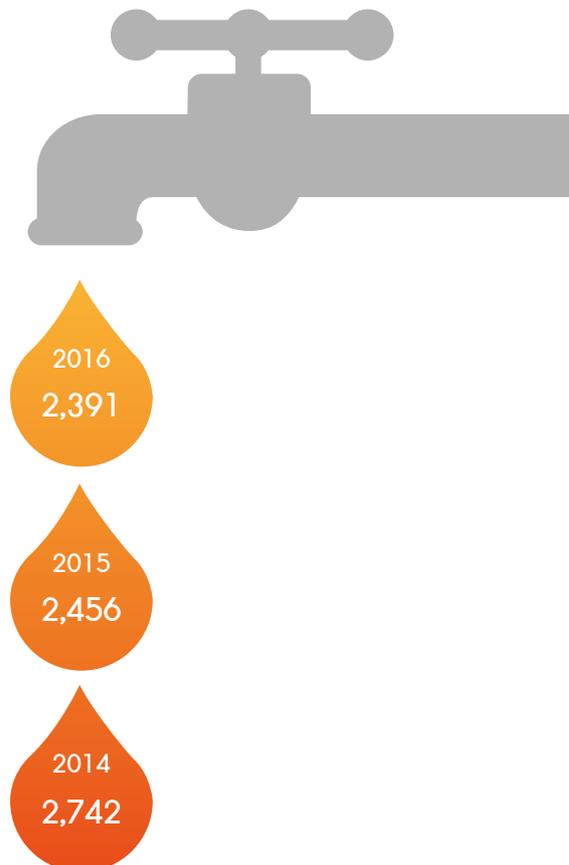


(Unit : Million Baht)

## Net Income

### Separate Financial Statements

	2559	2558	2557
Net income	2,391	2,456	2,742
Book value per share (Bt./share)	2.58	2.58	2.62
Basic earnings per share (Bt./share)	0.60	0.62	0.69



(Unit : Million Baht)



## Significant Financial Information

(Unit : Million Baht)

Description	Consolidated financial statements			Separate financial statements		
	For the year ended December 31			For the year ended December 31		
	2016	2015	2014	2016	2015	2014
Total assets	25,765	26,644	24,627	24,370	25,361	23,470
Total liabilities	14,230	15,214	13,238	14,061	15,049	13,021
Shareholders' equity	11,535	11,430	11,389	10,309	10,312	10,449
Sales of treated water	5,270	5,324	5,272	3,624	3,647	3,617
Services income	109	106	111	37	36	37
Total revenues	5,499	5,574	5,622	4,625	4,631	4,683
Cost of sales and services	1,497	1,510	1,535	904	889	912
Administrative expenses and management expenses	244	305	249	196	257	198
Financial expenses	433	550	566	433	549	565
Income tax expenses	607	378	157	435	215	1
Gross margin	3,882	3,920	3,848	2,756	2,794	2,742
Net income	2,476	2,681	2,972	2,391	2,456	2,742
Book value per share (Bt./share)	2.89	2.86	2.85	2.58	2.58	2.62
Basic earnings per share (Bt./share)	0.62	0.67	0.74	0.60	0.62	0.69

## Financial Ratio

Description	Consolidated financial statements			Separate financial statements		
	For the year ended December 31			For the year ended December 31		
	2016	2015	2014	2016	2015	2014
<b>Profitability ratios</b>						
Gross profit margin (%)	72.16	72.19	71.48	75.29	75.85	75.05
Net profit margin (%)	46.02	49.37	55.21	65.33	66.69	75.06
Return on equity (%)	21.64	23.57	26.62	23.20	23.66	26.43
<b>Efficiency Ratios</b>						
Return on assets (%)	9.45	10.46	12.10	9.62	10.06	11.64
Return on fixed assets (%)	19.63	23.45	26.33	24.15	28.39	32.48
<b>Debt service coverage ratio</b>						
Debt / Equity (times)	1.23	1.33	1.16	1.36	1.46	1.25
Dividend Yield (%)	96.70	96.76	87.26	100.10	105.60	94.57



## Achievements

### 1) Sustainability Award: ESG 100 (Environmental Social Governance)

On 26 April 2016, TTW was announced as being one company among the top 100 Thai listed companies in the Stock Exchange of Thailand that had outstanding performance on Environmental, Social and Governance (ESG) aspects from its annual sustainability assessment in the category of (Natural) Resource Business.



### 2) Outstanding Quality of Annual General Meeting (AGM) of Shareholders

TTW received 100 scores out of the total 100 scores for the assessment of the quality of AGM of shareholders, as assessed by Thai Investors Association with the supervision from the Office of Securities and Exchange Commission. The assessment focused on how the activities (before-during -and after the meeting) were implemented.



สมาคมส่งเสริมพลังงานไทย  
THAI INVESTORS ASSOCIATION

### 3) Result of Governance Assessment of Listed Companies for the Year 2016

As Thai Institute of Directors (IOD), with the support from The Stock Exchange of Thailand (SET) and The Office of Securities and Exchange Commission (SEC), had conducted a survey to assess the governance performance of listed companies, and announced the result of the assessment for the year 2016; TTW Public Company Limited received assessment scores in the “very good” range (80-90 scores).



### 4) Announcement of SET Sustainability Awards 2016

TTW was chosen to be included in “Thailand Sustainability Investment (THSI) List 2016”. The content of sustainable growth assessment covered 3 aspects such as economic, social and environmental. TTW was also one among nine organizations nominated for SET Sustainability Awards for the year 2016 (which were classified as Best Performance Award, Outstanding Performance Award, and the Rising Star Award). TTW was nominated in Group #2: the companies with the market capitalization of 30,000-100,000 million Baht.



ตลาดหลักทรัพย์แห่งประเทศไทย  
The Stock Exchange of Thailand

### 5) The Announcement of “Thailand’s Top Corporate Brands 2016” in the category of Energy and Public Utilities Business

TTW received the Award of “Thailand’s Top Corporate Brands 2016” in the category of energy and public utilities business. The value of TTW Brand was estimated as 31,007 million Baht, which was the highest among all entities in such category. This event was organized by Master of Science Program, Department of Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University, in collaboration with The Stock Exchange of Thailand.



### 6) Credit Rating of the Organization and Debt Securities

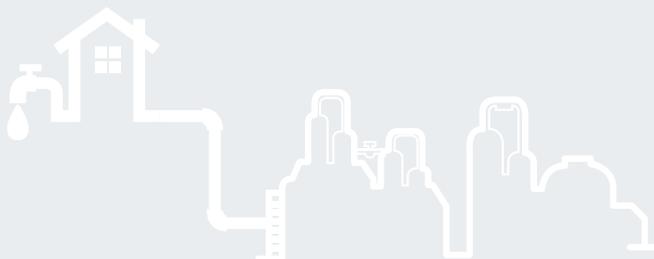
TRIS Rating Company had announced the results of credit rating analysis and assessment for the organization and its debt securities.



The results showed that the credit rating of the company was still in the level of “AA-” (Double A Minus) and the credit rating of debt securities in the category of “unsecured senior bond” was still in the level of “AA-” (Double A Minus) as of November 2016.



## General Information



### TTW Public Company Limited

- **Company Profile**
- **Formerly Name as**

- **Registration Number**
- **Business Category**
- **SET Symbol**
- **Registered Capital**
- **Divided into Common Stock**
- **Par Value**
- **Paid-up Capital**
- **First Trading day in SET**
- **CONTACT**

TTW Public Company Limited

Thai Tap Water Supply Public Company Limited

(Name changing approval from The Ordinary General Meeting of Shareholders on 14 March, 2014)

0107549000114 (Former No. 1325/2543)

The largest private tap water producer and distributor in Thailand

TTW

3,990,000,000 Baht

3,990,000,000 Shares

1 Baht per share

3,990,000,000 Baht

22 May, 2008

- **Head Office Address**

30/130 Moo 12, Buddha Monthon 5 Road, Rai Khing, Sampran, Nakhon Pathom 73210

- **Website**

<http://www.ttwplc.com>

- **Telephone**

(+662) 019-9490 - 3, (+662) 019-9484 – 9

- **Facsimile**

(+662) 420-6064

#### Corporate Affairs Division

##### - **Corporate Governance and Company Secretary**

Tel (+662) 019-9484 – 9 Ext. 1106

e-mail [cg@ttwplc.com](mailto:cg@ttwplc.com)

##### - **Investor Relation**

Tel (+662) 019-9484 – 9 ต่อ 1108

e-mail [ir@ttwplc.com](mailto:ir@ttwplc.com)

### Reference Person

#### Auditor

: **EY Office Limited**

33<sup>rd</sup> Floor, Lake Rajada Office Complex

193/136-137, Rajadapisek Road, Klongtoey, Bangkok 10110

Tel (+662) 264-9090

Fax (+662) 264-0789

#### Legal Advisor

: **Offices of N&K Ltd.**

990 Abdulrahim Place, 9th Floor, Room No. 901-1, Rama IV Road,

Silom, Bangrak, Bangkok 10500

Tel (+662) 636-1111

Fax (+662) 636-0000



## Nature of Business

TTW Public Company Limited is a producer and distributor tap water to the Provincial The Provincial Waterworks Authority (PWA) in the West Bangkok areas which cover 2 provinces: Nakhon Pathom province in 3 districts which are Nakhon Chaisri, Sampran and Putthamonthon districts; and Samut Sakhon province in 2 districts which are Muang Samut Sakhon and Krathumban districts. The company has a Water Treatment Plant at Banglen district, Nakhon Pathom province with the maximum production capacity of 440,000 cubic meters per day. In July, 2017 the project of building the 2<sup>nd</sup> Water Treatment Plant in Krathumban district, Samut Sakhon province will have been finished, which will increase the production capacity for 100,000 cubic meters per day more. This 2<sup>nd</sup> Water Treatment Plant in Krathumban can handle the expansion of production capacity to the maximum of 400,000 cubic meters per day due to the fact that there has already been a construction of structural work for a support.

In 2016, TTW had a total amount of tap water distributed to The Provincial Waterworks Authority (PWA) for 138.4 million cubic meters with the accumulatively distributed quantity, starting from the first day of operations to the end of 2016 for 1,427.7 million cubic meters. Moreover, TTW also has subsidiaries and associated companies, including acquisition of rights in Industrial Estate in order to conduct business related to tap water production and wastewater treatment together with getting involved in investing in energy business with the natures of each business as follows:

### Pathum Thani Water Company Limited

Pathum Thani Water Co., Ltd. (PTW) is the subsidiary of TTW. TTW holds shares in PTW for 98% of 1200 mil.Bt. registered capital. PTW conducts the business of producing tap water and has distributed it to PWA in the North Bangkok areas: Pathum Thani and Rangsit provinces since 1998. Currently, it has a production capacity of 488,000 cubic meters per day. In 2016 PTW had a total amount of tap water distributed to The Provincial Waterworks Authority (PWA) for 131.4 million cubic meters with the accumulatively distributed quantity, starting from the first day of operations to the end of 2016 was for 1,857.0 million cubic meters.

### Thai Water Operations Co., Ltd.

Thai Water Operations Co., Ltd. (TWO) is another subsidiary of the company. The shareholders of the company are TTW, holding shares for 68% and PTW, holding shares for 32%. It conducts the business of managing the system of tap water production and distribution, and wastewater treatment for TTW, PTW, Bang Pa-in Industrial Estate, Amata Nakorn Industrial Estate and Amata City Industrial Estate. TWO is certified to ISO 9001:2008 for quality standard in providing maintenance system service and managing the project of tap water production in the areas of Pathum Thani and Rangsit provinces, and to ISO 9001:2008 for quality standard in organizing work management system in order to guarantee for the quality of monitoring control and the efficiency of carrying out tasks.

### Bang Pa-in Industrial Estate

TTW has acquired the rights for tap water production and wastewater treatment in Bang Pa-in Industrial Estate (BIE), Phra Nakhon Si Ayutthaya province from Bang Pa-in Land Co., Ltd. for the period of 30 years since August 2009 with the tap water production capacity of 48,000 cubic meters per day and the ability to treat wastewater for 18,000 cubic meters per day. In November, 2015 the Board granted permission for BIE to move the raw water pumping station from the original site (in the area of Khlong Wua, tributary of the Chao Phraya River) to the bank of the Chao Phraya River at Bang Krasan sub-district, Bang Pa-in district, Phra Nakhon Si Ayutthaya province for the stability of raw water quality and quantity. The construction is supposed to be completed in May, 2017.

In 2016, BIE had a total amount of tap water distributed for 7.8 million cubic meters with the accumulatively distributed quantity, starting from the first day of operations to the end of 2016, accounting for 41.6 million cubic meters. The purposes of proceeding to acquire the rights in BIE were to increase revenues for the organization as well as to increase skills, knowledge and experiences for the staff of the company in providing services to customers directly in order to pave the way for achieving the vision of

**“being a leading company of the country in conducting the business of water, energy and the environment”.**

The company and its affiliated companies are the largest private tap water manufacturers for Provincial Waterworks Authority (PWA). They produce tap water and distribute it to PWA with the total amount of 269.8 million cubic meters, which amounts to 15 percent of the total amount of tap water distribution of PWA all over the country or amounts to 65 percent of total tap water production of all tap water manufacturers from private sectors which distribute tap water to PWA.



## Investment in other companies

The company invested in common stocks of CK Power Public Company Limited (CKP) in 2011. Investing domestically and internationally in companies which operate their businesses in producing and distributing electricity, CKP, a Holding Company, invests in subsidiary companies and affiliated companies conducting businesses aforementioned that are classified into 3 groups as follows:

1

Business of Hydroelectricity Project, such as South East Asia Energy Limited (SEAN) and Xayaburi Power Co., Ltd. (XPCL)

2

Business of Electricity project with Cogeneration System, such as Bangpa-in Cogeneration Co., Ltd. (BIC)

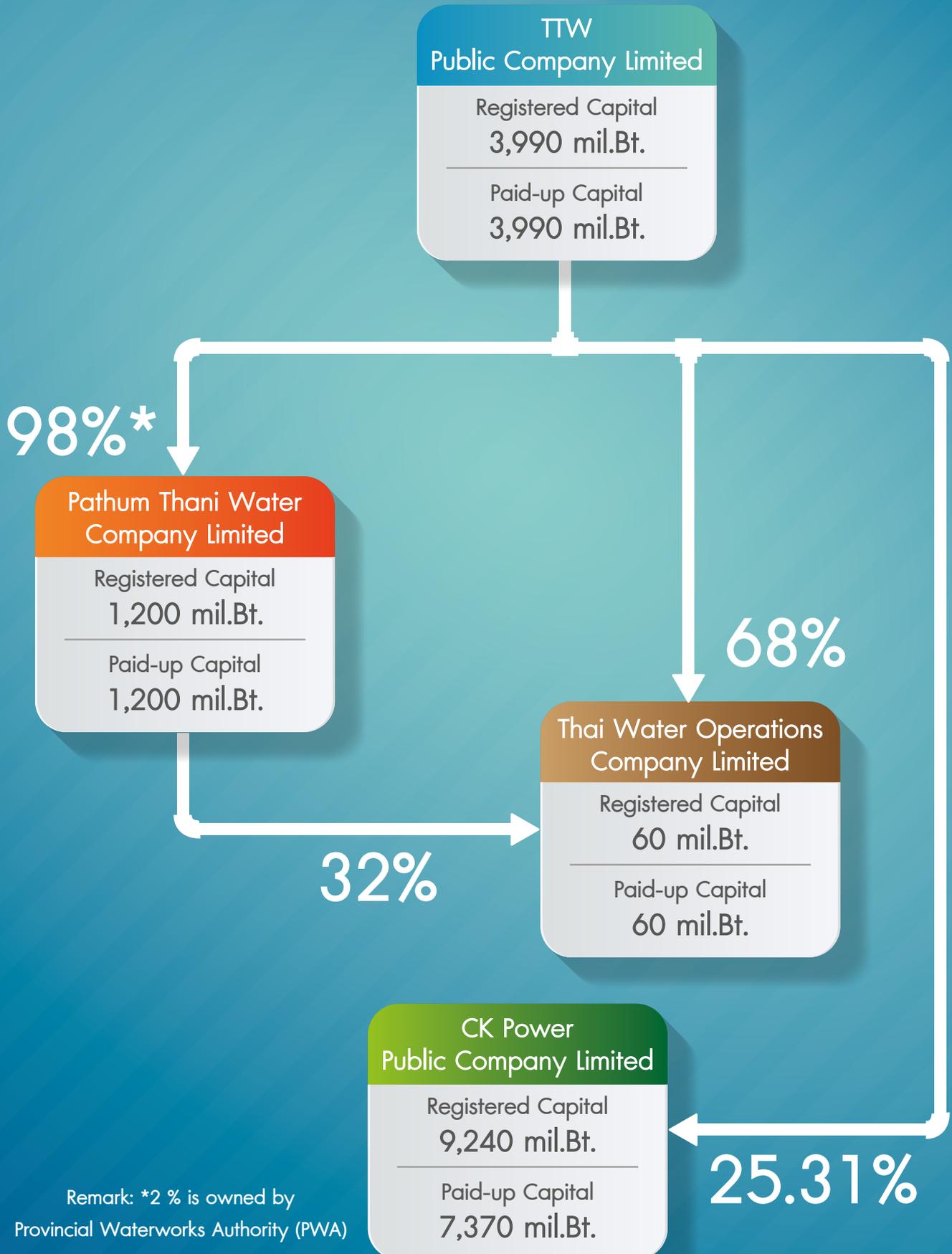
3

Business of Solar Photovoltaic Energy Project, such as Bangkhenchai Co., Ltd. (BKC), Chiang Rai Solar Co., Ltd. (CRS) and Nakhon Ratchasima Solar Co., Ltd. (NRS)

Currently, the company has 25.31% of 9,240-million-Baht registered capital with the total investment of 4,228 million Baht.



## TTW and its Subsidiaries Structure



Remark: \*2 % is owned by Provincial Waterworks Authority (PWA)



## List of Subsidiaries

### Pathum Thani Water Company Limited

- **Business Category** Produce and Distribute tap water to the Provincial Waterworks Authority (PWA) in Pathumthani - Rangsit area
- **Registered Capital** 1,200,000,000 Baht
- **Divided into Common Stock** 12,000,000 Shares
- **Par Value** 100 Baht per share
- **Paid-up Capital** 1,200,000,000 Baht
- **Address** 43 Moo 3 Chiangrak Noi - Bang Sai Road, Baan Pathum, Samkhok, Pathumthani 12160  
Tel. (+662) 979-5335  
Fax. (+662) 420-6064
- **Website** [www.ptw.co.th](http://www.ptw.co.th)

### Thai Water Operations Company Limited

- **Business Category** Operate and Maintain tap water production, distribution system and Wastewater treatment system
- **Registered Capital** 60,000,000 Baht
- **Divided into Common Stock** 600,000 Shares
- **Par Value** 100 Baht per share
- **Paid-up Capital** 60,000,000 Baht
- **Address** 30/10 Moo12 Buddha Monthon 5 Road, Rai Khing, Sampran, Nakhon Pathom 73210  
Tel. (+662) 019-9480  
Fax. (+662) 420-6064
- **Website** [www.two.co.th](http://www.two.co.th)

### CK Power Public Company Limited

- **Business Category** Holding Company of various power generation firms
- **Registered Capital** 9,240,000,000 Baht
- **Divided into Common Stock** 9,240,000,000 Shares
- **Par Value** 1 Baht per share
- **Paid-up Capital** 7,370,000,000 Baht
- **Address** 587 Viriyathavorn Building, 20th floor, Sutthisarn Vinijchai Road, Din Daeng, Bangkok 10400.  
Tel. (+662) 691-9720-34  
Fax. (+662) 691-9723
- **Website** [www.ckpower.co.th](http://www.ckpower.co.th)



## Risk Management



TTW Public Company Limited conducts risk management in business operations so that organizational levels based-risks in each aspect can be managed to reach the acceptable levels by the encouragement from the management that makes the operational plans to become practical and successful. This can be accomplished by having each operational sector propose operational plans and report the performances quarterly to the Risk Management Officer (RMO), and make a summary of risk management meetings in each quarter to report to Risk Management Committee (RMC). In case of political, economical and social changes, the company always makes a self-review in order to keep up with current situations and to make itself updated. Therefore, if the company is always prepared, it can adjust strategies or operational plans for many issues, resulting in good outcomes in the future. With good risk management, if any incident affecting the organization occurs, the impact in many aspects can be rectified or lessened and also crises can be turned into opportunities for the company.

In 2016 the company reviewed the register of the organizational risks and revised a list of risks resulting from both internal and external factors. However, the company still implements organizational risk management in accordance with Enterprise Risk Management Framework which is divided into 2 parts in terms of Strategy and Finance by arranging for a register of risks consisting of risk items, risk control measures and monitoring operating results of risk management designated plans continuously with the following details:



## Strategic Risk

divided into Financial Aspect and Image Aspect, has 4 strategies.

Due to the awareness and the emphasis on quantity of water distribution of the company, in 2016 the company set an objective of increasing water distribution according to the tap water purchase-sale contract. Risks from both external and internal factors have an impact on quantity of water distribution. But all these economical situations and conditions put the company at risk, which caused water distribution not to meet the requirements if the tap water purchase-sale contract of the company.

### Financial Aspect

- 1.1 The company conducted the task of reducing risks according to the risk management measure whereby the company carried out pressure management by increasing water distributions from 2 to 4 water distributions in Samut Sakhon and Nakhon Pathom areas. In addition, the company is constructing the second water-manufacturing plant at Krathumban district which is a service area of the company. The project as mentioned can support expansion of communities in the future, which constitutes the increased quantity of water distribution of the company.
- 1.2 Increasing water consumption from Municipality of Sub-district Administration Organization and major users
- 1.3 Coordination with customers and sectors concerned for improving the systems of tap water distribution and water distribution pressure

### Image Aspect

- 1.4 Managing the maintenance of machine, main equipment and electrical system as well as determining guidelines for preventions and solutions



## Financial Risk

which has merely 2 factor:

### 1. Operating results do not meet goals.

Operating results of joint venture companies are below the pre-estimate of performances.

The company always monitors the performances of the affiliated every quarter. In each quarter, Board of Directors' Meetings of the affiliated companies report about performances, financial status and risk management, and the company uses this information to analyze overall performances of the company in order to manage risks in each aspect having changes to be suitable for situations. From company's assessing its financial status regularly every quarter and at the end of the year, it was found that the company always has secured financial status, good liquidity and positive performances. Therefore, chances are rare that for the current business to be as risk. However, in order to prevent risks from increasing, the company has set up a policy to go for investment with returns by holding on to the principle of being cautious and to the one which corresponds to the policy of the Company.

### 2. Ability to increase revenues and make profits in the future is reduced.

The Purchase-Sales Tap Water Contract of Pathum Thani Water Co., Ltd. (PTW) will expire in 2023. Therefore, the Company must find a new business that creates new revenues to replace existing business of which the conduction will end due to the termination of the contract in the future. Because the revenues coming from tap water distribution of subsidiary companies will be reduced in 2023, the company will need to have guidelines for finding replacement business, to search for more information from government sectors in order to obtain channels for investment or to find allies in carrying out business and to look for new investment in the future for strength and for finding measures to reduce the impact on risks regarding revenues of the organization.



## Internal Control



Currently, private organizations and government sectors emphasize internal control and regard it as a factor which can make business conduction successful. Executive officers of the company show interest and make a drive for internal control to be included in every step, in every work unit of operations in order to promote the organization to achieve the objectives with transparency after the implementation. This has to do with having a good system of internal control of the company, which will make the company operate the business efficiently as well as benefit the company in terms of ethics and be a part of anti-corruption as well.

TTW sets up a structure of work management by having the Internal Audit Unit report directly to the Audit Committee and 3 Independent Directors supervise the Internal Audit Unit of the company whereby the Internal Audit Unit and the External Audit Unit work collaboratively, emphasizing on carrying out tasks with transparency. Also, the existing system of internal control will be revised in order to be made suitable for current business and will not be operated inconsistently with the law and other regulations related to the company.

The company assigns the Internal Audit Unit to designate a plan for internal audit each year and after that requires it to ask the Audit Committee for approval so that the approved plan for internal audit can cover and be suitable for risks at the organizational levels of the company as having been assessed for risks. Moreover, the company assesses risks and monitors management results every quarter so that the company can be informed of the results of management in reducing risks to be at the acceptable levels. For financial budget, it is analyzed to designate and plan for audit by emphasizing on correctness, sufficiency and appropriateness. Therefore, in order to create effectiveness, the company has set up a process, designating monitoring suggestions from auditors to see how management sectors comply with the suggestions as mentioned and a process monitoring the system of managing quality and the system of managing the environment within the company according to the designated international standards "ISO 9001:2008" and "ISO 14001:2004" continually.



## Related Party Transactions

TTW shall conform to rules and regulations of Securities and Exchange Commission (SEC). That is, in the case that TTW would engage in a related party transaction that may lead to a conflict of interest, an approval from the Board of Directors must be sought. The Audit Committee will consider the reasonability of the engagement in such transaction in favor of the maximum benefits for the company. The prices and conditions set in the transaction must be defined in accordance with general business characteristics, a fair price, or by comparing to a market price. Any directors who have involvement in such transaction that may lead to a conflict of interest shall not be eligible to attend or vote in the meeting for the consideration of such agenda.

TTW also has a policy to disclose any related party transactions that are compatible with the announcement of The Stock Exchange of Thailand regarding the criteria, conditions and method for the disclosure of related party transactions. This is to comply with the provisions provided in Securities and Exchange Act as well.

For the accounting year ended at 31 December 2016, the company has disclosed related party transactions in the note to financial statement that had already been inspected by the auditor of the company as a compliance with generally acceptable accounting standards, which contained the following details.

Related Parties	Nature of relationship	Nature of the transaction	Amount and value of the transaction as of 31 Dec 2016		Description
			Consolidated statement	Company statement	
1. Ch. Karnchang Public Company Limited (CK) Operates construction business	<ul style="list-style-type: none"> <li>Being a major shareholder (holding 19.40% of company shares)</li> <li>Having 1 co-directors, which is Mr. Plew Trivisvavet Providing services to each other</li> </ul>	<ul style="list-style-type: none"> <li>Other debtors - Related entity</li> <li>Construction creditor - Related entity</li> <li>Advance paid to contractor - Related entity</li> </ul>	68 197,017 8,948	68 197,017 8,948	<ul style="list-style-type: none"> <li>Tap water cost and wastewater treatment service cost are paid transactions as defined in contract</li> <li>Construction cost for the 2<sup>nd</sup> tap water manufacturing plant and Bang Pa-In raw water pumping station</li> <li>Advanced construction cost for the 2<sup>nd</sup> tap water manufacturing plant and Bang Pa-In raw water pumping station</li> </ul>



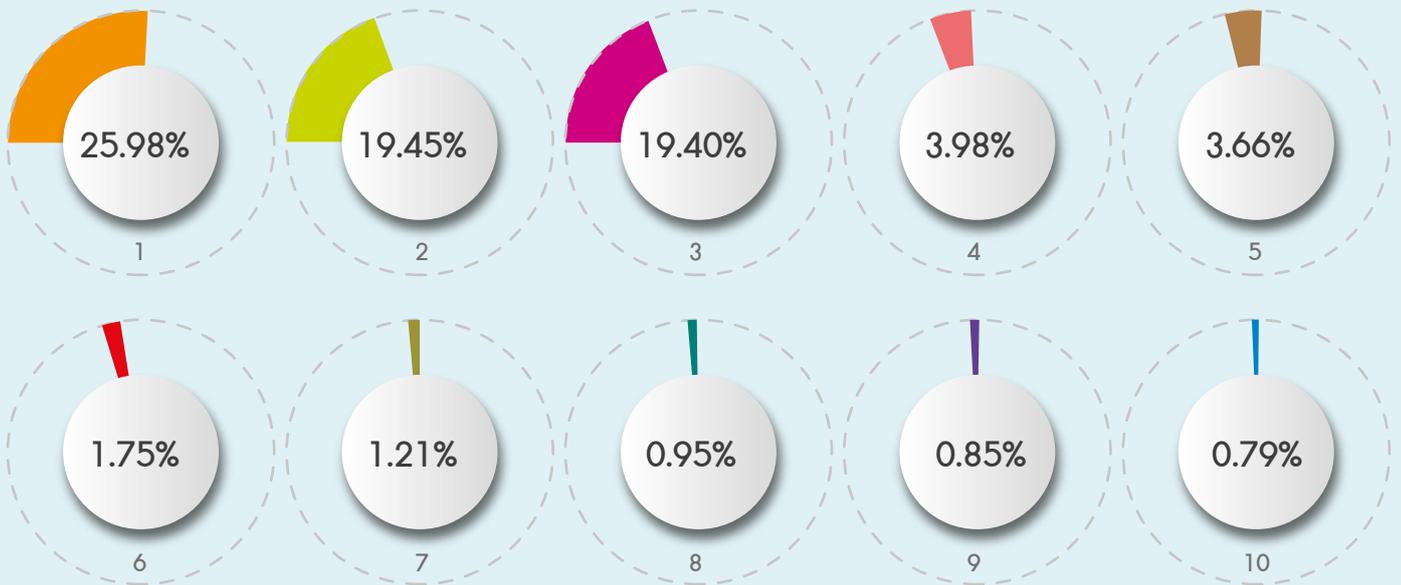
Related Parties	Nature of relationship	Nature of the transaction	Amount and value of the transaction as of 31 Dec 2016		Description
			Consolidated statement	Company statement	
2. Pathum Thani Water Company Limited (PTW) Has received concession to manufacture and distribute tap water in Pathumthani province for Provincial Waterworks Authority (PWA)	<ul style="list-style-type: none"> <li>• Being a subsidiary company (the company holds shares 98%)</li> <li>• Having 3 co-directors:               <ol style="list-style-type: none"> <li>1. Mr. Phairuch Mekarporn</li> <li>2. Mr. Techapit Sangsingkeo</li> <li>3. Mr. Tomoaki Matsumoto</li> </ol> </li> <li>• Having 2 executive directors in PTW:               <ol style="list-style-type: none"> <li>1. Mr. Chaiwat Utaiwan</li> <li>2. Miss Walainut Trivisavavet</li> </ol> </li> <li>• Providing services to each other</li> </ul>	<ul style="list-style-type: none"> <li>• Dividend-Income</li> </ul>		741,079	<ul style="list-style-type: none"> <li>• Dividend earned is a paid transaction as defined in the announcement of payment</li> </ul>
		<ul style="list-style-type: none"> <li>• Earned interest</li> </ul>		62,582	<ul style="list-style-type: none"> <li>• Earned interest is the paid transaction at a rate calculated as (MLR minus a defined amount of difference) per year</li> </ul>
		<ul style="list-style-type: none"> <li>• Long term loan - Related entity</li> <li>• Accrued interest receivable</li> </ul>		1,195,360	<ul style="list-style-type: none"> <li>• Long term loan with an interest rate calculated as MLR minus an amount of difference as defined in contract.</li> </ul>
		<ul style="list-style-type: none"> <li>• Administration cost</li> </ul>		6,000	<ul style="list-style-type: none"> <li>• Administration cost is a paid transaction as defined in contract</li> </ul>
3. Thai Water Operations Co., Ltd. (TWO) Operates maintenance service of production and wastewater treatment systems	<ul style="list-style-type: none"> <li>• Being a subsidiary company (the company holds shares 68.50%)</li> <li>• Having 3 executive directors in TWO:               <ol style="list-style-type: none"> <li>1. Mr. Chaiwat Utaiwan</li> <li>2. Miss Walainut Trivisavavet</li> <li>3. Mr. Tanat Siricharoen</li> </ol> </li> <li>• Providing service to each other</li> </ul>	<ul style="list-style-type: none"> <li>• Sale and service cost</li> </ul>		34,204	<ul style="list-style-type: none"> <li>• Service cost and maintenance cost for tap water manufacturing system are the paid transactions as defined in contract</li> </ul>
		<ul style="list-style-type: none"> <li>• Administration cost - Income</li> </ul>		9,600	<ul style="list-style-type: none"> <li>• Administration cost is a paid transaction as defined in contract</li> </ul>
		<ul style="list-style-type: none"> <li>• Security bond -Creditor</li> </ul>		5,000	<ul style="list-style-type: none"> <li>• Security bond is a paid transaction as defined in contract</li> </ul>



Related Parties	Nature of relationship	Nature of the transaction	Amount and value of the transaction as of 31 Dec 2016		Description
			Consolidated statement	Company statement	
4. CK Power Pulic Company Limited Operates electricity generation and distribution	<ul style="list-style-type: none"> <li>Being an affiliated company (the company holds shares 25.31%)</li> <li>3 executive management serve as directors in CKP:               <ol style="list-style-type: none"> <li>1. Dr. Thanong Bidaya</li> <li>2. Mr. Plew Trivisvavet</li> <li>3. Mr. Techapit Sangsingkeo</li> <li>4. Mr. Chaiwat Utaiwan</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Dividend -Income</li> </ul>		41,600	<ul style="list-style-type: none"> <li>Dividend earned is a paid transaction as defined in the announcement of payment</li> </ul>
5. Bang Pa-In Co-Generation Co., Ltd. Operates electricity generation for distributing to EGAT	<ul style="list-style-type: none"> <li>Having co-shareholder</li> </ul>	<ul style="list-style-type: none"> <li>Other debtor - Related entity</li> <li>Tap water sale - Income</li> </ul>	5,458	5,458	<ul style="list-style-type: none"> <li>Tap water cost and wastewater treatment service cost are paid transactions as defined in contract</li> </ul>
6. Export Transport Co., Ltd. Operates large lorry transportation	<ul style="list-style-type: none"> <li>Having 1 co-director, which is Mr. Plew Trivisvavet</li> <li>Providing service to each other</li> </ul>	<ul style="list-style-type: none"> <li>Other debtor - Related entity</li> </ul>	3	3	<ul style="list-style-type: none"> <li>Tap water cost and wastewater treatment service cost are paid transactions as defined in contract</li> </ul>



## Shareholding Structure



- 1. Mitsui Water Holdings (Thailand) Company Limited
- 2. Bangkok Expressway and Metro Public Company Limited
- 3. CH. Karnchang Public Company Limited
- 4. Thai NVDR Company Limited
- 5. Bangkok Life Assurance Public Company Limited
- 6. Mr. Min Tieworn
- 7. AIA Company Limited- AIA D-PLUS
- 8. UOB KAY HIAN PRIVATE LIMITED
- 9. AIA Company Limited-APEX
- 10. Mr. Paisarn Chartpitak

List of Shareholders	Number of Shares	Shareholding (%)
1. Mitsui Water Holdings (Thailand) Company Limited	1,036,500,000	25.98
2. Bangkok Expressway and Metro Public Company Limited	776,096,900	19.45
3. CH. Karnchang Public Company Limited	774,077,400	19.40
4. Thai NVDR Company Limited	158,797,144	3.98
5. Bangkok Life Assurance Public Company Limited	146,036,600	3.66
6. Mr. Min Tieworn	70,000,000	1.75
7. AIA Company Limited- AIA D-PLUS	48,349,100	1.21
8. UOB KAY HIAN PRIVATE LIMITED	38,000,000	0.95
9. AIA Company Limited-APEX	33,939,000	0.85
10. Mr. Paisarn Chartpitak	31,400,000	0.79



## Dividend Policy

To maintain a consistent dividend payment and the benefit of the shareholders, the company has set dividend payment policy as follow:

The company will prioritize the financial needs for the next five years and maintain appropriate level of the debt-equity ratio. If there is a possibility to pay dividend, the company will consider paying as high rate as possible. However, such rate shall not be less than 50% of its net profit after corporate income tax, statutory reserve, and other reserves required by terms of relevant agreements.

(Unit : Baht/Share)

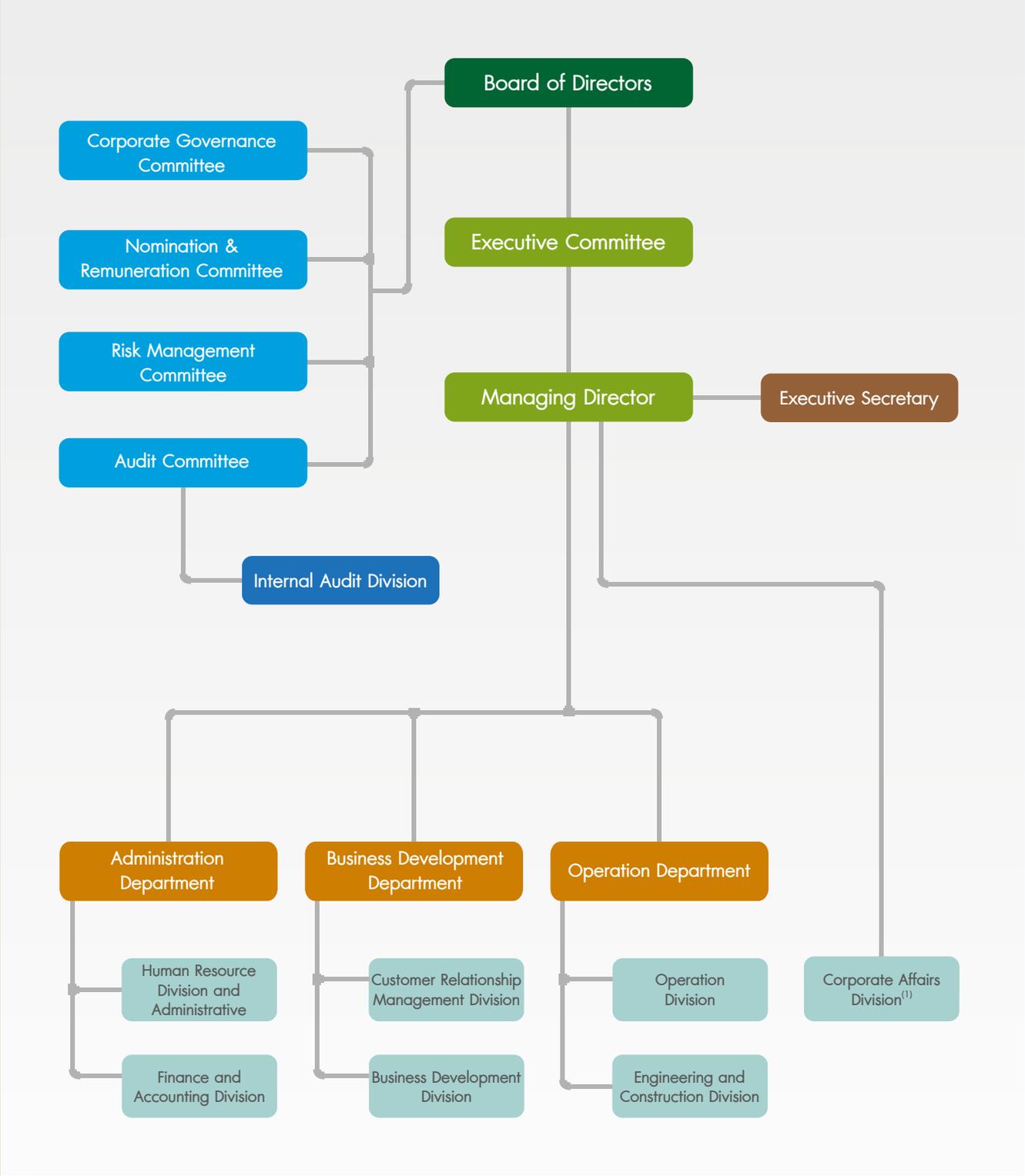
2016 First half	2015	2014	2013	2012
0.30	0.60	0.65	0.60	0.52





# Management Structure

As of December 31<sup>st</sup>, 2016, the company 's management structure was as follows:



<sup>(1)</sup> Legal and Compliance Department under the Corporate Affairs Division.



The Board of Directors of TTW Public Company Limited consists of 12 members. The Board of Directors consists of 4 Independent Directors who are qualified and not prohibited under the Public Company Limited Act. Each will be in position for a 3-year-term. The designation of the Board of Directors is transparent and in accordance with the regulations of the company in order to submit for approval from the shareholders' meetings. There is also a Sub-Committee, which is responsible for screening and supervising specific issues for the Board of Directors and consists of 5 groups as follows:

1. The Executive Committee
2. The Audit Committee
3. The Risk Management Committee
4. The Nomination and Remuneration Committee
5. The Corporate Governance Committee

The company has a structure of committees and management which can check and balance one another under management framework as follows:

- a) There are at least one-third of independent directors of total members of Board of Directors which is not less than 3 persons and there are 4 independent directors in Board of Directors of the company.
- b) Audit Committee is independent with performing duties as defined by the regulations of SET and has sufficient knowledge and experiences to verify the reliability of financial statement as well as performing other duties of the Audit Committee. The Audit Committee comprises at least 3 independent directors but not more than 5, which are appointed by Board of Directors and among this number, there must be at least 2 expert directors from Board of Directors and at least 1 director who has knowledge and experiences in accounting in order to support operations of the Corporate Governance Committee, to verify administration, internal control, internal audit and risk management as well as to prepare financial reports for company's operations and disclosure to carry out with transparency and reliability.
- c) Power authorization between the committee and the management department is assigned clearly under the topic of Corporate Governance.

Board of Directors consists of 12 members as follows:

- |                                     |   |
|-------------------------------------|---|
| 1. Dr. Thanong Bidaya               | Independent Director and Chairman of the Board of Directors   |
| 2. Mr. Plew Trivisvavet             | Director and Vice Chairman of Board of Directors  |
| 3. Mr. Phongsarit Tantisuvanitchkul | Director and Chairman of Executive Committee  |
| 4. Mr. Techapit Sangsingkeo         | Independent Director, Chairman of Audit Committee, Chairman of Risk Management Committee and Corporate Governance Committee |
| 5. Mr. Phairuch Mekarporn           | Independent Director, Chairman of Nomination and Remuneration Committee, Corporate Governance Committee and Audit Committee |
| 6. Mr. Somnuk Chaidejsuriya         | Independent Director, Chairman of Corporate Governance Committee, Nomination and Remuneration Committee and Audit Committee |
| 7. Dr. Sombat Kitjalaksana          | Director and Executive Committee  |
| 8. Mr. Suvich Pungcharoen           | Director and Executive Committee  |
| 9. Mrs. Payao Marittanaporn         | Director, Risk Management Committee and Nomination and Remuneration Committee   |
| 10. Mr. Yasutaka Suzuki             | Director and Nomination and Remuneration Committee  |
| 11. Mr. Tomoaki Matsumoto           | Director, Executive Committee and Risk Management Committee   |
| 12. Mr. Chaiwat Utaiwan             | Director, Executive Committee, Risk Management Committee, Corporate Governance Committee and Managing Director              |

Corporate Affair Director is the Secretary



## The Company's Authorized Signatory Directors

The Company's authorized signatory directors shall be:

- 1) Any two of these six directors, Mr. Plew Trivisvavet, Mr. Phongsarit Tantisuvanitchkul, Mr. Sombat Kitjalaksana, Mrs. Payao Marittanaporn, Mr. Chaiwat Utaiwan and Mr. Suvich Pungcharoen, jointly sign and affix the company's seal; or
- 2) Either Mr. Plew Trivisvavet or Mr. Phongsarit Tantisuvanitchkul or Mr. Sombat Kitjalaksana or Mrs. Payao Marittanaporn or Mr. Chaiwat Utaiwan or Mr. Suvich Pungcharoen, and either Mr. Yasutaka Suzuki or Mr. Tomoaki Matsumoto, totaling two directors, jointly sign and affix the company's seal.

## Terms of duty

A director shall be in a board seat for a duration of 3 years. At an AGM, one-third of the Board of Directors shall be resigned by rotation. The Board of Directors shall have an ordinary meeting every 3 months and may call a special meeting as required with designated agenda in advance together with agenda to consider follow-up actions regularly. There was a total of 24 meetings of Board of Directors, of Sub-Committee as well as Annual General Meetings in 2016 as follows:

Board of Directors Meeting with normal agenda	totally 4 times
The Executive Committee with normal agenda	totally 4 times
The Audit Committee Meeting with normal agenda	totally 5 times
The Risk Management Committee Meeting with normal agenda	totally 4 times
The Corporate Governance Committee Meeting with normal agenda	totally 2 times
The Nomination and Remuneration Committee Meeting with normal agenda	totally 4 times
Annual General Meeting of Shareholders	totally 1 time

Moreover, in the fourth quarter of the Board of Directors meetings, the company makes a schedule for Board of Directors meetings throughout the year in advance.

## Powers and Duties of Board of Directors

The Board of Directors shall take responsibilities towards the shareholders in respect of the Company's business operations, and supervision of the Company's operations to be in line with the guidelines and goals, which would give rise to the maximum benefits to the shareholders, subject to the code of ethics and taking into account the benefits of all interested parties.

- 1) Supervising the company's operations to ensure compliance with laws, objectives and the Company's Articles of Association, as well as resolutions of the shareholders' meetings, and protecting the company's interests based on the good corporate governance principles
- 2) Determining policies and directions of the company's operations and supervising the management to take actions to ensure compliance with the policy with efficiency and effectiveness so as to result in the optimum economic value to the business and great prosperity to the shareholders
- 3) Approving vision, missions, corporate values as anticipated by the Company, and the business ethics
- 4) Arranging for and supervising the administration in compliance with the good corporate governance principles
- 5) Considering approval for budget for investment and budget for the company's annual business operations, including monitoring the use of the company's resources
- 6) Providing complete, correct and sufficient reports on financial information, data and general information which are important to shareholders, and affirming the certification of the reported information
- 7) Arranging for the company to have an efficient internal control and audit system as well as appropriate and adequate risk management measures, including following on such matters on a regular basis
- 8) The Board has also formulated a charter for the Executive Committee, the Risk Management Committee and Nomination and Remuneration Committee as a guideline for their duties
- 9) Supervising the Executive Committee, Sub-committees and the management to comply with the specified policy
- 10) Considering performance evaluation, determination of salaries, wages, welfare, bonuses, allowances and other remuneration, including expenses and facilities of the Managing Directors, as well as determining backup plan for nominating personnel to hold major office of the management should the management become unable to perform the duties.
- 11) Considering revision of the scope of powers, duties, responsibilities and roles of the Executive Committee, Sub-committees and the management as appropriate



The Chairman of the Board, as a leader and independent director, will strictly conform his duty to ethical and CG principles. The Chairman sets and conducts effective board meetings, encourages the constructive discussion among the board members, and concludes the meeting resolution. The Chairman governs the shareholder meetings, providing equitable rights to all shareholders with compliance to rules, regulations and best practices advised by regulators. Board of Directors is the one who assigns the Chief Executive Officer to take responsibilities for conducting the businesses of the company and the supervision of the company.

## Powers and Duties of Chairman of Board of Directors

Chairman of the Board, as a leader of the organization, shall supervise the benefits of the company, shareholders as well as of other interested parties in order to achieve maximum benefits in long term, by acting as a leader in thinking, creativity, combining capabilities of directors with the management together, resulting in the achievement of strategic plans of company's business conduction both in short term and long term, monitoring operations of the management operations of the management, arranging for preparation of financial status reports and significant financial information presented to Board of Directors quarterly as well as encouraging the corporate governance policy regarding social and environmental responsibilities of the company.

### 1. Administrative Responsibilities

- a. Supervising overview of company's strategies and policies to constitute justice as well as supervising company's customer with equality
- b. Emphasis on business operations by conforming with the law in terms of regulatory agencies and corporate governance as well as with the resolutions of shareholders' meetings

### 2. Board of Directors' Meetings

Presiding over as Chairman of the meeting and attending every meeting to constitute Board of Directors Meetings efficiently as well as encouraging all directors to express their opinions by delegating administrative authority to the management appropriately, supervising and arranging all directors to receive correct, on-time and clear information to be used for decision-making which shall lead to achievement of the organization efficiently, providing time management sufficiently for Board of Directors to consult and express opinions widely in related issues during the important agenda. Chairman of the Board utilizes the policy of enhancing good relations between Executive Directors and Non-executive Directors.

### 3. Development and Evaluation of Work Efficiency

- a) Providing Orientation Program and operation visit for all new directors which can assist new directors to understand and adapt themselves to the organization rapidly
- b) Support and promoting all directors to attend skills development training, various fields of knowledge which are beneficial for performing directors' duties in well-known and recognized institutes such as Thai Institute of Directors (TID) and Stock Exchange of Thailand (SET) etc.
- c) Support and promoting all directors working as a team which constitutes efficiency and effectiveness in working, arranging evaluation of the Board's operations both self-evaluation, cross evaluation and group evaluation and taking such evaluation outcome used to improve and develop the Board's operations
- d) Providing monitoring system and assessment of the organization's operations being consistent to policy regularly and continuously

### 4. Relationship between Shareholders

Supervising and arranging communications between shareholders of the company and providing opportunities for shareholders to communicate with the Board for exchanging opinions

### 5. Shareholders Meeting

Presiding over as Chairman of every Shareholders meeting and a responsible is assigned to supervise correctly as defined by law and related regulations as well as making sure that all directors are notified to attend the meeting. It is an opportunity for shareholders to exercise their rights openly in attending the meeting and voting in Shareholders' Meeting, asking questions and additional explanation, acknowledgement of the annual report, approval budget and profit and loss account, approving appropriation of profits and dividends, director appointment and compensation paid to directors, auditor election and proposing remuneration of auditors and approval of Company's Memorandum of Association amendment.



## 6. Other Roles of Chairman of Board of Directors

Performing duties with honesty, supervising structure of the Board appropriately, supervising in taking policies and the Board's decisions for operating effectively, promoting corporate governance, and social and environmental responsibility activities in all levels ranging from directors, top management to employees by operating in accordance with guidelines of the Board's structure to promote corporate governance of the company.

## Sub-Committee Executive Committee

As of December 31<sup>st</sup>, 2016, Executive Committee consisted of 5 members as follows:

Names	Positions
1. Mr. Phongsarit Tantisuvanitchkul	Chairman of the Executive Committee
2. Dr. Sombat Kitjalaksana	Committee
3. Mr. Tomoaki Matsumoto	Committee
4. Mr. Suvich Pungcharoen	Committee
5. Mr. Chaiwat Utaiwan	Committee and Secretary

## Scope of powers and duties of the Executive Committee

At the 1/2006 Board of Directors' Meeting on July 28<sup>th</sup>, 2006 a resolution was made to designate the scope of powers and duties of Executive Committee as follows:

- (1) Supervising the Managing Directors' performances to ensure compliance with resolutions, policies and strategies as determined by the Board of Directors, as well as providing advice and suggestions to the managing Directors
- (2) Supervising the conduct of feasibility studies on new projects, and approving implementation of projects as it deems appropriate within the amount under (3)
- (3) Having power to approve execution of any juristic acts which would have a binding effect upon the company within an amount of not exceeding Baht 50 (Fifty) Million provided that such approval shall involve neither any transactions giving rise to any conflict or interest against the company or its subsidiaries according to Declaration of Office of the Securities and Exchange Commission and Stock Exchange of Thailand
- (4) Having power to consider, approve and/or determine policies on administration and business operations of the company or any actions which would have a binding effect upon the company, subject to the scope of policies and strategies as determined by the board of Directors
- (5) Having power to employ, appoint, impose disciplinary actions, terminate, dismiss, remove, determine salaries, bonuses, benefits and other remunerations, including expenses and facilities of the company's officers or staff in the position of Division Director or equivalent and higher, but excluding the Managing Director
- (6) Having power to appoint, determine authorities and duties, delegate directions of the supervision policy, determine remuneration, allowances, expenses and facilities for special workgroups for carrying out specific works, including to approve proposals of special workgroups within the amount under (3)
- (7) Having power to appoint chairman of the advisors, advisors and/or advisory board to the Executive Committee as appropriate whereby remunerations, allowances, expenses and facilities for the chairman of the advisors, advisors and/or advisory board as mentioned shall be determined by the Nomination and Remuneration Committee
- (8) Performing other duties as delegated from time to time by the Board of Directors

However, the Executive Committee and the person authorized by the Executive Committee has no power to approve any matters or transactions in which the Executive Committee or persons who may have conflict, have interests or may have conflict of interests in any other manners, would enter into with the company or its subsidiaries, as defined by the Securities and Exchange Commission and Stock Exchange of Thailand.



## Audit Committee

As of December 31<sup>st</sup>, 2016, Audit Committee consisted of 3 directors as follows:

Names	Positions
1. Mr. Techapit Sangsingkeo	Chairman of the Audit Committee
2. Mr. Somnuk Chaidejsuriya	Committee
3. Mr. Phairuch Mekarporn	Committee

Internal Audit Manager is the Secretary

Every director in the committee is knowledgeable about and experienced in finance, accounting and management. The Manager of the Internal Audit Unit acts as the Secretary of the Audit Committee.

## Scope of powers and duties of the Audit Committee

At the 1/2006 Board of Directors' Meeting on July 28<sup>th</sup>, 2006 a resolution was made to designate the scope of powers and duties of Audit Committee with further amendment regarding powers and duties of Audit Committee according to the resolution of the 2/2009 Board of Directors' Meeting on February 25<sup>th</sup>, 2009 and the resolution of the 1/2015 Board of Directors' Meeting on February 17<sup>th</sup>, 2015 as following details:

- (1) Reviewing the Company's financial reports to ensure the correctness and adequate disclosure
- (2) Reviewing the internal control and internal audit systems of the Company to ensure the suitability and efficiency by considering independency of Internal Audit Department and approving appointment, removal and termination of Internal Audit Chief
- (3) Reviewing the Company's operations to ensure its compliance with the laws on securities and exchange, the regulations of the Stock Exchange, or such laws, rules and regulations and policies related to the businesses of the Company
- (4) Considering the Company's disclosure in respect of related party transactions or such transactions which may give rise to conflict of interests, to ensure the accuracy, completeness and timeliness
- (5) Considering to approve Annual Internal Audit Plan and personnel of Internal Audit Department
- (6) Considering, selecting, nominating for appointment and proposing remuneration for the Company's auditor to the Board of Directors for further submission to seek approval of the shareholders by considering independency of auditor as well as organizing the meeting with auditors without the management's involvement at least once a year
- (7) Preparing the Audit Committee's corporate governance report to be disclosed in the Company's annual report whereby such report shall be signed by the Chairman of the Audit Committee
- (8) Reviewing Internal Audit Committee Charter and Internal Audit Committee Charter and Internal Audit Department Charter as it is required and appropriate
- (9) Performing other duties as delegated by the Board of Directors and with approval of the Audit Committee
- (10) Considering to approve Interim Financial Statements of the company

## Nomination and Remuneration Committee

As of December 31<sup>st</sup>, 2016, Nomination and Remuneration Committee consisted of 4 directors as follows:

Names	Positions
1. Mr. Phairuch Mekarporn	Chairman of the Nomination and Remuneration Committee
2. Mr. Somnuk Chaidejsuriya	Committee
3. Mrs. Payao Marittanaporn	Committee
4. Mr. Yasutaka Suzuki	Committee

with Deputy Managing Director of management group acting as the Secretary of Nomination and Remuneration



### Scope of powers and duties of the Nomination and Remuneration Committee

At the 1/2006 Board of Directors' Meeting on July 28<sup>th</sup>, 2006 a resolution was made to designate the scope of powers and duties of Nomination and Remuneration Committee as follows:

- (1) Considering the criteria and procedures for recruiting persons qualified to take office as directors of the Company, including selecting persons in accordance with the specified nomination procedures for submission to the Board of Directors for consideration and appointment, or for submission to the shareholders' meeting for consideration and appointment, as the case may be, provided that such procedures for consideration and selection of qualified persons as aforementioned shall also allow minority shareholders to nominate persons for such consideration and selection.
- (2) Considering the criteria and procedures for recruiting persons qualified to take office as the Managing Director, including nominating and selecting such persons in accordance with the specified nomination procedures for submission to the Board of Directors for consideration and appointment
- (3) Arranging for Succession Plan for key positions in management or persons eligible to take office of high-levelled executives, with regular reviews of such Plan
- (4) Determining the criteria for consideration of remuneration for directors and the Managing Director
- (5) Considering proposing remuneration of directors to the Board of Directors for approval and submission to the shareholders' meetings for further consideration and approval
- (6) Considering proposing salary and adjustment of salary rates, including other remuneration of the Managing Director to the Board of Directors for consideration and approval
- (7) Performing other duties as delegated by the Board of Directors

### Corporate Governance Committee

As of December 31<sup>st</sup>, 2016, Corporate Governance Committee consisted of 4 directors as follows:

Names	Positions
1. Mr. Somnuk Chaidejsuriya	Chairman of the Corporate Governance Committee
2. Mr. Techapit Sangsingkeo	Committee
3. Mr. Phairuch Mekarporn	Committee
4. Mr. Chaiwat Utaiwan	Committee and Secretary

### Scope of powers and duties of the Corporate Governance Committee

At the 1/2006 Board of Directors' Meeting on July 28<sup>th</sup>, 2006 a resolution was made to designate the scope of powers and duties of Corporate Governance Committee as follows:

- (1) Proposing practical guidelines for good corporate governance to Board of Directors
- (2) Supervising the operations of the Board of Directors, the Executive Committee, various subcommittees and the management to ensure compliance with the good corporate governance principles.
- (3) Reviewing the practical guidelines for good corporate governance, by comparing with the good corporate governance principles based on international standards and of the Stock Exchange of Thailand, for submission to the Board of Directors for consideration and regular update.
- (4) Delegating policies on good corporate governance to the Company's good corporate governance workgroup and reporting the results to the good corporate governance to the Board of Directors
- (5) Having authority to invite/employ any external persons having knowledge and expertise to act as advisors and attend meetings at the Company's expenses.
- (6) Performing other duties as designated by the Board of Directors



## Risk Management Committee

As of December 31<sup>st</sup>, 2016, Risk Management Committee consisted of 4 directors as follows:

Names	Positions
1. Mr. Techapit Sangsingkeo	Chairman of the Risk Management Committee
2. Mr. Tomoaki Matsumoto	Committee
3. Mrs. Payao Marittanaporn	Committee
4. Mr. Chaiwat Utaiwan	Committee and Secretary

### Scope of powers and duties of the Risk Management Committee

At the 1/2006 Board of Directors' Meeting on July 28<sup>th</sup>, 2006 a resolution was made to designate the scope of powers and duties of Risk Management Committee as follows:

- (1) Setting out the Risk Management Policy for the Company as a whole, and assigning the management to perform in compliance with such Policy, including reporting the performance results to the Risk Management Committee
- (2) Developing and reviewing the Company's Risk Management System to ensure its continual efficiency and effectiveness by means of regular evaluation and follow-up of the risk management procedures to be consistent with the specified policy
- (3) Supporting and encouraging the mutual cooperation in risk management at every level of the Company
- (4) Preparing reports on risks and suggestions to the Board of Directors
- (5) Performing other duties as delegated by the Board of Directors

### Corporate Secretary

Board of Directors has appointed Miss Sudarat Chiamchan, Director of Corporate Affair Division, as Corporate Secretary with duties and authority in compliance with the Securities and Exchange Act B.E. 2551 (No. 4) since 2012 to take care of the activities of Board of Directors and coordinate for practices in accordance with the resolutions of Board of Directors as follows:

- (1) Giving advice primarily to Board of Directors about regulations, rules and requirements of the Company and follow up with correct and regular practices, including reporting changes with significance to Board of Directors
- (2) Organizing the Shareholders' meetings and Board of Directors' meetings according to the Company's Articles of Association and codes of conduct
- (3) Recording reports of AGM of shareholders and Board of Directors' meetings as well as making a follow-up with practices in compliance with the resolutions of AGM of shareholders and Board of Directors' meetings
- (4) Supervising disclosure and reporting of information for the responsible parts in accordance with the regulations and requirements of The Securities Exchange of Thailand and The Securities and Exchange Commission
- (5) Contacting and communicating with general shareholders so that they are informed of the rights of shareholders and information of the Company
- (6) Supervising and coordinating in activities of Board of Directors, including the orientation of directors
- (7) Keeping the Company's important documents, such as register of directors, invitational letters of Board of Directors' meetings, reports of Board of Directors' meetings, Annual Report, invitational letters of shareholders' meetings, reports of shareholders' meetings and reports of interests of directors or executives

## Executive Management

As of December 31<sup>st</sup>, 2016, there were 8 Executives in the Company as follows:

Names	Positions
1. Mr. Chaiwat Utaiwan	Managing Director and Acting Assistant Managing Director, Business Development Group
2. Mr. Tanat Siricharoen	Assistant Managing Director, Operation Group and Acting Director, Operation Group
3. Ms. Walainat Trivisvavet	Assistant Managing Director, Administration Group and Acting Human Resource and Administrative Director, Operation Group
4. Ms. Sudarat Chiamchan	Corporate Affair Director



Names	Positions
5. Mr. Somkiat Pattamamongkolchai	Finance and Accounting Director
6. Mr. Hongthong Artit	Business Development Director
7. Mr. Pipat Katikul*	Acting Engineering and Construction Director
8. Mr. Chatchawan Tienprasertkij	Acting Customer Relationship Management Director

#### Scope of powers and duties of the Managing Director

At the 1/2006 Board of Directors' Meeting on July 28<sup>th</sup>, 2006 and the 8/2007 Board of Directors' Meeting on November 5<sup>th</sup>, 2007 resolutions were made to designate the scope of powers and duties of the Managing Director as follows:

- (1) Having power to approve execution of any juristic acts which would have binding effect upon the Company within an amount of not exceeding Baht 5,000,000 (Five Million Baht only)
- (2) Having power to issue, amend, adjust the Company's work rules, orders and regulations, e.g., employment, appointment, demotion, discipline of staff and employees, determination of salaries and other payments, including welfare and benefits
- (3) Having power to delegate authority to the Company's executive staff, such as Assistant Managing Director to perform duties on behalf of the Managing Director in particular matters such as purchasing, employment, payment instruction as deemed appropriate
- (4) Having power to appoint any person or group of persons to operate the business of the Company under the supervision of the Managing Director, or authorizing such person to take actions as the Managing Director deems appropriate, and also having power to change, amend, cancel or revoke such authorization
- (5) Having power for adjustment, transfer, closure and merger or expansion of the organization structure at such levels lower and the total number of staff not exceeding 315 persons
- (6) Having power to determine salary rates and other remuneration, including expenses and facilities of Division Director or equivalent and higher to seek approval of the from the Executive Committee
- (7) Having power to determine the structure of salary rates and other remunerations of staff at such levels lower than Division Director or equivalent provided that the salary rates (excluding other remunerations and benefits)
- (8) Having power to employ, appoint, impose disciplinary action, terminate, dismiss, remove, determine salaries, bonuses, welfare and other remunerations, including expenses and facilities of the Company's staff who receive salaries at the rate (only the salary rate, excluding any other benefits received) of not exceeding 200,000 Baht/month and/or the Company the Company's staff in such positions lower than Division Director or equivalent. Apart from those mentioned, the Managing Director shall seek approval of the Executive Committee. In this regard, the authority to take the following actions may be delegated, either in whole or in part to workgroups, the Board of Directors, the management, group of persons or any director, as appropriate
- (9) Having duty to supervise all businesses of the Company to ensure compliance with resolutions and policies of the Board of Directors
- (10) Having duty to submit balance sheets, financial statements and income statements of the Company to the Board of Directors for approval
- (11) Having duty to propose significant issues to the Board of Directors or the shareholders' meetings for consideration and approval or for any other purposes as appropriate
- (12) Having duty to conduct feasibility studies on new projects and having power to approve such projects, as delegated by the Executive Committee
- (13) In case the Managing Director is unable to perform duties, the Managing Director shall appoint a Division Director or another person to act for and on behalf of the Managing Director from time to time whereby such person shall have the powers and duties equivalent to the Managing Director
- (14) Performing other duties as delegated by the Board of Directors from time to time

However, the Managing Director and the person authorized by the Managing Director has no power to approve any matters or transactions in which the Managing Director or persons who may have conflict, have interests or may have conflict of interests in any other manners, would enter into with the Company or its subsidiaries, as defined by the Securities and Exchange Commission and Stock Exchange of Thailand.



## Board of Directors and Management

### Board of Directors



#### ① Dr. Thanong Bidaya

- Independent Director
- Chairman of the Board of Directors

#### ② Mr. Plew Trivisvavet

- Director
- Vice Chairman of the Board of Directors

#### ③ Mr. Phongsarit Tantisuvanitchkul

- Director
- Chairman of Executive Committee

#### ④ Mr. Techapit Sangsingkeo

- Independent Director
- Chairman of Risk Management Committee
- Corporate Governance Committee
- Audit Committee

#### ⑤ Mr. Phairuch Mekarporn

- Independent Director
- Chairman of Nomination and Remuneration Committee
- Corporate Governance Committee
- Audit Committee

#### ⑥ Mr. Somnuk Chaidejsuriya

- Independent Director
- Chairman of Corporate Governance Committee
- Audit Committee



**7 Dr. Sombat Kitjalaksana**

- Director and
- Executive Committee

**8 Mr. Suvich Pungchareon**

- Director
- Executive Committee

**9 Mrs. Payao Marittanaporn**

- Director
- Risk Management Committee
- Nomination and Remuneration Committee

**10 Mr. Yasutaka Suzuki**

- Director
- Nomination and Remuneration Committee

**11 Mr. Tomoaki Matsumoto**

- Director
- Executive Committee
- Risk Management Committee

**12 Mr. Chaiwat Utaiwan**

- Director
- Executive Committee
- Risk Management Committee
- Corporate Governance Committee
- Managing Director



### Dr. Thanong Bidaya

- Independent Director
- Chairman of the Board of Directors

Age: 69 years

Date of Appointment:

17 December 2008

#### Educational Background / Training Profiles:

- Ph.D. in Management, Northwestern University, U.S.A.
- M.A. in Economics, Northwestern University, U.S.A.
- B.A. in Economics, Yokohama National University, Japan
- Director Accreditation Program (DAP) Class 25/2004, Thai Institute of Directors Association

Shareholding (%): 0.0085

#### Family Relationship between Director and Executive Management:

- None -

#### Work Experience

##### Listed Company:

- 2012 - Present Chairman of the Board of Directors and Independent Director  
CK Power Public Company Limited
- 2012 - Present Chairman of the Board of Directors, Independent Director  
Scan Inter Public Company Limited
- 2012 - 2015 Chairman of the Board of Directors  
Srisawad Power 1979 Public Company Limited
- 2002 - 2005 Chairman of the Board of Directors  
Thai Airways International Public Company Limited

##### Other Non-listed Companies:

- 2010 - Present Chairman of the Board of Directors  
Xayaburi Power Company Limited
- 2005 - 2006 Minister of Finance
- 2005 Minister of Commerce
- 2001 - 2005 Chairman of National Economics and Social Development Board (NESDB)



### Mr. Plew Trivisvavet

- Director
- Vice Chairman of the Board of Directors

Age: 71 years

Date of Appointment:

26 September 2006

#### Educational Background / Training Profiles:

- Honorary Doctor of Civil Engineering, Nakhon Phanom University
- Honorary Doctor of Civil Engineering, Kasetsart University
- Honorary Doctor of Science (Engineering), Thai-Nichi Institute of Technology
- Master of Electrical Engineer, Osaka University, Japan
- Bachelor of Electrical Engineer, Osaka University, Japan
- Director Certification Program (DCP), Class 50/2004, Thai Institute of Directors Association
- Capital Market Academy Executive Program (CMA), Class 4/2007, Capital Market Academy
- National Defense Course for the Joint State-Private Sectors, (Thai NCD), Class 366, Thai National Defense College

Shareholding (%): 0.0275

#### Family Relationship between Director and Executive Management:

Uncle of Miss Walainut Trivisavet

#### Work Experience

##### Listed Company:

- 2016- Present Vice Chairman of the Board Directors and Chairman of Executive Committee  
Bangkok Expressway and Metro Public Company Limited
- 2011 - Present Director and Chairman of Executive Committee  
CK Power Public Company Limited

- 2007- Present Corporate Governance and Risk Management Committee  
CH. Karnchang Public Company Limited
- 2003 - Present Nomination and Remuneration Committee  
CH. Karnchang Public Company Limited
- 1994 - Present Chairman of Executive Committee  
CH. Karnchang Public Company Limited
- 1994 - 2015 President  
CH. Karnchang Public Company Limited
- 1998 - 2015 Chairman of the Board of Directors / Chairman of Executive Committee  
Bangkok Metro Public Company Limited
- 1998 - 2015 Director and Chairman of Executive Director  
Bangkok Expressway Public Company Limited

##### Other Non-listed Companies:

- 2010 - Present Chairman of Executive Committee  
Xayaburi Power Company Limited
- 2006 - Present Director and Chairmen of Executive Committee  
Nam Ngum 2 Power Company Limited
- 2004 - Present Chairman of Executive Committee  
Southeast Asia Energy Company Limited
- 1999 - Present Chairman of Executive Committee  
Construction Material Supply Company Limited
- 1996 - Present Chairman of the Board of Directors and Chairman of Executive Committee  
Northern Bangkok Expressway Company Limited (NECL)
- 1991 - Present Director  
CH. Karnchang Real Estate Company Limited



### Mr. Phongsarit Tantisuvanitchkul

- Director
- Chairman of Executive Committee

Age: 44 years

Date of Appointment:  
25 February 2016

#### Educational Background / Training Profiles:

- Master of Engineering, University of Michigan Ann Arbor
- Bachelor of Engineering, Kasetsart University
- Understanding the Fundamental of Financial Statement Program (UFS), Class 9/2007, Thai Institute of Directors Association
- Finance for Non-Finance Director (FND) Program, Class 35/2007, Thai Institute of Directors Association
- Director Certification Program (DPC), Class 155/ 2012, Thai Institute of Directors Association

Shareholding (%): -None-

#### Family Relationship between Director and Executive Management:

-None-

#### Work Experience in the last 5 years:

##### Listed Company:

- 2016 - Present Director and Executive Committee Bangkok Expressway and Metro Public Company Limited
- 2016 - Present Senior Vice President, Operation Group CH. Karnchang Public Company Limited
- 2011 - Present Acting Vice President - Business Development CH. Karnchang Public Company Limited
- 2014 - 2015 Director Bangkok Metro Public Company Limited

##### Other Non-listed Companies:

- 2009 - Present Director Bangkok Metro Networks Company Limited



### Mr. Techapit Sangsingkeo

- Independent Director
- Chairman of Risk Management Committee
- Corporate Governance Committee
- Audit Committee

Age: 72 years

Date of Appointment:  
26 September 2006

#### Educational Background / Training Profiles:

- Master of Economics, Keio University, Japan (under a scholarship from Bank of Thailand)
- Bachelor of Economics, Hitosubashi University, Japan
- Audit Committee Program (ACP) Program, Class 22/2008, Thai Institute of Directors Association
- Directors Accreditation Program (DAP), Class 34/2005, Thai Institute of Directors Association
- Executive Development Program, Harvard University, U.S.A.
- Senior Executive Development Program, Class 3, King Prajadhipok's Institute
- Capital Market Academy Executive Program (CMA), Class 5, Capital Market Academy

Shareholding (%): 0.0250

#### Family Relationship between Director and Executive Management:

-None-

#### Work Experience:

##### Listed Company:

- 2012 - Present Independent Director and Chairman of Audit Committee CK Power Public Company Limited
- 2007 - 2015 Independent Director and Chairman of Audit Committee Star Sanitary Ware Public Company Limited

##### Other Non-listed Companies:

- 2007 - Present Director Pathum Thani Water Company Limited
- 2002 - 2004 Deputy Governor Bank of Thailand
- 2003 - 2004 Director and Chairman of Audit Committee Import-Export Bank of Thailand
- 2001 - 2004 Director Thailand Securities Depository Company Limited



### Mr. Phairuch Mekarporn

- Independent Director
- Chairman of Nomination and Remuneration Committee
- Corporate Governance Committee
- Audit Committee

Age: 71 years

Date of Appointment:

26 September 2006

#### Educational Background / Training Profiles:

- Master of Mechanical Engineering, California State University, Long beach, U.S.A.
- Bachelor of Mechanical Engineering, Chulalongkorn University
- Audit Committee Program (ACP), Class 17/2007, Thai Institute of Directors Association
- Director Certification Program (DCP), Class 81/2006, Thai Institute of Directors Association
- Advanced Management Program: The International Senior Managers' Program, Harvard University, Graduate School of Business Administration, U.S.A.
- Electricity Generation from Solar Panels on Rooftop of Residential Buildings, Electric Supply Industry Association of Thailand (TESIA)

Shareholding (%): -None-

Family Relationship between Director and Executive Management:

-None-

#### Work Experience:

##### Listed Company:

2004 - Present Independent Director  
Thai Optical Group Public Company Limited

##### Other Non-listed Companies:

2007 - Present Chairman of the Board of Directors  
Pathum Thani Water Company Limited

2016 - Present Director  
Center of Excellence on Hazardous Substance Management (HSM)  
Chulalongkorn University

1996 - 2003 Managing Director  
Siam Kraft Industry Company Limited

1989 - 1996 Managing Director  
Thai Paper Company Limited



### Mr. Somnuk Chaidejsuriya

- Independent Director
- Chairman of Corporate Governance Committee
- Audit Committee

Age: 65 years

Date of Appointment:

26 September 2006

#### Educational Background / Training Profiles:

- Master of Law, Chulalongkorn University
- Bachelor of Law, Chulalongkorn University
- Thai Barrister-at-Law, Institute of Legal Education, Thai Bar Association
- Audit Committee Program (ACP), Class 9/2005, Thai Institute of Directors Association
- Directors Accreditation Program (DAP), Class 9/2004, Thai Institute of Directors Association
- Director Certification Program (DCP), Class 46/2004, Thai Institute of Directors Association
- Diploma, National Defense Course for the Joint State-Private Sectors, Class 11, Thai National Defense College

Shareholding (%): -None-

Family Relationship between Director and Executive Management:

-None-

#### Work Experience:

##### Listed Company:

2004 - Present Director / Audit Committee / Chairman of Risk Management Committee  
Don Muang Tollway Public Company Limited

2004 - Present Director / Chairman of Audit Committee  
Cathay Leaseplan Public Company Limited

##### Other Non-listed Companies:

2012 - Present Vice Chancellor  
Navamindradhiraj University  
(formerly University of Bangkok Metropolis)

1999 - 2000 Board Member and Executive Director  
The Marketing Organization for Farmers (MOF)

1997 - 1998 Governor  
Deputy Governor for Operation  
Deputy Governor for Legal Affairs and Land Ownership  
Expressway Authority of Thailand (EXAT)



### Dr. Sombat Kitjalaksana

- Director
- Executive Committee

Age: 60 years

Date of Appointment:

11 September 2000

#### Educational Background / Training Profiles:

- Doctor of Soil Mechanic Engineering, University of Innsbruck, Austria
- Master of Soil Mechanic Engineering, Chulalongkorn University
- Director Certification Program (DCP), Class 81/2006, Thai Institute of Directors Association
- Directors Accreditation Program (DAP), Class 36/2005, Thai Institute of Directors Association

Shareholding (%): 0.0251

#### Family Relationship between Director and Executive Management:

-None-

#### Work Experience:

##### Listed Company:

- 2015 - Present Director, Managing Director, Executive Committee  
Bangkok Expressway and Metro Public Company Limited
- 2005 - 2015 Director  
CH. Karnchang Public Company Limited
- 2001 - 2010 Vice President for Business Development  
CH. Karnchang Public Company Limited
- 2000 - 2011 Managing Director  
Bangkok Metro Public Company Limited
- 2014 - 2015 Managing Director and Executive Committee  
Bangkok Metro Public Company Limited

##### Other Non-listed Companies:

- 2009 - Present Director  
Bangkok Metro Networks Company Limited



### Mr. Suvich Pungchareon

- Director
- Executive Committee

Age: 70 years

Date of Appointment:

26 September 2006

#### Educational Background / Training Profiles:

- Master of Political Science, Sukhothai Thammathirat Open University
- Bachelor of Electrical Engineering, Tohoku University, Japan
- Diploma Program on Politics and Governance in Democratic Systems, Class 8/2004, King Prajadhipok's Institute
- Diploma Program on Public Economy Management, Class 1/2003, King Prajadhipok's Institute
- Director Certification Program (DCP), Class 37/2003, Thai Institute of Directors Association
- Mini MBA, Berkeley University, U.S.A.

Shareholding (%): -None-

#### Family Relationship between Director and Executive Management:

--None-

#### Work Experience:

##### Listed Company:

- At present Advisor  
Bangkok Expressway and Metro Public Company Limited
- 2003 - 2006 Managing Director  
Bangkok Expressway Public Company Limited
- 1989 - 1884 General Manager  
Bangkok Expressway Public Company Limited

##### Other Non-listed Companies:

- 1996 - 2003 Managing Director  
Northern Bangkok Expressway Company Limited



### Mrs. Payao Marittanaporn

- Director
- Risk Management Committee
- Nomination and Remuneration Committee

Age: 60 years

Date of Appointment:

17 February 2015

#### Educational Background / Training Profiles:

- Master of Business Administration, Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University
- Diploma in Auditing, Thammasat University
- Director Certification Program (DCP), Class 48/2004, Thai Institute of Directors Association
- Role of the Compensation Committee (RCC), Class 9/2009, Thai Institute of Directors Association
- Capital Market Academy Executive Program (CMA), Class 11/2010, Capital Market Academy

Shareholding (%): -None-

#### Family Relationship between Director and Executive Management:

-None-

#### Work Experience:

##### Listed Company:

- 2015 - Present Director / Corporate Governance and Risk Management Committee / Executive Committee / Managing Director  
**Bangkok Expressway and Metro Public Company Limited**
- 2007 - 2015 Director / Executive Committee / Managing Director  
**Bangkok Expressway Public Company Limited**
- 2013 - 2014 Director / Nomination and Remuneration Committee / Risk Management Committee  
**TTW Public Company Limited**

##### Other Non-listed Companies:

- 2004 - Present Director and Executive Committee  
**Northern Bangkok Expressway Company Limited**
- 2007 - Present Acting Managing Director  
**Northern Bangkok Expressway Company Limited**
- 2011 - 2014 Director  
**Xayaburi Power Company Limited**



### Mr. Yasutaka Suzuki

- Director
- Nomination and Remuneration Committee

Age: 53 years

Date of Appointment:

7 April 2015

#### Educational Background / Training Profiles:

- Master of Mechanical Engineering, Tohoku University, Japan
- Bachelor of Mechanical Engineering, Tohoku University, Japan
- Advanced Management Program, Wharton School, University of Pennsylvania, USA

Shareholding (%): -None-

#### Family Relationship between the Director and Executive Management:

-None-

#### Work Experience

##### Listed Company:

-None-

##### Other Non-listed Companies:

- 2015 - Present Senior Vice President and Divisional Operating Officer  
 Infrastructure Projects Business Div., Asia Pacific Business Unit  
**Mitsui & Co., Ltd. (Singapore)**
- 2012 - 2015 Deputy General Manager  
 First Projects Development Div., Infrastructure Projects Business Unit  
**Mitsui & Co., Ltd. (Tokyo)**
- 2009 - 2012 Director & General Manager  
 Infrastructure and Machinery Div.  
**Mitsui & Co., (Korea) Ltd.**



### Mr. Tomoaki Matsumoto

- Director
- Executive Committee
- Risk Management Committee

Age: 45 years

Date of Appointment:

14 August 2014

#### Educational Background / Training Profiles

- Bachelor of Economics, Tokyo University, Japan
- Directors Accreditation Program (DAP 57/2006) by Thai Institute of Director Association
- Directors Certification Program (DCP 78/2006) by Thai Institute of Director Association

Shareholding (%): -None-

#### Family Relationship between Director and Executive Management:

-None-

#### Work Experience

##### Listed Company:

2006 - 2009 Director  
TTW Public Company Limited

##### Other Non-listed Companies:

2014 - Present Director  
Mitsui Water Holdings (Thailand) Co., Ltd.

2014 - Present Director  
Mit-Power (Thailand) Co., Ltd. and  
Mit-Power Capitals (Thailand), Ltd.

2014 - Present Director  
Pathum Thani Water Company Ltd.

2014 - Present General Manager, Infrastructure  
Project Development Division  
Mitsui & Co (Thailand) Ltd.

2009 - 2014 Deputy General Manager, First Project  
Development Department, Renewable  
Energy & Environment Division  
Mitsui & Co., Ltd. (Tokyo)

1999 - 2006 Manager, First Project Development  
Department, Power and  
Infrastructure Project Development  
Division  
Mitsui & Co., Ltd. (Tokyo)



### Mr. Chaiwat Utaiwan

- Director
- Executive Committee
- Risk Management Committee
- Corporate Governance Committee
- Managing Director

Age: 63 years

Date of Appointment:

15 March 2014

#### Educational Background / Training Profiles:

- Master of Business Administration (Executive Program), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Master of Science (Mathematics and Computer Science), University of Louisville, Kentucky, U.S.A.
- Bachelor of Science (Statistics), Faculty of Commerce and Accountancy, Chulalongkorn University
- National Defense Course for the Joint State-Private Sectors, Class 20, Thai College of Defense
- Role of Chairman Program (RCP), Class 29/2012, Thai Institute of Directors Association (IOD)
- Capital Market Academy Executive Program (CMA), Class 3/2006, Capital Market Academy
- Director Certification Program (DCP), Class 18/2002, Thai Institute of Directors Association (IOD)

Shareholding (%): -None-

#### Family Relationship between Director and Executive Management:

-None-

#### Work Experience:

##### Listed Company:

2015 - Present Director and Executive Committee  
CK Power Public Company Limited

2011 - 2014 Director / Executive Committee /  
Risk Management Committee /  
Managing Director  
Bangkok Metro Public Company Limited

2007 - 2011 President and Chief Executive Officer  
Siam City Bank Public Company Limited

2001 - 2007 President and Chief Executive Officer  
AIG Retail Bank Public Company Limited

2001 - 2007 President and Chief Executive Officer  
AIG Finance (Thailand) Public  
Company Limited

Other Non-listed Companies:

2015 - Present Vice President  
Thai Listed Companies Association

2011 - Present Chairman of the Board of Director  
Suvarnabhumi Airport Hotel  
Company Limited

2011 - 2012 Director and Executive Committee  
Government Savings Bank

2014 - Present Director and Managing Director  
Pathum Thani Water Company Limited

2014 - Present Director  
Thai Water Operations Company Limited

2011 - 2012 Vice President  
Bangkok Metro Networks Company  
Limited

2014 - Present Chairman of the Board of Directors  
Islamic Bank of Thailand



## Management



### ① Mr. Chaiwat Utaiwan

- Director
- Executive Committee
- Risk Management Committee
- Corporate Governance Committee
- Managing Director

### ② Mr. Tanat Siricharoen

- Assistant Managing Director -  
Operation Department,
- Acting Operation Director

### ③ Miss Walainut Trivisvavet

- Assistant Managing Director -  
Administration Department
- Acting Human Resource  
and Administrative Director

### ④ Miss Sudarat Chiamchan

- Corporate Affairs Director
- and Company Secretary



⑤ **Mr. Somkiat Pattamamongkolchai**  
● Finance and Accounting Director

⑥ **Mr. Hongthong Artit**  
● Business Development Director

⑦ **Mr. Chatchawan Tienprasertkit**  
● Acting Customer Relationship  
Management Director

⑧ **Mr. Pipat Katikul**  
● Acting Engineering and  
Construction Director



### Mr. Chaiwat Utaiwan

#### Position in the Company:

- Director
- Executive Committee
- Risk Management Committee
- Corporate Governance Committee
- Managing Director

Age: 63 years

#### Educational Background / Training Profiles:

- Master of Business Administration (Executive Program), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Master of Science (Mathematics and Computer Science), University of Louisville, Kentucky, U.S.A.
- Bachelor of Science (Statistics), Faculty of Accountancy and Commerce, Chulalongkorn University
- National Defense Course for the Joint State-Private Sectors, Class 20, Thai College of Defense
- Director Certification Program (DCP), Class 18/2002, Thai Institute of Directors Association (IOD)
- Role of Chairman Program (RCP), Class 29/2012, Thai Institute of Directors Association (IOD)
- Capital Market Academy Executive Program (CMA), Class 3/2006, Capital Market Academy
- Energy Education Program for Executives, Class 4, Thailand Energy Academy (TEA)
- Bhumipalung Phandin Educational Program for Executive Development (based on the lessons learned from Royal Projects and Initiatives), Class 1, Chulalongkorn University
- Advanced Training on Insurance, Class 6, Office of Thai Insurance Commission, Sydney, Australia

Shareholding (%) -None-

#### Work Experience:

- Director / Executive Committee / Risk Management Committee / Managing Director  
Bangkok Metro Public Company Limited
- Director and Executive Committee  
Government Savings Bank
- President and Chief Executive Officer  
Siam City Bank Public Company Limited
- President and Chief Executive Officer  
AIG Retail Bank Public Company Limited
- President and Chief Executive Officer  
AIG Finance (Thailand) Public Company Limited
- Vice President  
Bangkok Metro Networks Company Limited

#### Other Current Positions:

- Director  
CK Public Company Limited
- Chairman of the Board of Directors  
Islamic Bank of Thailand
- Vice President  
Thai Listed Companies Association
- Chairman of the Board of Directors  
Suvarnabhumi Airport Hotel Company Limited
- Director and Managing Director  
Pathum Thani Water Company Limited
- Director  
Thai Water Operations Company Limited



### Mr. Tanat Siricharoen

#### Position in the Company:

- Assistant Managing Director - Operation Department,
- Acting Operation Director

Age: 57 years

#### Educational Background / Training Profiles:

- Bachelor of Industrial Electrical Technology King's Mongkut's Institute of Technology North Bangkok
- Director Accreditation Program (DAP), Class 99/2012, Thai Institute of Directors Association
- Director Certification Program (DCP), class 170/2013, Thai Institute of Directors Association
- Business Reporting Program (BRP), Thai Institute of Directors Association, 2015
- Professional Presentation Skills, Class 1/2015
- Build up Risk Awareness Program, PwC Company, 2015
- Executive Coaching Course, 2015
- Lean Six Sigma, Executive Level, 2015
- Monitoring and Controlling Business Performance, Thailand Management Association (TMA), 2015
- Introduction and Awareness to OHSAS18001:2007, SGS Institute, 2015

- Myanmar Opportunities Day, The Federation of Thai Industries, 2015
- Integrated Water Management for Executives, Class 3, Thai Waterworks Association (TWWA)

Shareholding (%) -None-

#### Work Experience:

- Operation Director  
TTW Public Company Limited
- Operation Manager  
Thai Water Operations Company Limited
- Operation Director  
BJT Water Company Limited
- Maintenance Manager  
BJT Water Company Limited

#### Other Current Positions:

- Director / Managing Director  
Thai Water Operations Company Limited



### Miss Walainut Trivisvavet

#### Position in the Company:

- Assistant Managing Director - Administration Department
- Acting Human Resource and Administrative Director

Age: 46 years

#### Educational Background / Training Profiles:

- Master of Science in Administrative Studies, Sub-concentration: Financial Economics Boston University
- Bachelor of Business Administration, Assumption University
- Mini Master in Human Resource Management, Class 26/2016, Academic Service and Continuing Education Center, Faculty of Economics, Chulalongkorn University
- Certification Program in Investor Relations, 2016, Thai Listed Companies Association
- Chief Financial Officer Certification Program (CFO), Class 19, The Federation of Accounting Professions under Royal Patronage of HM the King
- Advance Audit Committee Program (AACP), Class 20/2015, Thai Institute of Directors Association
- Beyond Treasury Management, The Federation of Accounting Professions under Royal Patronage of HM the King, 2015
- Executive Coaching Course, 2015
- Lean Six Sigma Program, Executive Level, 2015
- Myanmar Opportunities Day, The Federation of Thai Industries, 2015
- Company Reporting Program (CRP), Class 13/2015, Thai Institute of Directors Association

- Director Certification Program (DCP), class 201/2015, Thai Institute of Directors Association
- Advance Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute

Shareholding (%) -None-

#### Work Experience:

- Assistant Managing Director - Finance Department Bangkok Expressway Public Company Limited
- General Director Rung Phonchai Company Limited
- Managing Director Fahamorn Equipment Company Limited
- Managing Director R.S.B. Construction Company Limited
- General Manager Sa-nga Construction Company Limited
- Managing Director Rung Phonchai Company Limited

#### Other Current Positions:

- Director Pathum Thani Water Company Limited
- Director Thai Water Operations Company Limited



### Miss Sudarat Chiamchan

#### Position in the Company:

- Corporate Affairs Director and Company Secretary

Age: 52 years

#### Educational Background / Training Profiles:

- Master of Management Mahidol University
- Bachelor of Business Administration (Accounting) Ramkhamhaeng University
- Corporate Governance for Executives (CGE), Class 6/2016), Thai Institute of Directors Association
- How to Report the Remuneration of Directors, 2016, Thai Institute of Directors Association
- Business Reporting Program (BRP), Thai Institute of Directors Association, 2015
- Professional Presentation Skills, Class 1/2015
- Responsible Supply Chain Management, the Stock Exchange of Thailand, 2015
- Build up Risk Awareness, PWC Company, 2015
- Executive Coaching Course, 2015
- Lean Six Sigma Program, Executive Level, 2015
- Advance Audit Committee Program (AACP), Class 20/2015, Thai Institute of Directors Association
- Change Management and the Management System of Significant Information, 2014
- Director Certification Program (DCP), Class 186/2014, Thai Institute of Directors Association

- TMA Management Development Program, Class 18, Thailand Management Association (TMA), 2013
- Effective Minutes Taking (EMT), Class 24/2012
- What does it take to be an MD of a listed company, 2011
- Company Secretary Program (CSP), Class 43/2011, Thai Institute of Directors Association
- Company Reporting Program (CRP), Class 2/2011, Thai Institute of Directors Association

Shareholding (%) -None-

#### Work Experience:

- Accounting and Finance Manager Pathum Thani Water Company Limited
- Accounting and Finance Manager Index International Group Company Limited

#### Other current positions:

-None-



### Mr. Somkiat Pattamamongkolchai

#### Position in the Company:

- Finance and Accounting Director

Age: 44 years

#### Educational Background / Training Profiles:

- Master of Accounting, Thammasart University
- Bachelor of Commerce and Accountancy Chulalongkorn University
- Director Certification Program (DCP), Class 121/2009, Thai Institute of Directors Association
- Director Accreditation Program (DAP), Class 79/2009, Thai Institute of Directors Association
- Important Changes in Thai Financial Reporting Standards: TFRS (Revised Edition 2016) for the Instructors of Accounting Professions, Class 2/2016, The Federation of Accounting Professions
- Precautions in Performing the Closing Entries, Preparing Financial Statements, and Submitting Income Tax Forms: Class 2/2016, The Federation of Accounting Professions
- TLCA Executive Development Program, Thai Listed Companies Association, 2015

- Business Reporting Program (BRP), Thai Institute of Directors Association, 2015
- Professional Presentation Skill, Class 1/2015
- Build up Risk Awareness, PWC Company, 2015
- Executive Coaching Course, 2015
- Beyond Treasury Management, The Federation of Accounting Professions, 2015
- Lean Six Sigma Program, Executive Level, 2015

#### Shareholding (%) -None-

#### Work Experience:

- Director  
CK Power Public Company Limited
- Assistant Audit Manager  
EY Office Limited (Formerly Ernst & Young Limited)
- Director  
Bangkhenchai Company Limited

#### Other current positions:

-None-



### Mr. Hongthong Artit

#### Position in the Company:

- Business Development Director

Age: 50 years

#### Educational Background / Training Profiles:

- Master of Engineering (Infrastructure and Management), Kasetsart University
- Bachelor of Engineer (Mechanical Engineering) King Mongkut's Institute of Technology North Bangkok
- International Field Trip: CLMV, Thai Listed Companies Association, 2016
- Energy Symposium 2016, The Federation of Thai Industries
- Burmese Language for Basic Communication, Course #1, Easy Burmese Language Center, 2015
- Business Reporting Program (BRP), Thai Institute of Directors Association, 2015
- Professional Presentation Skill, Class 1/2015
- Build up Risk Awareness, PWC Company, 2015
- Executive Coaching Course, 2015
- Beyond Treasury Management, The Federation of Accounting Professions, 2015
- Lean Six Sigma Program, Executive Level, 2015
- Myanmar Opportunities Day, The Federation of Thai Industries, 2015

- Joint Venture Investment & Business Contract Risk Management in Myanmar, Ideal Forum Co., Ltd., 2014
- Management Development Program, Thailand Management Association (TMA), 2014
- The Greater Mekhong Investment Forum, Euromoney Conference, 2014
- Change Management and the Management System of Significant Information, 2014
- TMA Management Development Program, Class 18/2013, Thailand Management Association (TMA)

#### Shareholding (%) 400 shares or 0.00001%

#### Work Experience:

- Operation Manager  
Pathum Thani Water Company Limited
- Chief of Engineering and Construction Division  
TTW Public Company Limited
- Pipeline Site Manager  
JWTWCK Joint Venture
- Engineering Manager  
Thai Crane International Company Limited  
SVS Consultant Company Limited

#### Other current positions:

-None-



### Mr. Chatchawan Tienprasertkit

#### Position in the Company:

- Acting Customer Relationship Management Director

Age: 51 years

#### Educational Background / Training Profiles:

- Master of Business Administration (Management) Sripatum University
- Bachelor of Science (Statistics and Computer), Faculty of Commerce and Accountancy, Chulalongkorn University
- Business Reporting Program (BRP), Thai Institute of Directors Association, 2015
- Professional Presentation Skills, Class 1/2015
- Build up Risk Awareness, PWC Company, 2015
- Executive Coaching Course, 2015
- Beyond Treasury Management, The Federation of Accounting Professions, 2015
- Lean Six Sigma Program, Executive Level, 2015
- Governance, Risk and Compliance; TRIS Academy of Management, 2014
- Internal Audit Certification Program, The Federation of Accounting Professions, 2013
- Marketing Certificate Program (MCP) : Excellence Series, Class 27/2012, Thammasart University
- Risk Management Program, Thai Institute of Directors Association, 2011

- Integrated Management System for Sustainability (IMS) Program, Thailand Productivity Institute, 2011

Shareholding (%) -None-

#### Work Experience:

- Manager - Internal Audit Division  
TTW Public Company Limited
- Information Technology Director  
TTW Public Company Limited
- Marketing Director  
TTW Public Company Limited
- Senior Manager - Business Development Division  
Bangkok Metro Public Company Limited
- Operation Support Manager - Operation Division  
Bangkok Metro Public Company Limited
- Manager - Software Applications for Business Administration  
Business Application Co., Ltd.
- Manager - Computer Division  
Siam Kayaba Company Limited

#### Other Current Positions:

-None-



### Mr. Pipat Katikul

#### Position in the Company:

- Acting Engineering and Construction Director

Age: 49 years

#### Educational Background / Training Profiles:

- Master of Business Administration  
National Institute of Development Administration (NIDA)
- Master of Computer and Engineering Management  
Assumption University
- Bachelor of Science (Microbiology)  
King Mongkut's University of Technology Thonburi
- Monitoring and Controlling Business Performance, Thailand Management Association (TMA), 2015
- Introduction and Awareness to OHSAS18001:2007, SGS Institute, 2015
- Business Reporting Program (BRP), Thai Institute of Directors Association, 2015
- Professional Presentation Skills, Class 1/2015
- Build up Risk Awareness Program, PwC Company, 2015
- Executive Coaching Course, 2015
- Burmese Language for Basic Communication, Course #1, 2015
- Lean Six Sigma, Executive Level, 2015
- How to Develop a Risk Management Plan, Thai Institute of Directors Association, 2014
- Business Capability Enhancement Program (BCEP), Thai Institute of Directors Association, 2014

Shareholding (%) -None-

#### Work Experience:

- Manager - Quality and Efficiency  
Thai Water Operations Company Limited
- Operation Manager - Pathum Thani Tap Water Manufacturing Plant  
Thai Water Operations Company Limited
- Business Development Manager  
TTW Public Company Limited
- Business Development Manager  
Thai Water Operations Company Limited
- Operation Manager  
BJT Water Company Limited
- Production Manager  
Ajinomoto (Thailand) Company Limited

#### Other Current Positions:

-None-



## Shareholding by Directors and Executives in 2016

Director/Executive		Brought Forward as at January 1, 2016	Balance as at December 31, 2016	Changing	Shareholders (%)
1. Dr. Thanong Bidaya	Chairman of the Board of Directors	342,500	342,500	-	0.0085
2. Mr. Plew Trivisvavet	Director	1,100,000	1,100,000	-	0.0275
3. Mrs. Saikasem Trivisvavet	Spouse	100,000	100,000	-	0.0025
4. Mr. Narong Sangsuriya*	Director	100	100	-	0.0000
5. Mr. Phongsarit Tantisuvanitchkul	Director	-	-	-	-
6. Mr. Techapit Sangsingkeo	Independent Director	1,000,000	1,000,000	-	0.0250
7. Mr. Phairuch Mekarporn	Independent Director	-	-	-	-
8. Mr. Somnuk Chaidejsuriya	Independent Director	-	-	-	-
9. Mr. Suvich Pungchareon	Director	-	-	-	-
10. Mrs. Wanna Pungchareon	Spouse	300,000	300,000	-	0.0075
11. Dr. Sombat Kitjalaksana	Director	2,860,100	1,000,100	(1,860,000)	0.0250
12. Mr. Tomoaki Matsumoto	Director	-	-	-	-
13. Mr. Yasutaka Suzuki	Director	-	-	-	-
14. Mr. Chaiwat Utaiwan	Director and Managing Director	-	-	-	-
15. Mr. Tanat Siricharoen	Assistant Managing Director, Operations Group	-	-	-	-
16. Miss Walainut Trivisvavet	Assistant Managing Director, Administration Group	-	-	-	-
17. Miss Sudarat Chiamchan	Corporate Affairs Division Director	-	-	-	-
18. Miss Pathida Chaiyasen**	Human Resource and Administrative Director	375,000	18,000	(357,000)	0.0004
19. Mr. Somkiat Pattamamongkolchai	Finance and Accounting Director	-	-	-	-
20. Mr. Hongthong Artit	Business Development Director	400	400	-	0.00001
21. Mr. Chatchawan Tienprasertkit	Acting Customer Relationship Management Director	-	-	-	-
22. Mr. Pipat Katikul	Acting Engineering and Construction Director	-	-	-	-

\* Resignation on 13 January 2016

\*\* Resignation on 1 October 2016



## Activities for Society, Quality of Life, and Environment

TTW emphasized its engagement in addressing the problems of communities and pursuing the development for them. Therefore, a number of activities were set up based on the expectations of communities and the expectations of the company altogether, in order to improve quality of life and the well being of communities.



### Activities for Society and Quality of Life



#### 1. Activity on National Children's Day under the theme "Conserve Water"

TTW organized the activities on National Children's Day for the children of TTW employees and other children who lived in TTW operating areas to enjoy the activities as appropriate to their age. Knowledge about the business of the company and water conservation was inserted in the sessions of activities. This event was organized in the compound of TTW Tap Water Manufacturing Plant.



#### 2. An Annual Fair to Commemorate the Birthday of His Majesty Phra Phuttaloetla Naphalai (King Rama II Memorial Fair)

TTW has participated in the organization of annual fair on 24 February of every year to commemorate the birthday of His Majesty Phra Phuttaloetla Naphalai (or the so called King Rama II Memorial Fair) in the compound of King Rama II Commemorate Park, Amphawa District, Samut Songkhram Province. TTW organized a booth for people to paint Thai drawings in a traditional theme and a booth for a charitable and fun game to collect money for donating to The King Rama II Phraboromrachanusorn Foundation under Royal Patronage.





### 3. Executive Management Welcomed Visitors from Government Agencies to Take a Tour of “1 million trees generating watershed” project

The year 2016 was the first year that TTW arranged for visitors from government agencies to take a tour of afforestation watershed area of the project in Thong Pha Phum National Park, Kanchanaburi Province, to enhance their knowledge and understanding about water conservation.



### 4. Provided Support for Better Life Quality of Students in Underprivileged School in Surin Province

TTW was one company among the others that were honorary requested to take role as a host for providing support for better life quality of students in an underprivileged school in Surin Province as per the initiative of Air Chief Marshal Prachin Chantong, Deputy Prime Minister. To this end, TTW managed to build some toilets and improve drinking and utilities water systems for Ban Samrong School in Sanom District, Surin Province.



### 5. Provided Supports to “We Love Tha Chin River Club”, Nakhon Pathom Province

“We Love Tha Chin River Club” was established through a gathering of the representatives from government sector, private sector, and civil society to join an effort to conserve and solve problems of this River. TTW provided supports to the activities of this club continuously throughout the year 2016, such as providing a supply of bottled drinking water, a supply of materials, hosting and organizing a meeting for them, exchanging data about the quality of water with them (as a surveillance of the quality of raw water) and giving supports for some other activities for public benefits.





## 6. Bottled Drinking Water for Communities and Environment

Apart from producing the tap water of international quality standards, TTW also hired local workers in communities to produce bottled drinking water with a reverse osmosis (RO) system and an exposure to Ultraviolet (UV) Ray, as a way for stakeholders to engage in the activity for public benefits. The production capacity was around 150,000 bottles per year.



## 7. Providing Supports to Activities for Public Benefits

TTW provided supports to the activities for public benefits throughout 2016, such as:

- Kathin (annual merit-making) Ceremony graciously bestowed by H.M. the King at Wat Phra Merurachikaram, Phra Nakhon Si Ayutthaya Province.
- Made a monetary contribution to a merit-making campaign for educational opportunity for children of Phra Phichitman's Fund, Wat Boromniwat, Bangkok.
- Sponsored scholarships and materials for organizing an activity to mobilize the donation in kinds for underprivileged school in Rayong Province.
- Support the organization of the cycling event "Bike Family" of Bang Pa In Industrial Estate, Phra Nakhon Si Ayutthaya Province.
- Made monetary contribution to the project "The Power of Love for The Disabled in Pathumthani Province."
- Bought uncooked rice directly from farmers as suggested by government's policy.



## Activities for Environment

TTW realizes the importance of environment, especially the water resources that are essential for a living of humans. As the availability of water resource is limited, TTW has carried out water management comprehensively from the upstream, midstream and downstream areas as follows.



### 1. watershed

The "1 million trees generating watershed" Project aimed to restore the forests in watershed areas which had been deteriorated from mining industry in the past, totally 5,000 Rais, currently located in Thong Pha Phum National Park, Thong Pha Phum District, Kanchanaburi Province. The seedlings were planted in the area of 1,000 Rais per year (200 seedlings per each Rai) for 5 years (2011-2015) and they would be maintained for nourishment continuously for another 2 years after that before the company would handling the responsibility to the Department of National Parks, Wildlife and Plant Conservation for taking care of them for another 7 years further. The planting of these seedlings was carried out by contracting the workers of local communities to do so. The project also had volunteers to communicate and convey knowledge and understanding, and encourage the engagement of people in conserving the watersheds. In 2016, TTW maintained and nourished the remaining 2,000 Rai of the forest; and handed over the 200,000 trees that were planted in 2014. Totally, the project has handed over 800,000 trees altogether.



## 2. Midstream

TTW has designed tap water production process in a way that it would help conserve water resources and be friendly to environment. That is, the residues of tap water left from manufacturing process will be squeezed to let the remaining portions of water out; and the water obtained this way will be used for manufacturing the tap water again. So there would be “Zero Discharge” of water from the manufacturing process. For the earthen sediments, after checking and analyzing and finding that they do not contain any poisonous substances; they will be stored or utilized as appropriate.



## 3. Downstream

The water in Khlong Khru (a canal) in Mueang District, Samut Sakhon Province has been polluted for a long time and affected the life quality of people in local community. Therefore, TTW has initiated a project called “The Joint Efforts to Restore the Quality of Water in Khlong Khru,” to mobilize the cooperation from all related sectors in solving the problem. In this regard, TTW is responsible to provide operational budget. The project has collected the samples of water for quality checking and surveyed the opinions and comments of communities. The findings from these will inform an approach for finding a solution and inform the development of a suitable action plan.





## Occupational Health and Safety

### Implementation of Occupational Health and Safety

TTW Public Company Limited has defined a policy and management structure clearly in compliance with applicable laws. The company has employed International Occupational Health and Safety Management System Series (OHSAS18001) as the basic operational guide to ensure work safety for employees.

### Environment, Occupational Health and Safety Policy

TTW Public Company Limited has seriously employed a system to ensure favorable environment, occupational health and safety with an emphasis on the engagement of personnel to foster a continuous development as follows.

1. Produce quality tap water that meets the need of customers sufficiently.
2. Ensure maximum satisfaction among direct and indirect customers.
3. Enhance the knowledge, skills and expertise of all employees on a regular basis to raise awareness about quality, environment, occupational health and safety.
4. Comply with applicable laws, rules and regulations about environmental issues and occupational safety of the company.
5. Prevent environmental pollutions that may occur due to the operation of TTW and related parties; and use energy and resources most efficiently.
6. Prevent and reduce occupational accidents, hazards and ailments among TTW employees and related parties.
7. Ensure the preparedness for the management of emergency situation in a way that it would not affect individuals and their properties both inside and outside the company.

#### A. The goal of occupational health and safety implementation

The goal is to achieve an injury & illness free operation.

#### B. Occupational Health and Safety Strategies

1. Employed occupational health and safety standards for employees of all levels. In this regard, the management must take a leading role.
2. Enhance capability and increase awareness about work safety.
3. Encourage the engagement of employees and business counterparts in favor of work improvement towards safety.

#### C. Achievement of Occupational Health and Safety Implementation in 2016

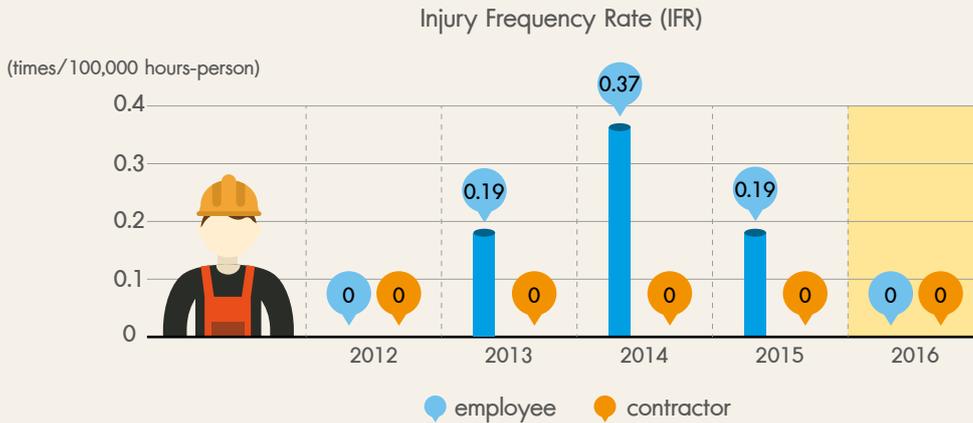
In 2016, the implementation of TTW regarding occupational health and safety yield a very good outcome. That is, no occupational injuries occurred to TTW employees and counterparts at all. Therefore, the goal of “Zero Injury” set by Safety Committee of TTW Group has been achieved. This committee has defined the year 2016 as the year for injury reduction. The campaign addressed the main causing situations of injuries such as the operation of machinery; working with electricity, chemicals; maintenance works; working at a high altitude; and conflagration. To this end, the committee defined standard operating procedures for the employees to comply with very strictly.



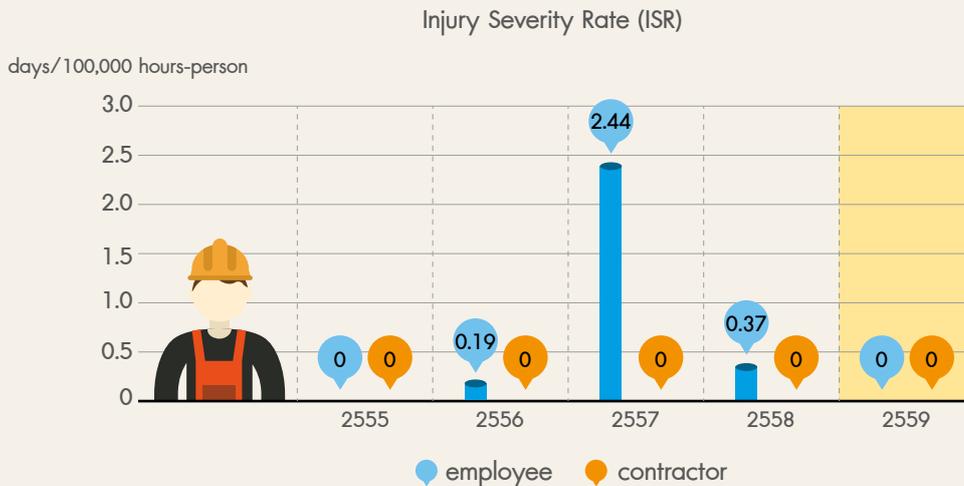
### D. Incidence of Injury



### E. Injury Frequency Rate



### F. Injury Severity Rate



Remark

- 1) Injury Frequency Rate (IFR): Criteria or indicator to determine the frequency of injury of the organization by calculating from the number of injury (times) against 100,000 hours-person per year.
- 2) Injury Severity Rate (ISR): Criteria or indicator to determine the severity of injury of the organization by calculating from the number of injury (days) against 100,000 hours-person per year.



## Engagement of Employees in Implementing Occupational Health and Safety

Engagement of employees is an important strategy, as we believe that their engagement would make them feel confident in the organization and feel enthusiastic to work together toward the achievement of the goal “Injury & Illness Free Operation”. A system has been employed to facilitate continual engagement of employees from all levels in the activities of occupational health and safety.

### 1) The Committee for Occupational Health, Safety and Work Environment

TTW managed for an election of and appointed the Committee for Occupational Health, Safety and Work Environment to take function in preparing report and proposing a measure or approach to the company for improving work procedures toward a good compliance with applicable laws and standards of work safety. This committee comprises 5 representatives of employees, which is equal to 8.06% of the total number of employees.

#### The Committee for Occupational Health, Safety and Work Environment (OHSWE Committee)

First-Last Names	Level / Title	Position in OHSWE Committee	Total No. of Employees (Persons)	Percent (%)
1. Miss Achara Sangkhato	Manager of Production Division	Chairman		
2. Mr. Pisit Ditnil	Section Manager	Member		
3. Mr. Anurak Sunthornamphai	Operational Staff	Member	62	8.06
4. Mr. Wilai Jansu	Operational Staff	Member		
5. Mr. Nipit Wutthiwongkarn	Safety Management Officer	Secretary		

### 2) Identifying Unsafe Conditions and Unsafe Behaviors of Employees by “Safety Man”

“Safety Man” Program is an assignment that all operational employees must take turn to take function as a Safety Man (1 person/week). The Safety Man must look for and identify unsafe conditions and unsafe behaviors, assess the risks, suggest a preventive and control measure, and report that to OHSWE Committee and the management. Once the meeting has reached a resolution, the Safety Man must take that resolution for implementing a correction or improvement, and comply with it very strictly.



Number of Safety Man (Person)	Duration (Week)	Engagement (%)	Unsafe Conditions Resolved by Safety Man (Topic/Issue)
47	52	100	47

## Ensuring the Well Being and Safety in Work Environment of Employees

In this regard, the ensuring of well being and safety in work environment has been included as a KPI of TTW. Safety Division is responsible for this. The promotion and development for personnel to have a better quality of life covers 4 areas as follows.

### 1. Physical Environment

- 1.1 TTW improved work environment continuously, which covered the issues of illumination, heat, noises and chemical hazards.
- 1.2 TTW has conducted the surveillance for this, such as work environment measurements and annual health checkup of employees.



*Illumination Measurement*



*Measurement of Noise and Chemicals*

### 2. Psychosocial Environment in Workplace

- 2.1 Organizational culture, attitudes, belief, and core value of work system are clear, and there is no stress from work; which results that all employees can perform their works happily. For example, there are the policies and core competency that have been defined clearly.
- 2.2 A group chat through Line Application was set up for close interaction in information sharing and expressing concerns towards each other.
- 2.3 Sports activities were organized annually to promote health and unity among personnel.
- 2.4 Special events such as "Strengthen Relations on TTW Family Day" and so on.



*Annual Sports Activities*

### 3. Resources and Opportunities

The company has prepared necessary resources to facilitate job performance such as commuter system and Internet connection, edutainment room, and information systems. A stage was set up for Kaizen activity in which the employees could show their abilities in improving their works. It was a way to give them opportunity for career path progression.



Edutainment Room

#### 4. Engagement of Communities

TTW paid a serious attention to the communities living in the surrounding areas of tap water manufacturing plants and those in TTW servicing areas. Therefore, TTW promoted life quality development for them such as organizing activities or setting up projects related to education, enhancing their living condition, health and hygiene, preserving Buddhism and Buddhist practice, conserving the environment, etc.; so that TTW employees and their families could live together with such communities proudly and happily.

### Management to prevent pollutions in any steps of manufacturing or servicing process

#### 1. Emergency Plan Drill for Chorine Leakage

There has been an action plan for reducing the concentration of chorine in the air. The concentration of chorine has been measured regularly. So far, the measurements have shown a very good result.

TTW also has an emergency plan to accommodate a situation of chorine leakage. The drill of this plan and the rehearsal of evacuation are organized annually.



Annual Emergency Plan Drill for Chorine Leakage

#### 2. Fire Distinguishing Drill and Fire Evacuation Drill

Fire distinguishing and fire evacuation drills were organized annually; conducted by the experts from disasters prevention and mitigation agency.



Fire Distinguishing and Fire Evacuation Drills



## Report on the Compliance to Good Governance Principles



Good corporate governance is a key factor in business management which indicates that the company has employed efficient, equitable, transparent and verifiable systems for its administration and management in a way that is responsible for society and environment. Apart from fostering the confidence and trust among shareholders, investors, stakeholders and all parties concerned; good corporate governance would also foster a sustainable growth in financial and investment resources of the company, as well as its competitiveness.

Board of Directors has directed the company to operate its business in compliance with good corporate governance criteria defined by the Stock Exchange of Thailand (SET) and the relevant regulations set by Securities and Exchange Commission (SEC) and Capital Market Supervisory Board. The direction of the Board is also consistent with the principles of good corporate governance for listed companies, in accordance with ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). That this, the company has the Corporate Governance Committee to supervise the operation to maintain its standards comparable to international level at all time, adopt an efficient management system, ensure a sustainable growth, and encourage the enhancement of the operation to achieve TTW Vision "To Be Thailand's Leading Company in Water, Energy and Eco-Friendly Businesses."

### Preparation of Corporate Governance Policy

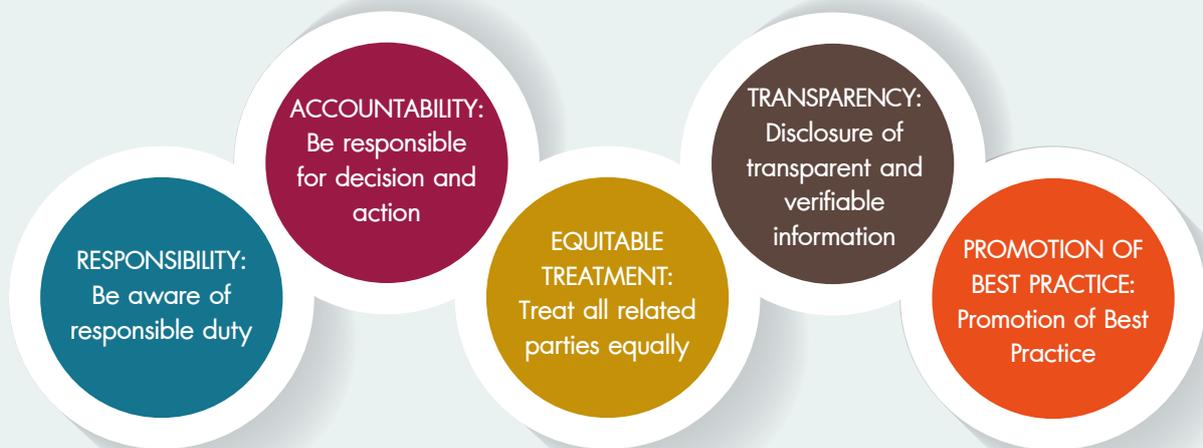
Board of Directors has prepared a written Corporate Policy, based on the good corporate governance criteria and best practice criteria set by SET, to serve as operational guidelines for executive directors, the management and employees. The Corporate Government Committee shall review corporate governance policy annually with an emphasis on the consideration about the administration and management; policy formulation that takes all stakeholders into account seriously and inclusively; the retention of public confidence; and the improvement of work efficiency on a regular basis with a consideration about environment conservation, efficient utilization of resources, and the promotion of morale, encouragement, safety and hygiene among employees.



In 2016 Board of Directors has revised good governance principles to be consistent with the vision and mission of the company in order to make them applicable as the operational strategy of TTW business and more appropriate for current economic situation. The Board also emphasized the enhancement of work efficiency among subsidiary committees in a way that they would be more independent. To achieve this, the number of independent directors in Nomination and Remuneration Committee has been increased, as shown in the structure and responsibilities of Nomination and Remuneration Committee in Section 5.

## Communication of Corporate Governance Policy

Corporate Government Committee disseminated corporate governance policy for all stakeholders to acknowledge via the website of the company ([www.ttwplc.com](http://www.ttwplc.com)). TTW also prepared Code of Business Conduct for using as the principles and operational guidelines for directors, executive management and employees; and prepared various kinds of media and organized activities to promote proper understanding among its employees regarding good corporate governance, which emphasized “the governance” (the main principle of good corporate governance) as the frame for responsibility, transparency, continual development and sustainable growth, which comprised:



The main activities organized in the previous years are as follows:

- Distribution of information and best practice guidelines for good corporate governance to directors and employees, and the distribution of information regarding the resolutions of Corporate Governance Committee and those of SET to employees in TTW Group, via the Intranet of the company.
- Reporting company's operation in accordance with good corporate governance principles set by SET and the suggestions for Corporate Governance Committee and Board of Directors to acknowledge.
- Organization of the training on good corporate governance, such as a didactic presentation and a training session on good corporate governance for new employees.

## Monitoring the Compliance with Corporate Governance Policy

Board of Directors, executive management and employees of TTW performed their roles in compliance with corporate governance policy well; and they monitored the implementation results of the operational plan strictly and steadily. In 2016, not even one single situation was reported as having violated this policy. With such dedication, the company was awarded and accredited for its compliance with good corporate governance in 2016 as follows:

- Certified as a listed company with “excellent performance in organizing annual ordinary general meeting of shareholders for the year 2016” (received 100 scores) as assessed by Thai Investors Association.
- Certified as a listed company with “very good” performance in implementing its corporate governance, as surveyed by Thai Institute of Directors (IOD). This year, the company got a higher score compared to the year before.

In 2016 Thai Institute of Directors conducted Annual Corporate Governance Survey for the year 2016 to monitor the development of corporate governance among Thai listed companies. Board Meeting number 1/2015 organized on 17 February 2015 issued a resolution that the company would declare its intent in participating in the Private Sector Collective Action Coalition Against Corruption (CAC) and the company publicly declared this intent on 23 March 2015. Then, the company internally announced its policy on prevention and actions against corruption and bribery on 21 October 2016 for



the employees to acknowledge and abide by very strictly. The company also prepared data presentation form in accordance with the criteria of Corporate Governance Report of Thai Listed Companies (CGR) to use as the checklist for assessing the compliance with these principles in 5 areas. In 2006, TTW had operated its business in compliance with the principles of good corporate governance in such 5 areas as follows:

## Section 1: Right of Shareholders

As TTW realized the importance of shareholders as the investors in stock exchange market and as the owners of the company; therefore, TTW encouraged the shareholders to exercise their basic legal rights such as eligibility in having a share in company's profit, in trading or transferring shares, receiving news and information of the company adequately, attending shareholders meeting to vote to appoint or remove directors, proposing compensation paid for directors, appointing auditors and proposing audit fee, and taking parts in any matters that may affect the company. Apart from promoting shareholders to exercise their basic rights, TTW supervised and treated shareholders equally, such as providing significant and updated information via website; providing an opportunity for shareholders to propose an agenda of the meeting and nominate a person for be appointed as a director; organizing a company visit for shareholders, providing an opportunity for them to participate in CSR activities, and refraining from committing any actions that would violate or deprive the rights of shareholders.

### Organizing Shareholders Meeting

As Board of Directors realized the importance of shareholders meeting, so the company organized this meeting within 4 months after the end of accounting period in order that the shareholders could participate in the acknowledgement of the company's performance. If there was any urgent requirement to consider a special agenda that might affect the benefits of shareholders, and that required the approval from shareholders, the Board of Directors might call for an extraordinary general meeting of shareholders on a case by case basis. In organizing the annual general meeting of shareholders, the company conducted everything in compliance with AGM Checklist prepared by Thai Investors Association, Thai Listed Companies Association, and Securities and Exchange Commission (SEC) as follows.

### Before the meeting day

The company prepared meeting document containing all significant information required for using in a consideration for voting by the shareholders. These documents were distributed to shareholders in advance and the shareholders were encouraged to attend the general annual meeting of shareholders. The company also provided facilitation for the shareholders to exercise their rights of voting in case that they could not attend the meeting themselves. All of these are detailed below.

- a. Notified meeting schedule and agenda to shareholders for their acknowledgement in advance via information communication system of SET and website of the company before sending the actual documents to shareholders on 7 March 2016, which was not less than 30 days prior to the date of meeting; so that the shareholders could reserve their time to attend the meeting.
- b. Sent meeting invitation letter specifying clear details separately for each agenda. The agenda of 2016 annual general meeting of shareholders consisted of the topics for consideration as defined in Section 4 of Company's bylaws, "Shareholders Meeting," by separating the topic of 'The appointment new directors to replace the directors whose tenures are expired' and the topic of 'The consideration of compensation paid to directors' as two separated agenda. Each agenda consisted of facts and reasons, opinion of the Board, criteria and method for attending the meeting and 3 forms of Proxy (Proxy Form A. Proxy Form B and Proxy Form C) as defined by the Department of Business Development, the Ministry of Commerce. These invitation letters, enclosed with a copy of annual report, were sent to shareholders on 22 March 2016 for their acknowledgement, which was not less than 14 days prior to the date of the meeting. Announcements were also made in newspapers for three consecutive days as to summon shareholders meeting in advance with sufficient time for the shareholders to prepare themselves for the meeting. All related information and data of the meeting were also displayed on TTW website for the shareholders to review in advance. Some telephone numbers were also provided for inquiry about additional information, and for presenting some significant information to fulfill the essence of the information required for making a proper decision in the agenda of appointing the directors.



- c. Provided opportunity for shareholders to send questions in advance about the issues in proposed agenda that required a clarification, by sending via email to [cg@ttwplc.com](mailto:cg@ttwplc.com) or via fax number 02-420-6064; so that shareholders would obtain utmost benefits from the meeting and that their rights could be protected extensively.

### Shareholders Meeting Day

TTW encouraged shareholders to exercise their rights in attending and voting in shareholders meeting by providing facilitation for those who would attend the meeting; conducting the meeting transparently through a verifiable mechanism; not committing any actions that would violate or deprive the rights of shareholders; and providing opportunity for shareholders to ask questions and share their opinions openly, as described below.

- a. Directors, executive management and auditors had to attend the meeting collectively for giving responses to the questions raised by shareholders and acknowledge their opinions. In 2016, Chairman and directors, totally 11 persons, attended shareholders meeting. This was equal to 91% of the total number of directors, given that one executive director was absent due to illness and hospitalization. Chairmen of all subsidiary committees also attended. Chairman and the directors who took role as the members in subsidiary committees gave explanation about related details of each agenda and gave responses to the questions raised by shareholders.
- b. Set up exhibition and provided information regarding business operation of the company. In this event, executive management from Investors Relation Unit (under Corporate Affair Division), Finance and Accounting Division, Business Development Division, Operation Division, and Engineering and Construction Division gave a warm welcome to shareholders and responses to their questions.
- c. Allowed shareholders who arrived after the meeting had started to exercise their rights to vote on the agenda that was being considered during the given moment, of which the final resolutions had not been made.
- d. Conducted the meeting following the sequence of agenda as defined in the invitation letter. The presentation of each agenda began with background, rationale, necessity and proposed suggestions. For the details of all significant data, the shareholders had already been informed through the invitation letter.
- e. Provided opportunity for all shareholders to share opinions and ask questions equally during the discussion of each agenda. The Chairman of the meeting gave importance to all opinions and questions; and gave responses to all the raised issues. The minute of the meeting was also taken comprehensively.
- f. Contracted a legal office under the name 'Offices of N&K Ltd.' as the auditor to inspect the documents of shareholders or their proxies who were eligible to attend the meeting; assess the quorum; check the compliance of voting method and vote counting with related provisions in the bylaws of the company, as well as the declaration made by the Chairman for the collection of ballots from shareholders; and inspect the resolution outcomes and voting results. The auditor commented that the shareholders meeting and voting were conducted transparently and in compliance with the bylaws of the company, applicable laws, and best practice procedures of SET regarding good governance; and that the company paid good respect to the rights of shareholders in attending the meeting and sharing opinions.
- g. Allowed two shareholders to represent all shareholders who attended the meeting as the witnesses in vote counting.

For Annual General Meeting of Shareholders in 2016, the number of attendants at the closing of the meeting was totaled as 497 for the shareholders who attended the meeting themselves and 695 for those who attended by proxies. The number of shares collectively hold by these attendants was 3,145,604,581 (which was equal to 78.83% of the total sold shares). These numbers decreased from the year before. That is, in 2015, the numbers of shareholders who attended the meeting by themselves and those by proxies were 556 and 596 respectively; and the number of shares collectively hold by these attendants was 3,334,209,002 (equivalent to 83.56% of the total sold shares).

### After shareholders Meeting

- a. After the General Meeting of Shareholders, TTW prepared the minute which documented the list of names and positions of the directors and executive management who attended the meeting; voting and vote counting method; the use of ballots; suggestions of the Board; enquiry and suggestions of shareholders; explanation from executive management; the voting record including both agreement, disagreement and abstention of votes; and the resolutions reached for each agenda. This minute was publicized on TTW website ([www.ttwplc.com](http://www.ttwplc.com)) on 7 April 2016, which was in compliance with SET criteria defining that this needed to be done within 14 days after the meeting date.



- b. Managed to have a video record of the atmosphere in the meeting and publicized this on TTW website; so that the shareholders who could not attend the meeting themselves could view and acknowledge.
- c. After the Shareholders Meeting approved the dividend payout, TTW notified about this resolution and the details of dividend payout for shareholders to acknowledge via electronic media (SET Portal) of SET; coordinated with TSD Registrar; and made an announcement of dividend payout in newspapers to ensure that shareholders would obtain dividend completely and correctly.

## Section 2: Equitable Treatment of Shareholders

The Board of Directors oversaw the structure of corporate government on a regular basis to ensure that all shareholders would be treated equitably and fairly; the process for supervising the shareholders would not be so complicated; shareholders would be eligible to participate in decision making and get informed about the final decision of the company for any significant situation, as provided by applicable laws and the bylaws of the company, as follows.

- a. In organizing shareholders meeting, TTW employed a policy that preserved the rights of all shareholders; and did not add any meeting agenda without notifying the shareholders in advance, so that shareholders would have a chance to review the details of the agenda sufficiently before voting. All shareholders were eligible to vote in accordance to the number of the shares they were currently holding; one share for one vote. There was no privileged share that could deprive the rights of other shareholders.
- b. The Board of Directors provided opportunity for retail investors to propose agenda for the Annual General Meeting of Shareholders and to nominate a qualified person for getting appointed as a director. This was done by making an announcement through the communication channels of SET and on TTW website. The procedural steps for this were transparent and consistent with additional practice guidelines for the rights of retail investors. That is, retail investors could propose the names of qualified persons as the candidates for being appointed as a director during the period from 11 September 2015 (2016) to 31 December 2015 (2016).

### Preventing the Use of Internal Information

In the code of ethics for directors and employees, TTW provided a written guideline for the storage and protection of internal information in order to prevent the use of internal information for each own or other people's benefits in a wrongful manner, or in a way that would cause damages to general shareholders. The details of the guideline are as below.

#### Directors

- Directors shall not use the information acquired from holding the position as a director of the company in a wrongful manner or in a way that would cause damages to the company.
- Directors shall not disclose to any third party the business confidential information or any information that may affect company's business.
- Directors, their spouses and their minors shall not conduct share trading while having access to internal information of the company, which will affect the price of the shares if these information are disclosed to public.
- Directors shall not reveal any unpublicized information to a third party, which may lead to a reservation of purchase or a sale of company's shares.

#### Employees

- Employees shall strictly comply with the regulations defined by SET/SEC and applicable laws, which cover the equitable disclosure of information for shareholders and/or public.
- For a disclosure of any information that may affect the business or the share price of the company, an approval must be sought from the Managing Director who may disclose the information himself or assign a responsible person to do so.
- The work units in central administration that take function in providing information to public and investors include Investors Relation and Company Secretary Units (under the Corporate Affair Division) and so on. The work units that own information have a duty to provide support of such information. The directors, executive management and employees who have access to information about financial statement are prohibited by the company from trading shares within a period of 45 days prior to the disclosure of information and within a period of 24 hours after such disclosure. For any other significant information, executive management and employees who have access to the information are prohibited from trading shares during the period from the date that they have known about the information to 24 hours after the disclosure of such information to SET. In addition, TTW has adopted an



internal control system to prevent the leakage of information thoroughly and cautiously. This is to prevent internal information from being revealed to outside prior to a formal disclosure. These measures and control system are considered as a part of significant risk control measures of the company. It is the duty and responsibility of supervisors to oversee the protection of internal information in line with such measures. If an employee uses unpublicized internal information, or the ones that have not been revealed to general shareholders, for personal or other people's benefits from share trading shall be considered as violating the code of conduct defined by the company.

### Conflict of Interest

The Board has adopted a policy preventing the confliction between personal interest and TTW interest by providing as the principles in the code of ethics for directors and employees in operating the business, as detailed in Section 5: Responsibilities of Board of Directors.

In 2016, the Board did not received any complaints regarding the disrespect to the basic rights of shareholders or a misconduct of directors and executive management related to the use of internal information. This reflects the efficiency of the Board in overseeing this matter.

## Section 3: Roles of Stakeholders

Apart from giving supervision to and preserving the rights of shareholders, the Board also adopted a policy to protect the rights of all stakeholders which emphasized the issues that might affect business operation directly; as well as the issues considered as necessary duties to be performed for society in general. Therefore, in good corporate governance policy and in the code of ethics for business operation, the Board had clearly provided the guidelines for fulfilling the needs of stakeholders in each group; so that the executive directors and employees could use as the basis for their operation. These guidelines could be summarized as below.

### Employees

TTW treats employees equally and fairly without any exception of domicile, race, religion, gender, marital status, language or position. TTW does not use or support the use of child labour; and does not support human trafficking and all forms of fraud and corruption. TTW organizes knowledge training for employees to learn about the policy and practice guidelines regarding the actions against fraud and corruption. TTW has a policy and guideline in place regarding the remunerations and welfare benefits for employees. The Company pays remunerations to employees at an appropriate and fair rate; and the paying scale of the company is comparable to that of other companies in the same industry. The company also supervises the implementation of welfare benefits policy in subsidiary and affiliated companies to provide benefits and welfares more excessively than legal requirement. For example, the company has established the Provident Fund with the rates of employees' contribution appropriate for the length of employment of each one, ranging from 5% to 7.5%; organized annual physical checkup, provides free treatment for illnesses in accordance with a respective health benefits scheme; and maintained good environment of the workplace by adopting a policy and practice guide regarding safety and hygiene in the workplace. The company also provides office cars for the executive management who hold a managerial position of a department or higher; so they can have more flexibility and convenience in performing their jobs. The company also promotes various activities for employees, such as the establishment of a jogging club, badminton club, soccer club, and so on. TTW emphasizes the importance of a long-term human resource development, as well as the provision of opportunity for employees to learn and develop their capacities for achieving a progress in career path and good quality of life in the future. To this end, the company has adopted a professional management system in human resource management in order to maximize the capacity of employees. TTW has encouraged and supported employees at all levels to further their education and acquire new skills through the participation in the workshops organized by leading institutions. The company has prepared employee handbook for all employees to acknowledge clearly about TTW policies and their eligibility for benefits. Furthermore, the company has adopted a policy and practice guidelines regarding the development of knowledge and capabilities among employees, as well as the allotment of training hours, based on the belief that personnel are the most precious resource for driving the organization together toward the achievement of the goals. Hence, the company has a strong commitment to develop its personnel for the sake of better knowledge and capability, as well as a better life quality among them. With regard to the path of learning and development among employees, TTW has developed appropriate learning programs for each period throughout of the course of employment of the employees starting from the first day to the date of retirement. TTW has fostered the development of employees' participation continuously by conducting employee satisfaction survey and employee engagement survey; and by allowing the participation of employees in the



management of employees' welfare, occupational health and safety issues through Safety and Occupational Health Committee. TTW has promoted and supported the enhancement of employees' knowledge through the contribution of time, budgets, and the opportunity for career path progression.

To ensure that TTW would have qualified personnel and enough manpower for running its current business smoothly (which include tap water production and distribution; and tap water and wastewater management); one important factor is to develop the personnel of the company to gain knowledge, capabilities and preparedness for entering into any new businesses. Hence, the company has defined a frame of personnel development for each position, which includes the setting up of a development plan, the preparation for the development, and the implementation of such development. In this regard, the company has analyzed and defined the Core Competency, Managerial Competency and Functional Competency; and used them as the frame for the development.

All new employees of TTW Public Company will be orientated about practice procedures; organizational policies; knowledge of business, good corporate governance and environment; the prohibition of human rights abuse, intellectual property rights infringement; effective use of resources; and the establishment of relationship between current and new employees. During their employment with the company, they will be offered with various forms of learning and development in accordance with the type and level of works, which include on-the-job training, knowledge training inside and outside the company, and the assignment of work rotation in order to learn various kinds of works and accumulate assorted experiences. For the support of self-learning, TTW has set up "Edutainment Room" equipped with texts and a complete set of entertaining materials. For the employees who get promoted to a higher position, TTW has a training program to ensure their preparedness for a change in their roles from an ordinary employee to a supervisor or leader. In 2015, TTW organized 259 skill training courses for employees with 11,388 training hours collectively; and in 2016 TTW organized 220 skill training courses for employees with 8,396 training hours collectively. This reflects an increase in the number of training hours for employees in all levels.

### Evaluation of Work Performance and Career Development

Employees in all levels who receive remuneration on a monthly basis are subject to a work performance evaluation at the end of each year. The goals and key performance indicators (KPIs) will be developed individually for each employee based on expected achievement of works, competency and development. The results of the evaluation in three areas (including core competency, managerial competency and functional competency in accordance with the regular development scheme of the company) will be used to set up a priority and the goals of the development. Individual development plan for each employee emphasizes the learning and development from hand-on experience, interpersonal relationship and formal training.

### Customers

As the manufacturer and distributor of tap water, TTW strictly observes the obligated commitment toward its customers. The products and services are delivered to all customers with an emphasis on cleanness, adequacy and continuity, and based on the principles of equitability as well as the promotion of sustainable relationship between the company and customers. TTW has defined a concrete policy and practice guidelines for providing services to customers with due responsibility.

In 2016, no dispute occurred between the company and customers. In the business sector of tap water manufacturing and distribution, TTW was able to produce tap water for the customers in line with the terms and conditions set in the contracts. Overall, TTW had the capacity for supplying tap water beyond the criteria set in the sale and purchase contracts of tap water; and been able to produce tap water in compliance with WHO standards. TTW conducted a satisfaction survey among the customers of Provincial Waterworks Authority (PWA) and the rate of satisfaction obtained was 82%.

### Creditors

TTW observes the obligated commitment it has for all creditors by strictly conforming to terms and conditions of loan contracts without concealing actual financial status, and by providing financial information to creditors periodically. TTW operates its business based on solid principles and in a disciplinary manner. The company manages its capital in line with the proportion of the debts. TTW has defined the policy and practice guidelines on how to deal with creditors properly, so as to establish the confidence and reliability in the eyes of creditors. The company adheres to the principles of practice as below.

1. The company shall make the repayment of all debts, loans and interests; and fulfill the responsibilities for all collaterals. The company shall strictly comply with the terms and conditions of contracts and agreements.



2. In a case that TTW cannot fulfill the conditions set in agreements, TTW shall notify the creditors in advance in order to mutually find a solution.

In 2016, TTW and its subsidiary companies were able to completely fulfill all the terms and conditions that had been agreed with creditors; and never committed any defaults on loans.

### Business Counterparts

The major stakeholders of TTW are business counterparts from outside (external service providers). TTW selects its counterparts by considering whether their business strategies are consistent with that of TTW, which may involve competitiveness, continuity of business, customer protection and service, and risk management methods. TTW has formulated the policies for dealing with counterparts properly which emphasize fair treatment to them, as overseen and directed by the company in accordance with its bylaws. Counterpart Selection Criteria of TTW covers 7 areas as follows.

1. Expertise and experience
2. Technical skills
3. Financial status
4. Records of complaints and legal proceedings
5. Business reputation
6. Risks arising from serving many customers
7. Service policy

With these areas of selection criteria, TTW has been able to maintain the excellent quality of tap water manufacturing and distribution, free from any potential risks upon customers.

In 2016, no dispute occurred between TTW or its subsidiary companies and business counterparts or contractual counterparties.

### Competitors

TTW treats business competitors within a frame of proper competition and does not take advantage over the competitors through an illegal method. TTW has defined rules, criteria and standards that are favorable for working together with the competitors. For example, TTW shall not search for business information of counterparts and competitors in a wrongful way; and shall not destroy the reputation of competitors by making a negative accusation towards them. TTW has adopted a concrete policy about how to treat the competitors fairly and responsibly.

In 2016, no dispute occurred between TTW or its subsidiary companies and the competitors.

### Communities and Society

TTW operates its business with a cautious concern about communities and society, especially the communities where TTW has an operation in. It has been included in the mission of TTW that the company shall be a good member of society and extend attentiveness towards communities. Therefore, this has been a part of duties and responsibilities to be performed and taken by the management and all employees, starting from providing true and update information, living with communities peacefully by paying respect to their cultures and traditions, taking part in developing good quality of life for community people, and cooperating with communities in developing lively environment of localities, which would lead to sustainable development for society as a whole. In this regard, TTW has implemented various projects and activities for communities and society on a continual basis, which cover 3 aspects: 1) Life quality development of communities surrounding water treatment plant; 2) Promotion of knowledge about water conservation; and 3) The conservation of watershed areas and environment.

TTW implemented a number of projects for the benefits and development of communities and society continuously; conserved watershed forests for sustainable fertility; and generated employment opportunities for community people in project's areas through the cooperation with the Department of National Parks, Wildlife and Plants Conservation in setting up "1-million seedlings afforest watershed" project for planting 1 million seedlings in 5,000 Rai of watershed area within a period of 5 years (2011-2015), divided into 1,000 Rai of planting per each year (planting 100,000 seedlings in each Rai), and taking care of these plants for another 2 years after that with expected survival rate of the plants as not less than 80% before handing over to Department of National Parks, Wildlife and Plant Conservation. To date, TTW has completed the implementation of this project since 2015; and will hand it over to Department of National Parks, Wildlife and Plant Conservation in 2017.

In 2016, TTW had invested in constructing the second tap water manufacturing plant (Krathumbaen). In the stage of laying water transportation pipe from raw water pumping plant to tap water manufacturing plant, TTW had entered into a contract with a landlord renting a part of his land (around 9 square wah) for digging a pipe-connecting well (covering an



area of around 3 square wah). Unfortunately, during the construction, it was found that the underground in such area was in the range of tap water transporting pipes of Provincial Waterworks Authority. So, TTW notified the landlord that TTW would move the location of the pipe-connecting well away from the original position for a short distance, which was still in the compound of the rented area. However, when the construction was about to finish, the landlord notified that the range of that piece of land was not in the area defined in the contract. The company then issued a letter of clarification enclosed with the illustration of the position of the rented area according to the map coordinate system and engineering principle. However, both parties could not reach a final agreement. So, the landlord filed an indictment at Samut Sakhon Provincial Court accusing that TTW had violated the contract and TTW would have to remove all the structures out. TTW submitted a statement to the court denying all charges. As a current update, the court has issued a written order to Samut Sakhon Provincial Land Office to officially measure the dispute land so that the court can conduct the settlement of issues and proceed with other legal procedures further.

### Environmental Implementation

TTW is well aware that operating a business without responsibility would cause severe impacts on environment, especially in the communities where TTW operates its business. Therefore, TTW has a strong commitment to protect and conserve environment by giving importance as if it is a business operating factor of TTW. However, according to the experience of TTW in operating its business for several years, TTW realizes very well that by conducting everything in compliance with rules and regulations alone is not effective enough for the protection and conservation of environment. There are other important factors to be considered apart from abiding by the defined rules and regulations, which include the development of internal action plan for emergency situations, the quality control system and regular procurement of advance technologies for mitigating the impacts on environment. In order to ensure the compliance with the rules and regulations regarding emergency situations and quality control system, TTW has adopted a policy for running its business following the environmental standards.

### Environmental Achievements

1. Annual meeting was organized every year to consider and discuss the issues related to environmental laws.
2. Environmental protection policy was set up in accordance with TISI Standard 14001. TTW adopted this policy to ensure the sustainability of environment protection and conservation in favor of better living condition (as detailed in "TISI Standard of Environmental Management System 14001 (ISO 14001)").
3. Goals and objectives of environmental management has been defined and assigned to be achieved by employees inside the organization and those working under the supervision of other work units in various operating sites. The durations of operation and implementation have also been defined clearly. TTW is well aware that training and selling ideas to employees at all levels would lead to achievement of environmental policy.
4. TTW conducted an assessment of significant factors that might cause environmental impacts on the activities of the organization and found that the regulations and procedures currently employed by TTW could effectively reduce the impacts on environments.
5. In-house training project was established for all employees in accordance with environmental management policy with an aim to instill and raise the awareness regarding the environment. This training project organized training sessions both at the headquarters and affiliated work units.
6. TTW has put best efforts in convincing and encouraging all business counterparts to comply with environmental standards,

### Efficient Use of Resources

TTW supports the recycling of materials through a promoting campaign for efficient use of resources, such as using both sides of the paper, turning off air-conditioners and electricity during an office break or during a long absence of executive management from their rooms, and using a car pool for a same operation or direction. The implementation of these projects may not yield a clear result in term of reduction in energy costs or expenditures; however, it would help develop personal awareness that employees can use in the daily life in their families to become a good citizen of society.

### Respect to Human Rights

TTW supports the conduct in compliance with "Universal Declaration of Human Rights" and other international standards of human rights by refraining from formulating any policies that would violate the human rights; and by operating its business in line with international standards of human rights. TTW also organized training for new employees regarding the code of



ethics and human rights policy of the company. In 2016, TTW announced a whistle blower policy as the channel for employees to submit the complaints about corruption, the violation of rules and regulations, or unfair treatment, to related work units. The activities defined by TTW in relation to human rights indicates very well that TTW gives a serious concern on transparency and the compliance with good corporate governance principles. In 2016, TTW did not receive any complaints regarding the violation of human rights from employees, business counterparts and local people in TTW's operating areas. So, there is a certain level of confidence that TTW operation has not imposed (or does not have a potential to cause) any effects on local communities. The policies defined by the Board of Directors for all the management and all employees to refrain from violating the human rights, and to comply with Universal Declaration of Human Rights, are as follows.

- TTW shall treat all employees with a respect to their honor and dignity.
- TTW shall provide communication channel for employee to submit suggestions and complaints about the frustration from work. These suggestions shall be considered seriously to define a solution in favor of the benefits of all parties and good working relationship.
- TTW shall support employees to exercise their rights as a rightful citizen, as provided by constitution and laws.
- TTW shall maintain confidentiality of employees' personal information such biography, health record, work record, etc. Any disclosure or transfer of employees' personal information shall be merely done upon an approval from such employees. Violation of this matter is considered as a disciplinary offence, except in a case that it is required by company regulation or by laws.
- TTW shall not support the activities that violate the Universal Declaration of Human Rights; and shall not support the corruption either.
- All employees shall not conduct any abusive or threatening actions, either verbally or physically, against other persons based on race, religion, gender, and physical or mental disability.

### Non-infringement of Intellectual Property and Copyright

TTW has adopted the policies and practice guidelines regarding the non-infringement of intellectual property or copyright. TTW has a team of risk management officers chaired by the Managing Director. This team shall submit the report on the implementation of this matter to Risk Management Committee for review, which covers the mandatory requirement for all employees to sign their names in an agreement that they shall not commit any crimes related to computer use, and any infringement of intellectual property. TTW has adopted a policy regarding the use of information technology system of TTW Group and subsidiary companies. The work applications or software programs of employees are inspected to prevent the use of infringed or non-work-related software.

### Anti-corruption and Bribery

TTW has adopted zero tolerance policy regarding the corruption and bribery. Board of Directors, executive management, supervisors, employees in all levels, or any related persons are prohibited from involving in all forms of corruptions in any business transactions; and they shall comply with rules, regulations and laws of any countries that TTW has been dealing a business with. This policy shall be reviewed on a regular basis to identify a necessary revision for catching up with the new amendments of rules, regulations, standards and laws; and with the changes in business.

TTW has adopted a policy on anti-corruption and bribery, and has defined the principles in the code of business ethics prohibiting the employees from requesting or receiving any benefits or assets that may motivate them to perform their duties in a wrongful way, omit the performance of some duties, or cause the company to lose a rightful benefit. Employees are also prohibited from offering or presenting benefits or assets to outsiders to motivate such persons to commit a wrongful action or illegally omit an action in favor of a malpractice in his/her position.

TTW announced its policies and practice guidelines regarding anti-corruption and bribery on 21 October 2016 on and these have been in effect ever since.

### Competitor Treatment

Business competitors are the outsiders that TTW must compete with throughout the course of business operation. However, the completion must be carried out fairly without a use of distorted or fake information, or any other improper methods in contrary to the principles of good competition. TTW is the biggest manufacturer and distributor of tap water in Thailand. The company produces and distributes tap water to Provincial Waterworks Authority, which is the business counterpart of TTW. The company does not have any direct competitors at all. Despite this fact, TTW still managed to have a policy and practice guidelines in place for proper treatment against competitors.



## Section 4: Disclosure of Information and Transparency

TTW realizes the importance of disclosing financial, general and significant information in a correct, complete, timely and transparent manner in line with the requirement of the Office of Securities Exchange Commission and SET; in order that all shareholders and stakeholders can be acknowledged inclusively. TTW has distributed such information through the following channels.

### 1. Disclosing information on website

To allow shareholders and investors to search for the publicized information rapidly, TTW has presented the regularly updated information on the website [www.ttwplc.com](http://www.ttwplc.com) in Thai and English as below.

- Background, vision, mission, and structure of the organization.
  - Corporate governance consisting of the principles of good corporate governance, corporate governance committee, subsidiary committees, and executive management.
  - Information for investors consisting of significant financial information, structure of shareholders, and investors' calendar.
  - News and movements of the organization consisting of news about the business operation and CSR activities.
  - Corporate social responsibility consisting of the concept and direction of CSR activities, the news and information on current CSR activities. .
2. Providing information to stock analysts or investors who pay a visit and consult with TTW executive management.
  3. Travelling to provide an on-site presentation to investors.
  4. Organizing a stock analysts meeting.
  5. Providing information via public media such as newspapers, magazines, journals and televisions.

## Section 5: Responsibilities of Board of Directors

### 1. Structure of Board of Directors

The Board of Directors consists of at least 5 directors. To change the number of directors in the Board, an approval is required from shareholders through a majority vote of not less than two-third of shareholders who attend the meeting and are eligible to vote.

As of 31 December 2016, the Board consists of 12 directors. Of these, 11 directors (equal to 92% of the entire Board) are the outsiders who are not the executive management of TTW. Among these outsiders, 4 of them (equal to 33.3% of the entire Board) are independent directors; and there is one female director.

Nomination and Remuneration Committee shall consider and screen all the candidates for being appointed as a director, which covers both the candidates for the directors who are the representative of shareholders and the candidates for independent directors. The committee will consider these candidates based on the appropriateness of skills and experiences that are necessary for enhancing the strength of the Board in overseeing the operation of the company. The committee also reviews the work records of the candidates to see the issues of transparency, moral, responsibility, maturity and professionalism. The structure of Board of Directors is reviewed annually. The Board comments that the structure and elements of current Board comprising 11 male directors and 1 female director that are the experts in the areas of engineering, economics and business administration, accounting and finance, and laws in a proportion of 50%, 33.3%, 8.3% and 8.3% respectively, has constituted a diverse range of professions with useful and necessary experiences and expertise for the operation of TTW business; and that is an appropriate balance of directors.

Table displaying the positions taken in subsidiary committees

Name of directors	Sub-Committees					Remark
	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee	
1. Mr. Phongsarit Tantisuvanitchkul	Chairman	-	-	-	-	Non-executive Director
2. Dr. Sombat Kitjalaksana	Director	-	-	-	-	Non-executive Director



Name of directors	Sub-Committees					Remark
	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee	
3. Mr. Tomoaki Matsumoto	Director	-	-	-	Director	Non-executive Director
4. Mr. Suvich Pungchareon	Director	-	-	-	-	Non-executive Director
5. Mr. Chaiwat Utaiwan	Director	-	-	Director	Director	Managing Director
6. Mr. Techapit Sangsingkeo	-	Chairman	-	Director	Chairman	Independent Director
7. Mr. Phairuch Mekarporn	-	Director	Chairman	Director	-	Independent Director
8. Mr. Somnuk Chaidejsuriya	-	Director	Director	Chairman	-	Independent Director
9. Mrs. Payao Marittanaporn	-	-	Director	-	Director	Non-executive Director
10. Mr. Yasutaka Suzuki	-	-	Director	-	-	Non-executive Director

## 2. Board of Directors Meeting

The Board has a regular meeting every 3 months and some extraordinary meetings as necessary with a notification of the agenda in advance. The Board also has an agenda on the monitoring of the operation on a regular basis. Corporate Affairs Department shall send out the meeting invitation letter at least 10 days in advance and send out meeting documents at least 7 days in advance; so that the Board members can have enough time to review before attending the meeting. In 2016, the meetings of the Board of Directors and those of subsidiary committees were organized 24 times collectively as follows.

Table displaying the numbers of times of directors' attendance in the meetings

Name of Directors	Meeting attendance in 2016 (number of times)						
	General Share holders Meeting	Board of Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee
1. Dr. Thanong Bidaya	1/1	4/4	-	-	-	-	-
2. Mr. Plew Trivisvavet	1/1	4/4	-	-	-	-	-
3. Mr. Phongsarit Tantisuvanitchkul <sup>(1)</sup>	1/1	4/4	3/4	-	-	-	-
4. Mr. Techapit Sangsingkeo	1/1	3/4	-	4/5	-	1/2	3/4
5. Mr. Phairuch Mekarporn	1/1	4/4	-	5/5	4/4	2/2	-
6. Mr. Somnuk Chaidejsuriya	1/1	4/4	-	4/5	4/4	2/2	-
7. Dr. Sombat Kitjalaksana	0/1	2/4	4/4	-	-	-	-
8. Mr. Suvich Pungchareon	1/1	4/4	4/4	-	-	-	-
9. Mrs. Payao Marittanaporn	1/1	4/4	-	-	4/4	-	4/4
10. Mr. Tomoaki Matsumoto	1/1	4/4	4/4	-	-	-	4/4
11. Mr. Yasutaka Suzuki	1/1	4/4	-	-	4/4	-	-
12. Mr. Chaiwat Utaiwan	1/1	4/4	4/4	-	-	2/2	4/4

Remark <sup>(1)</sup> Mr. Phongsarit Tantisuvanitchkul was appointed to be the Chairman of the Board as per the resolution of Board of Directors Meeting No. 1/2016 on 25 February 2016 to replace Mr. Thanong Sangsuriya who had resigned,



## Self-assessment of Board of Directors

The meeting number 4/2016 of the Board on 22 November 2016 had a resolution to acknowledge the results of Board's self-assessment for the year 2016, covering the 6 aspects as below.

Aspects of Assessment	Full scores	Mean score	
		2016	2015
1. Structure and qualification of the Board	4	3.8	3.8
2. Comprehension of roles and responsibilities of the Board	4	3.7	3.6
3. The Board Meeting	4	3.8	3.7
4. Duties of the Board	4	3.9	3.7
5. Relationship with executive management	4	3.9	3.7
6. Development and training	4	3.8	3.8
Overall self-assessment scores		3.8	3.7

Conclusion: The results of self-assessment of the entire Board is above standards, with a mean score of 3.8 out of 4.0 for each aspect.

## The Definition of Independent Director of TTW Public Company Limited

TTW Public Company Limited has set the definition of independent director more straightly in line with, or more strictly and more concisely than the minimal requirement criteria set by the Stock Exchange of Thailand and that of the Securities and Exchange Commission (as provided in the letter number Kor Lor Tor Jor (Wor) 59, dated 1 December 2004, regarding the setting up of the definition of independent director) as follows.

1. Not being a person holding shares exceeding 0.5% of the total number of voting shares held by the company, subsidiary companies and affiliated companies, or by other juristic persons that may come up with a conflict (including related persons as provided in Section 258 of Securities and Exchange Act).
2. Not being a person having involvement in the management of the company, its subsidiary or affiliated companies, and a major shareholder of the company; and not being a worker, an employee, or a consultant who receive a regular salary from the company, its subsidiary or affiliated companies, or from a major shareholder of the company.
3. Not being a person holding a relationship through bloodline or through a legal registration as a father, mother, spouse, sibling or child, including the spouse of the child of an executive management, a major shareholder who has a controlling authority, or a person nominated as a candidate for appointing as an executive management who has a controlling authority of the company or its subsidiary companies.
4. Not being a person having direct or indirect benefits or effects from the financial and management issues of the company, its subsidiary or affiliated companies, or the major shareholders of the company; and not having such benefits and effects for at least one year prior to being appointed as the independent director, except in the case that the Board has considered thoroughly and viewed that such benefits and effects in the past would not affect the performance and the expressing of independent opinion of the independent director.
5. Not being a person appointed as a representative to protect the benefits of a director, a major shareholder, or a shareholder that have some involvement with a major shareholder of the company.
6. Being a person that can perform duties, share opinions, or report the results of the performance as assigned by the Board independently without being under the control of the management, a major shareholder of the company, as well as related persons or close relatives of such persons.
7. Being a person that can attend the meeting of the Board of Directors and make judgment independently.
8. Not being a person that operates any business similarly to and in a significant competitive manner with the business of the company or its subsidiaries; and not being a significant shareholder in a partnership or an executive management, worker, employee, and advisor who receives a regular salary from or holds shares exceeding 1% of the total number of voting shares of other companies that run a business similarly to and in a significant competitive manner with the business of the company or its subsidiaries.



9. Not being a person having any characteristics that make him/her incapable of expressing opinions independently regarding the operation of the company.
10. Being a person that can protect the benefits of all shareholders equally.
11. Being a person that can regulate to prevent conflicts of interest.
12. Not being a person that used to be convicted of violating the securities and stock exchange laws, financial institution laws, life insurance laws, non-life insurance laws, anti-money laundering laws, or any other financial laws of a similar nature, as enacted by either authorized agencies in Thailand or those in a foreign country, by committing an offence related to unfair securities trading or the operation of a management with a perpetration of deception, fraud or corruption.

### Nomination of the Members of the Board of Directors

Nominating and Remuneration Committee shall consider a person with appropriate qualifications for being appointed as a director and propose to the Board of Directors for presenting further in the general meeting of shareholders to seek approval. This shall be in compliance with the principles of TTW corporate governance as below.

The Board of the Directors shall consist of a chairperson and members, totaled as not less than 5 but not exceeding 15 persons. The proportion of non-executive directors shall not be less than half of the total number of all members of the Board; and there shall be at least 3 members who are independent directors (or equal to at least one-third of the entire Board). TTW has defined that, apart from having the characters of independency as provided in the announcement of the Securities and Exchange Commission, the independent directors of the company shall also have the following qualifications

- (1) Not being a person holding shares exceeding 0.5% of the total number of voting shares held by the company, subsidiary companies and affiliated companies, or by other juristic persons that may come up with a conflict (including related persons as provided in Section 258 of Securities and Exchange Act).
- (2) Not being a person holding a relationship through bloodline or through a legal registration as a father, mother, spouse, sibling or child, including the spouse of the child of an executive management, a major shareholder who has a controlling authority, or a person nominated as a candidate for appointing as an executive management who has a controlling authority of the company or its subsidiary companies.
- (3) Not being a person having direct or indirect benefits or effects from the financial and management issues of the company, its subsidiary or affiliated companies, or the major shareholders of the company; and not having such benefits and effects for at least one year prior to being appointed as the independent director, except in the case that the Board has considered thoroughly and viewed that such benefits and effects in the past would not affect the performance and the sharing of independent opinion of the independent director.
- (4) Not being a person appointed as a representative to protect the benefits of a directors, a major shareholder, or a shareholder that have some involvement with a major shareholder of the company.
- (5) Being a person that can perform duties, share opinions, or report the results of the performance as assigned by the Board independently without being under the control of the management, a major shareholder of the company, as well as related persons or close relatives of such persons.
- (6) Being a person that can attend the meeting of the Board of Directors and make judgment independently.
- (7) Not being a person that operates any business similarly to and in a significant competitive manner with the business of the company or its subsidiaries; and not being a significant shareholder in a partnership or an executive management, worker, employee, and advisor who receives a regular salary from or holds shares exceeding 1% of the total number of voting shares of other companies that run a business similarly to and in a significant competitive manner with the business of the company or its subsidiaries.
- (8) Not being a person having any characteristics that make him/her incapable of expressing opinions independently regarding the operation of the company.
- (9) Being a person that can protect the benefits of all shareholders equally.
- (10) Being a person that can regulate to prevent conflicts of interest.
- (11) Not being a person that used to be convicted of violating the securities and stock exchange laws, financial institution laws, life insurance laws, non-life insurance laws, anti-money laundering laws, or any other financial laws of a similar nature, as enacted by either authorized agencies in Thailand or those in a foreign country, by committing an offence related to unfair share trading or the operation of a management with a perpetration of deception, fraud or corruption.



### Nomination of Executive Committee

Executive Committee shall consist of 5 members, at least 3 of which but not exceeding 5 are appointed from members of the Board, to take function in reducing the burdens of the Board on the part of managerial tasks and routine works that require a higher level of authority than that of the Managing Director; in order that the Board can have more time for overseeing the policy related tasks and supervising the management functions.

### Nomination of Independent Audit Committee

Audit Committee shall consist of 3 members, and at least 3 of which are appointed from the members of the Board. All members of this committee shall be the independent directors that have the characteristics of independency as provided in the announcement of the Securities and Exchange Commission and in accordance with the principles of TTW corporate governance. At least 1 member of this committee shall possess the knowledge in accountancy and/or finance in order to take function in inspecting and overseeing the operation of the company, financial reports, internal control system, the nomination of auditor, and the considerations on the conflicts of interest.

### Nomination of Nomination and Remuneration Committee

Nomination and Remuneration Committee shall consist of 4 members, at least 3 of which are appointed from the members of the Board. At least 1 member shall be an independent director, which shall serve as the chairperson of this committee. In 2016, there were 2 independent directors as the members of this committee, which was equal to 50%.

### Nomination of Corporate Governance Committee

Corporate Governance Committee shall consist of 4 members, at least 3 of which are appointed from the members of the Board. A majority of members shall be independent directors; and there shall be an independent director to serve as the chairperson of this committee.

### Nomination of Risk Management Committee

Risk Management Committee shall consist of 4 members, at least 3 of which are appointed from the members of the Board; and there shall be an independent director to serve as the chairperson of this committee.

### Overseeing the Use of Internal Information

TTW has adopted some measures to prevent the use of internal information by employees in all levels; and store the information and documents in a way that they could not be revealed to a third party. For the information available for mutual use among the employees inside the company, only the authorized and responsible persons for performing a related duty shall have an access to. TTW has developed the written Guideline for the Prevention of Internal Information Usage, which has been approved in the meeting of the Board No. 1/2016 organized on 28 July 2016. TTW has distributed this guideline in a circulating letter for the employees and the management to acknowledge inclusively and to comply strictly with it.

## Guideline for the Prevention of Internal Information Usage

### Rationale

TTW is a listed company in the Stock Exchange of Thailand and has run its business in compliance with Public Limited Companies Act B.E.2535 (on the part of share trading), and with the Securities and Exchange Act B.E. 2535 (on the part of securities and exchange), through the performance of duties by directors, executive management, employees of TTW, and the employees of subsidiary companies. There has been a prohibition for such persons from using the essential and unpublicized facts and information that can significantly impose an effect on the price of shares, which they have learned from performing their duties or from holding a position in the company; otherwise, they would be considered as committing a criminal offence and subject to punishments as provided by laws. There were some amendments made to Securities and Exchange Act B.E. 2535 (5th Version) as announced in Thai Royal Gazette on 11 December 2016. TTW has notified these changes in a circulating letter to directors, executive management, employees of TTW, and employees of subsidiary companies to acknowledge and comply with.

In order to prevent the directors, executive management, employees of TTW and employees of subsidiary companies, as well as TTW Company itself, from facing a charge on violating such laws, and in order to implement good corporate government approach of TTW; the company has defined the guideline for the prevention of internal information usage for



all directors, executive management, employees of TTW and employees of subsidiary companies to comply with very strictly. All these persons shall comply with the provisions in Securities and Exchange Act (5th Version) B.E. 2535, coupled with the use of common sense and appropriate reasons for committing an action on a case by case basis. TTW has defined the guideline for the prevention of internal information usage as follows.

#### Directors

- (1) Directors shall not use the information acquired from holding the position as a director of the company in a wrongful manner or in a way that would cause damages to the company.
- (2) Directors shall not disclose to any third party the business confidential information or any information that may affect company's business.
- (3) Directors, their spouses and their minors shall not conduct share trading while having access to internal information of the company, which will affect the price of the shares if these information are disclosed to public.
- (4) Directors shall not reveal any unpublicized information to a third party, which may lead to a reservation of purchase or a sale of company's shares.

#### Employees

- (1) Employees shall strictly comply with the regulations defined by SET/SEC and applicable laws, which cover the equitable disclosure of information for shareholders and/or public.
- (2) For a disclosure of any information that may affect the business or the share price of the company, an approval must be sought from the Managing Director who may disclose the information himself or assign a responsible person to do so.
- (3) The work units in central administration that take function in providing information to public and investors include Investors Relation and Company Secretary Units (under the Corporate Affair Division) and so on. The work units that own information have a duty to provide support of such information. The directors, executive management and employees who have access to information about financial statement are prohibited by the company from trading shares within a period of 45 days prior to the disclosure of information and within a period of 24 hours after such disclosure. For any other significant information, executive management and employees who have access to the information are prohibited from trading shares during the period from the date that they have known about the information to 24 hours after the disclosure of such information to SET. In addition, TTW has adopted an internal control system to prevent the leakage of information thoroughly and cautiously. This is to prevent internal information from being revealed to outside prior to a formal disclosure. These measures and control system are considered as a part of significant risk control measures of the company. It is the duty and responsibility of supervisors to oversee the protection of internal information in line with such measures. If an employee uses unpublicized internal information, or the ones that have not been revealed to general shareholders, for personal or other people's benefits from share trading shall be considered as violating the code of conduct defined by the company.

### Securities Trading Based on the Use of Internal Information

#### Prohibited Persons

The persons who shall not trade the securities as per the prohibition set in the guideline for the prevention of internal information usage include:

- (1) Executive directors or the persons with an authority to control the operation of the company.
- (2) Worker or employees in the chain companies or the persons holding a position, or working in a line of duty that holds responsibility for, or can have access to, internal information.
- (3) The persons holding a status in favor of acknowledging internal information from performing their duties as an auditor, financial consultant, legal advisor, property price appraisal expert, or any other person doing duties related to internal information.
- (4) Parents, descendants, adoptive parents, or adopted children of the persons mentioned in (1) (2) and (3).
- (5) Siblings from the same mother and father, or the siblings from either a same mother or a same father, of the persons mentioned in (1) (2) and (3).
- (6) The spouses of, or the persons cohabitated with, the persons mentioned in (1) (2) and (3).



### Prohibited Securities

Securities mean the shares, share warrants, convertible debentures, and transferable subscription rights that are issued by the company.

### General Practice Guideline

- (1) Prohibited persons shall not trade the securities at any given moment, as long as they know or should have known the essential and unpublicized information that may affect the price of TTW securities in the Stock Exchange.
- (2) Prohibited persons who have acknowledged such essential information from performing their duties and/or from holding a position in the company and its subsidiaries shall not reveal such information to other persons while it has not been publicized yet; except the revealing through the duties they perform in the company.

### Specific Practice Guideline

Apart from the general practice guideline for the prevention of internal information usage, there are some specific practice guidelines that the prohibited persons shall comply with, as detailed below.

- (1) The prohibited persons who have direct involvement in the preparation of TTW financial statements shall not trade TTW securities during the period from the commencement of such preparation to the end of the following day after the date of disclosing such statements.
- (2) Any directors, executive management and employees who have received a draft copy of TTW financial statements shall not trade TTW securities during the period from the day that they received the draft of financial statements to the end of the date of disclosing such statements.
- (3) Prohibited persons who know or should have known that the company will reveal essential information that may affect the prices of TTW securities in the Stock Exchange shall not trade TTW securities starting from the date that they know or should have known about the event to the end of the following day after the date of revealing and distributing such information.

## Reporting Procedures of Prohibited Persons

### The Required Duty to Prepare the Report

- (1) Managing Director or a person holding an executive management position in accordance with Securities and Exchange Act shall prepare a report on their initial possession of securities and any changes in the possession of such securities afterward, as required by applicable laws and regulations; and shall submit such report to TTW simultaneously.
- (2) Executive management holding a position as a department head or higher shall prepare a report on the acquisition and the selling of TTW securities in their possession in the case that the volume of such acquisition or sale is equal to or over 5% of the total securities that have been sold.

### Reporting Method

- (1) Managing Director or a person holding an executive management position that have a duty as required by laws shall prepare and submit a report on the possession of TTW securities of their own, and that of their spouses and minor descendants. They are required to submit a copy of such report to the company on the same day that they have sent it to a respective government authority or a regulatory agency.
- (2) Executive management holding a position as a department head or higher shall prepare a report on the possession and the changes in the possession of TTW securities of their own, and that of their spouses and minor descendants; and submit to the company within 7 working days from the date of ownership transfer of such securities.

## The Remuneration of Auditor

The Board of Directors has appointed an auditor of the company, which was dominated by the Audit Committee based on the consideration about the outcome of previous performance, experience, the preparedness in term of personnel, the acceptable standard of auditing service, and the status of being the auditor certified by the Securities and Exchange Commission (SEC). TTW decided to hire EY Office Co., Ltd. (formerly known as Ernst & Young Ltd.), comprising Miss Manee Rattanabynnakij, authorized auditor No. 5313, Miss Sumalee Rivarabandit, authorized auditor No. 3970, and Mrs. Poonnart Paocharoen, authorized auditor No. 5238, as the auditor of TTW.



TTW appointed auditor also served as the auditor of subsidiary companies such as PTW and TWO. However, the auditor did not have any relationship with or hold any benefits from TTW and its subsidiaries, executive management, major shareholders, or any other persons involving with such persons, in a way that would affect their independency in performing their duties. Also, TTW did not receive any other services from the auditor apart from the auditing service. The comparison between the remunerations for the auditor in the past 3 years is displayed as follows.

Description	2016	2015	2014
1. Auditing the annual financial statements	625,000	600,000	525,000
2. Reviewing financial statements of the first three quarters	600,000	600,000	570,000
3. Checking compliance with BOI regulations	75,000	150,000	140,000
4. Other service fees	-None-	-None-	-None-
Total	1,300,000	1,350,000	1,235,000

#### Definition of “Related Party Disclosure According to Accounting Standards”

A related party is a person or entity that is related to the entity that is preparing its financial statements.

1. A person or a close member of that person’s family is related to a reporting entity if that person:
  - 1.1 had control or joint control over the reporting entity;
  - 1.2 has significant influence over the reporting entity; or
  - 1.3 is a member of the key management personnel of the reporting entity or the parent of the reporting entity.
2. An entity is related to a reporting entity if any of the following conditions applies:
  - 2.1 The entity and reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - 2.2 One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - 2.3 Both entities are joint ventures of the same third party.
  - 2.4 One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - 2.5 The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.



## Compensation Paid to Directors, Management and Employees

### Compensation of Directors

TTW has adopted a policy to pay compensation to directors in a suitable level and with a rate high enough to retain quality directors for working with the company without a need to pay compensation too excessively. The consideration of compensation paid to directors is based on the principle that it should be fair and reasonable enough when compared to the compensation commonly paid by other entities for the same level of works in the same or similar industry. The rate of the pay is also considered based on the experience, duties or work burdens, scope of roles and responsibilities of each director, as well as the additional duties and responsibilities from serving as a member of a subsidiary committee.

In 2016, the company paid the compensations to directors totally 7,789,700 Baht, which comprised 6,300,000 Baht as the regular compensation; 1,489,700 Baht as the meeting allowance; and 18,420,000 as the annual bonus for 2015.

Compensation paid to each director in 2016

First & Last Name	Position	Regular Compensation	Bonus (2105)	Total
1. Dr. Thanong Bidaya	Independent Director and Chairman of the Board of Directors	982,000	2,292,000	3,274,000
2. Mr. Plew Trivisvavet	Director and Vice Chairman of the Board of Directors	804,000	1,873,000	2,677,000
3. Mr. Narong Sangsuriya <sup>(1)</sup>	Director and Chairman of Executive Committee	17,300	1,518,000	1,535,300
4. Mr. Phongsarit Tantisuvanitchkul <sup>(2)</sup>	Director and Chairman of Executive Committee	618,250	-	618,250
5. Mr. Techapit Sangsingkeo	Independent Director, Chairman of Audit Committee, Chairman of Risk Management Committee, and Corporate Governance Committee	750,800	1,858,000	2,608,800
6. Mr. Phairuch Mekarporn	Independent Director, Chairman of Nomination and Remuneration Committee, Audit Committee, and Corporate Governance Committee	716,000	1,672,000	2,388,000
7. Mr. Somnuk Chaidejsuriya	Independent Director, Chairman of Corporate Governance Committee, Audit Committee, and Nomination and Remuneration Committee	709,550	1,672,000	2,381,550
8. Dr. Sombat Kitjalaksana	Director, Executive Committee	467,800	1,171,000	1,638,800
9. Mr. Suvich Pungchareon	Director, Executive Committee	502,000	1,171,000	1,673,000
10. Mrs. Payao Marittanaporn	Director, Nomination and Remuneration Committee, and Risk Management Committee	520,000	1,215,000	1,735,000
11. Mr. Ryotaro Sumi <sup>(3)</sup>	Director, Nomination and Remuneration Committee	-	269,000	269,000
12. Mr. Yasutaka Suzuki	Director, Nomination and Remuneration Committee	431,000	738,000	1,169,000
13. Mr. Tomoaki Matsumoto	Director, Executive Committee, and Risk Management Committee	591,000	1,381,000	1,972,000
14. Mr. Chaiwat Utaiwan	Director, Executive Committee, Risk Management Committee, Corporate Governance Committee, and Managing Director	680,000	1,590,000	2,270,000
<b>Total</b>		<b>7,789,700</b>	<b>18,420,000</b>	<b>26,209,700</b>

Remark <sup>(1)</sup> Mr. Narong Sangsuriya resigned on 13 January 2016.

<sup>(2)</sup> Mr. Phongsarit Tantisuvanitchkul was appointed on 25 February 2017.

<sup>(3)</sup> Mr. Ryutaro Sumi resigned on 6 April 2015.



#### Comparison of Compensations Paid to Directors in 2016, 2015 and 2014

Description	2016		2015		2014	
	Number of Persons	Amount	Number of Persons	Amount	Number of Persons	Amount
Regular Compensation	13	6,300,000	15	6,262,500	15	5,874,516
Meeting Allowance	12	1,489,700	15	1,581,000	15	1,419,581
Consolidated Bonus	14	18,420,000	15	19,940,000	15	18,421,000
Total	14	26,209,700	-	27,783,500	-	25,715,097

### Compensation of Management

The payment of compensation for the management shall conform to the policy and criteria defined by directors and based on the performance outcomes of the company as assessed in accordance with the assessment system in which the Board of Directors and the management would work together to define indicators and goals for each year (which could be used for guiding the direction of the operation and as the basis for the assessment of work performance). The details about compensation, bonus and the contribution to provident fund of the management were as follows.

#### Comparison of Compensation, Bonus and Contribution to Provident Fund paid to Executive Management

Description	2016		2015		2014	
	No. of Persons	Amount	No. of Persons	Amount	No. of Persons	Amount
Total Compensation	7	20,828,130	8	20,637,660	7	19,044,840
Consolidated Bonus	6	7,046,260	7	7,371,640	7	6,157,200
Contribution to Provident Fund	7	1,276,537	8	1,317,874	7	1,155,378

### Compensation of Employee

TTW has set the rate of wages and compensations comparable to those of other entities in the same group of industry. In order that the company can carry out wage management properly, the company has studied, compared and improved the pay scale of employees every year. Wage management is carried out based on the principle of fairness, the scope and responsibility of the position, as well as the ability to perform duties. TTW also honor employees with awards, commendation, and grant a promotion for employees who have good performance outcomes, so as to motivate them to produce excellent outcomes.

As the company realizes the importance of personnel development, the company has defined a policy specifically for personnel development activities and defined an aim to elevate the level of remuneration for employee from around 50 percentile to 75 percentile of the remunerations paid by listed public utilities companies in the Stock Exchange of Thailand within 5 years, in order to enhance motivation and establish organizational commitment among employees. Therefore, the elevation of employees' remuneration level is being carried out simultaneously with capability building for them in order to elevate the level of their work efficiency as well.

The company also allocates a budget in an amount proportionally to the performance outcomes of the company in each given year for paying to all employees. For the management holding a position in a high or moderate level, the company has arranged the so called "variable bonus" which will be considered paying based on the result of performance appraisal against KPIs of each person in each year. Therefore, employees from all levels will be considered for receiving compensation based on the performance result of each one. The structure of salary, welfare and benefits is appropriate and comparable to other leading companies in the same category of industry. The starting salary is defined based on educational background.



TTW collectively paid compensation to employees in form of salary, bonus and other benefits in 2014, 2015 and 2016 at the amounts of 80.57 million Baht, 90.72 million Baht and 95.37 million Baht respectively.

PTW collectively paid compensation to employees in form of salary and bonus in 2014, 2015 and 2016 at the amounts of 12.82 million Baht, 14.28 million Baht and 14.28 million Baht respectively.

TWO collectively paid compensation to employees in form of salary and bonus in 2014, 2015 and 2016 at the amounts of 63.19 million Baht, 61.34 million Baht and 69.10 million Baht respectively.

The company collectively paid compensation to employees of the company and those of subsidiary companies in form of salary, bonus and other benefits as follows.

Company/Subsidiaries	2016	2015	2014
TTW Company (the Company)	95.37 million Baht	90.72 million Baht	80.57 million Baht
Pathum Thani Water Co. Ltd. (Subsidiary)	14.28 million Baht	14.28 million Baht	12.82 million Baht
Thai Water Operations Co. (Subsidiary)	69.10 million Baht	61.34 million Baht	63.19 million Baht

### Other Compensation

The company has provided welfares and other benefits (apart from salary, bonus and contribution to provident fund) for the management and employees appropriately in accordance with economic situation, cost of living, as well as the benchmarks of the leading companies in the same category of business.





## Report on the Board of Directors' Responsibility towards Financial Report

The Board of Directors is responsible for the financial statements of TTW Public Company Limited and its subsidiaries, as well as the financial information published in the annual report of the company. The consolidated financial statements of TTW Company and its subsidiaries for the year end as of 31 December 2016 were prepared in accordance with the generally acceptable accounting standards of Thailand by using appropriate accounting policy, using cautious discretions, using reasonable estimations, and providing the disclosure of significant information sufficiently in the footnotes to financial statements. These financial statements were audited by and received unqualified opinion from independent certified public auditor, which reflected that financial position and performance outcomes of the company were accurate, transparent and reasonable. And this is beneficial to shareholders and investors as a whole.

The Board of Directors has adopted appropriate and effective internal audit system to ensure that accounting data are documented accurately, completely and sufficiently enough to secure the assets of the company; and prevent corruption or any significantly unusual conducts.

The Board of Directors has appointed the Audit Committee comprising independent directors whose qualifications are complete according to the regulations of Security and Exchange Commission, as well as any other applicable rules and regulations, to oversee and regulate the internal control system of the company and ensure that such system is efficient and effective, verify financial statements in favor of the accuracy and creditability of financial reports, and ensure sufficient disclosure of information in financial statements. The comments of Audit Committee on these matters are presented in this annual report.

The Board of Directors views that financial statements of TTTW Public Company Limited and its subsidiaries for the year 2016 have presented financial position, income, expenses and consolidated cash flows accurately and reasonably. Accounting data were documented accurately and completely. The accounting policy used was appropriate and implemented steadily in accordance with generally acceptable accounting standard. The disclosure of significant information in the footnotes to financial statements was sufficient. The auditor has provided unqualified opinion upon the financial statements of TTW Public Company Limited in auditor's report.

(Dr. Thanong Bidaya)  
Chairman of the Board of Directors

(Mr. Chaiwat Utaiwan)  
Managing Director



## Auditing Committee Report

Audit Committee of TTW Public Company Limited was appointed by Board of Directors. This committee comprises 3 independent directors who are the experts and have experiences in various areas, such as Mr. Techapit Sangsingkeo serving as the Chairman and Mr. Phairuch Mekarmporn and Mr. Somnuk Chaidejsuriya as the members. The Manager of Internal Audit Division has been assigned to take function as the secretary of this committee.

Audit Committee has performed duties independently within the scope of duties and responsibilities to accomplish the missions as assigned by Board of Directors, which is consistent with to the regulations set by Stock Exchange of Thailand, which also include the provision of suggestions on any related issues. The Audit Committee held 5 meetings in 2016 attended by the executive management, internal auditors, and TTW auditor; the contents of which are summarized below.

### 1. Verification of Financial Reports

This is to ensure that the accounting system and financial reports were correct and creditable, the disclosure of information in financial statements was sufficient, the engagement in related party transactions with subsidiary companies and affiliated companies was reported; and that the company had operated its business in accordance with regular business conditions and the criteria set by the Stock Exchange of Thailand for the benefits of investors.

The Audit Committee shared a same comment with the auditor that quarterly financial statements and annual financial states of the year 2016 were accurate on the part of significant contents in accordance with generally acceptable accounting principles (GAAP).

### 2. Verification of Internal Audit

The Committee carried this out against the scope of duties, responsibilities and independency of Internal Audit Division and came to conclusion that TTW had adopted sufficient, appropriate and efficient internal control systems in line with international standards.

The Audit Committee reviewed and endorsed the scope of internal audit plan for 2016 and reviewed the report of internal audit results by asking the Internal Audit Division to submit the reports directly to Audit Committee on a quarterly basis, and found that the internal control systems of the operational process and that of significant functions were appropriate for the current operation. The Committee also provided additional suggestions that might be useful for the operation; monitored and regulated the management and administrative divisions to adapt and improve as recommended by internal auditors. With regard to the compliance with Securities and Exchange Act, the regulations of Stock Exchange of Thailand, and/or any applicable laws, the Committee did not find any significant deficiencies.

### 3. Review Related Party Transactions

1. The Audit Committee reviewed related party transaction regarding the acquisition of TTW property from entering into a purchase and sale agreement for a piece of land with Mahasiri Siam Company Limited to accommodate the expansion of tap water manufacturing plants in the future. In this regard, TTW Public Company Limited received approval from the Board of Directors Meeting No. 1/2016 for entering into the purchase and sale agreement for a piece of land with Mahasiri Siam Company Limited for using in the disposal management of wastes and residues from tap water manufacturing process; and for the construction of additional tap water storage tanks in the future. The Audit Committee found that the price of the land purchased and sold through this agreement was appropriate.

2. The Audit Committee reviewed related party transaction regarding the acquisition of TTW asset from contracting Ch. Karnchang Public Company Limited to renovate and upgrade a booster pump station to become a water distribution station, and to do some tasks required by the conditions set in the permission document from the government agencies. In this regard, TTW Public Company Limited received approval from the Board of Directors Meeting No. 4/2016 for implementing such project. The Audit Committee found that this transaction was reasonable and had been engaged into for the maximum benefits of the company.

### 4. Considering the Selection and Appointment of Auditor, Proposing Audit Fee

The Audit Committee considered the selection and appointment of auditor and proposed audit fee for presenting to the Board of Directors based on creditability, competency in providing service and recommendation in accordance with accounting standards, and ability in endorsing financial statements in time.

In 2016, the Audit Committee considered to appoint Mrs. Poonnart Paicharoen, authorized auditor No. 5238 and/or Miss Sumalee Rivarabandit, authorized auditor No. 3970 and/or Miss Manee Rattanabunnakij, authorized auditor No. 5313 of EY Office Co., Ltd., as the auditor of the company for the year 2016. This auditor had creditable qualifications and could perform duties in accordance with the standards of accounting and auditing profession. The audit fee was proposed as not exceeding 1,300,000 Baht. Board of Directors has considered and approved this for presenting further in shareholders meeting for approval.

(Mr. Techapit Sangsingkeo)  
Chairman of the Audit Committee



## Independent Auditor's Report

### Independent Auditor's Report

To the Shareholders of TTW Public Company Limited

#### Opinion

I have audited the accompanying consolidated financial statements of TTW Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of TTW Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TTW Public Company Limited and its subsidiaries and of TTW Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### **Assets for production of treated water and rights to produce and sell treated water and treat waste water**

The Company and its subsidiary recognised the amortisation expenses of the assets for the production of treated water of the Company, the assets that must be transferred at the end of concession of the subsidiary, the rights to produce, sell treated water and treat waste water of the Company in the financial statements amounting to Baht 687 million, of which the expenses during this year accounted for 31% of total expenses in the separate financial statements and 35% of total expenses in the consolidated financial statements. In calculating the amortisation expenses, the Company and its subsidiary used the units of production method which required an estimate of the number of units of treated water to be produced in the future, until the end of the concession period or the end of the operation contract. The management must use judgement to estimate the amount of future production, based on present production volumes, production capacity, demand from customers, economic and industry conditions. This affect the amount of the amortisation expenses.



I assessed the assumptions applied by management in estimating the number of units to be produced in the future by inquiring with the responsible management and gaining an understanding of the method applied to estimate units of production. I also checked the duration of the concession and the duration of the rights to produce and sell treated water and treat waste water to the relevant documents. In addition, I compared the number of units of production estimated by the Company and its subsidiary with actual past and current production volumes and tested the Company's and its subsidiary's calculation of amortisation expenses for the year.

#### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss Manee Rattanabunnakit.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 22 February 2017



## Operation Result Analysis and Report

### Analysis of Income from Tap Water Sale

(Unit : Million Baht)

Description	2016	2015	Change	%
Tap Water - TTW Company	3,623.7	3,646.9	(23.2)	(0.6)
Tap Water - Pathum Thani Water Co., Ltd.	1,646.5	1,676.6	(30.1)	(1.8)
<b>Total</b>	<b>5,270.2</b>	<b>5,323.5</b>	<b>(53.3)</b>	<b>(1.0)</b>

#### Income from Tap Water Sale

In 2015 and 2016, TTW and subsidiary company earned the income from tap water sale as 5,323.5 million and 5,270.2 million Baht respectively, with a decrease of 53.3 million Baht (or decreased by 10%). The explanation for the decrease in tap water sale could be as follows.

- 1) The income from tap water sale of TTW decreased by 23.2 million Baht (or decreased by 0.6%) because the sale price of tap water was decreased by 1.0% from the previous year while the sale of tap water in servicing areas of TTW increased by 0.7 million cubic meters (or increased by 0.5%) and the price of tap water in Bang Pa-In Industrial Estate had increased since July 2016.
- 2) The income from tap water sale of PTW decreased by 30.1 million Baht (or decreased by 1.8%) because the sale of tap water in servicing areas of PTW decreased by 1.6 million cubic meters (or decreased by 12.0%) and the sale price of tap water had decreased from previous year.

#### The prices of tap water sold to PWA by TTW and PTW in the past 3 years

Timeline	Price of Tap Water of TTW (Baht/Cubic Meter)		Price of Tap Water of PTW (Baht/Cubic Meter)
	The First 300,000 Cubic Meters	Over 300,000 Cubic Meters	
1 Jan 2014 - 31 Dec 2014	28.269483	11.93	12.39
1 Jan 2015 - 31 Dec 2015	28.583588	12.14	12.66
1 Jan 2016 - 31 Dec 2016	28.269482	11.97	12.53

#### Income from Services

In 2015 and 2016, TTW and subsidiary companies earned the income from services as 106.1 million and 108.7 million Baht respectively, with an increase of 2.6 million Baht (or increased by 2.5%) due to an increase in the volume of services from the same period of previous year; and because the charges for wastewater treatment service in Bang Pa-In Industrial Estate had increased since July 2016.

#### Other Incomes

Most of other incomes of TTW and subsidiary companies consisted of the interest income from bank deposit, remuneration cash flow management of TTW, the sale of assets, and so on.

In 2015 and 2016, other incomes earned by TTW and its subsidiaries was totaled as 144.8 million and 120.1 million Baht respectively, with a decrease of 24.7 million Baht (or decreased by 17.1%) because TTW had to withdraw 1,800 million Baht from the bank deposit to redeem matured debentures in February 2016; and to pay for the construction of the 2<sup>nd</sup> tap water manufacturing plant. Also, the interest rate of bank deposit was decreased.



## Expenses Analysis

(Unit : Million Baht)

Description	2016	2015	Change	Percent
Cost of tap water sale and service	1,497.5	1,510.0	(12.5)	(0.8)
Administrative expense	244.3	304.7	(60.4)	(19.8)
Financial expense	433.2	549.5	(116.3)	(21.2)
Income tax expense	606.7	378.3	228.4	60.4
<b>Total</b>	<b>2,781.7</b>	<b>2,742.5</b>	<b>39.2</b>	<b>1.4</b>

### Cost of Tap Water Sale and Service

Mainly, the cost of tap water sale and service of TTW and subsidiary companies consisted of the depreciation of assets for tap water manufacturing, electric bills, the cost of chemicals, the rent of land for laying pipes, labor expenses for production and maintenance works, the cost of maintenance, and other production expenses.

In 2015 and 2016, the cost of sales and service of TTW and its subsidiaries were 1,510 million and 1,497.5 million Baht respectively, with a decrease of 12.5 million Baht (or decreased by 0.8%) due to the following reasons.

- 1) The Fuel Adjustment Charge (Ft.) in electric bill was decreased, which resulted in a decrease in electric power cost by 18.4 million Baht.
- 2) The cost of chemicals used decreased by 12.8 million Baht because the quality of raw water in general was better than previous year.
- 3) The amount of depreciation increased by 10.8 million Baht because the project had finished the adjustment of tap water manufacturing assets in September 2016.
- 4) Expenses on production workers increased by 6.0 million Baht due to an increase in their salaries from the same period of previous year.

### Administrative Expenses

Administrative expenses of TTW and subsidiary companies in 2015 and 2016 were 304.7 million and 244.3 million Baht respectively, with a decrease of 60.4 million Baht (or decreased by 19.8%) compared to the same period of previous year due to a decrease by 53.2 million Baht in the supportive amounts for the activities of communities, society and the ones related to environment.

### Financial Expenses

Financial expenses of TTW and subsidiary companies in 2015 and 2016 were 549.5 million and 433.2 million Baht respectively, with a decrease of 116.3 million Baht (or decreased by 21.2%) because the company redeemed the matured debentures in February 2016, and settled the repayment of loans. Also, the interest rate of the loans had decreased in general compared to the same period of previous year.

### Income Tax Expense

Income tax expenses in 2015 and 2016 were 378.3 million and 606.7 million Baht respectively, with an increase by 228.4 million Baht (or increased by 60.4%); because the company had used up the exemptible amounts of corporate income tax as privileged by the Board of Investment (BOI) since the mid-year of 2015, and the company had to pay full amount of corporate income tax starting from the third quarter of the same year.



## Analysis of the share in profits from investing in associated company

The share in profits from investing in associated company in 2015 and 2016 were 103.5 million and 13.9 million Baht respectively, with a decrease of 89.6 million Baht (or decreased by 86.6%); because the subsidiary companies of CK Power Public Company Limited (CKP) had set aside an amount of 377.61 million Baht in the fourth quarter of this year to cover the payment of the entire cost of Nambak project during the course of construction.

## Net Profit

The net profits of TTW and subsidiaries in 2015 and 2016 were 2,680.5 million and 2,475.6 million Baht respectively, which were equal to 48.1% and 45.0% of the consolidated income of TTW and subsidiaries respectively. The net profit in 2016 decreased from the previous year by 204.9 million Baht (or decreased by 7.6%).

## Analysis of Financial Position

(Unit : Million Baht)

Financial Position Statement	31 Dec 2016	31 Dec 2015	Change	Percent
Total Assets	25,764.8	26,643.8	(879.0)	(3.3)
Total Liabilities	14,229.4	15,214.2	(984.8)	(6.5)
Shareholders	11,535.4	11,429.6	105.8	0.9

## Assets Analysis

Most assets of TTW and subsidiaries were land, buildings and equipment; investment money in associated companies; tap water manufacturing assets in the course of construction; tap water manufacturing assets owned by the company; tap water manufacturing assets to be transferred at the end of contract with subsidiaries; the rights to manufacture and distribute tap water and provide wastewater treatment service; and the rights to operating the manufacture and distribution of tap water from buying a business.

As of 31 December 2016, the assets of TTW and subsidiaries were totaled as 25,764.8 million Baht, decreased by 879 million Baht compared to 31 December 2015 because the company redeemed matured debentures in February 2016 at an amount of 1,800 million Baht, the rights to operate the manufacture and distribution of tap water from buying a business decreased by 195.5 million Baht, the assets to be transferred at the end of contract with subsidiary companies decreased by 172.4 million Baht, and the advance paid to contractor - related entity decreased by 296.3 million Baht. Meanwhile, the land, buildings and equipment increased by 225.4 million Baht, tap water manufacturing assets increased by 1,108.7 million Baht, and tap water manufacturing assets owned by the company increased by 490.8 million Baht.

## Liabilities Analysis

Most liabilities of TTW and subsidiaries were debentures and long-term loans; long-term loans with a due date for repayment within one year; deferred income tax; current income tax payable; accrued interest payable; trade account payable; and other creditors.

As of 31 December 2016, TTW and subsidiaries had liabilities as a total of 14,229.4 million Baht, with a decrease of 984.8 million compared to 31 December 2015 because the company redeemed matured debentures in February 2016 at an amount of 1,800 million Baht, settled repayment for the long-term loans with an amount of 770 million Baht, and took another loan at an amount of 1,500 million Baht for investing in the construction of the 2nd tap water manufacturing plant.



## Equity Analysis

As of 31 December 2016, the equity in the statements of TTW and subsidiaries was 11,535.4 million Baht, which increased by 105.7 million Baht compared to 31 December 2015 because the company earned profits at the amount of 2475.6 million Baht in 2016 and paid dividend at the amount of 2,393.8 million Baht.

## Cash Flow Analysis

### Cash Flow from Operating Activities

In 2015, TTW and subsidiaries had net cash flow from operating activities at the amount of 3,727.4 million Baht, increased from the same period of previous year by 88.7 million Baht (or increased by 2.4%) because the interest payable decreased by 71.5 million Baht.

In 2016, TTW and subsidiaries had net cash flow from operating activities at the amount of 3,272.1 million Baht, decreased from the same period of previous year by 455.2 million Baht (or decreased by 12.2%) because in 2016 the company had to pay income tax more than previous year by 398.1 million Baht.

### Cash Flow from Investment

In 2015, TTW and subsidiaries had the net cash flow used in investing activities at the amount of 3,677.5 million Baht, increased from the same period of previous year by 2,371.5 million Baht (or increased by 181.6%) because in 2015, the investing money of TTW and subsidiary companies increased by 1,471.9 million Baht, tap water manufacturing assets increased by 737.5 million Baht, and tap water manufacturing assets to be transferred at the end of contract with subsidiary companies increased by 267.2 million Baht.

In 2016, TTW and subsidiaries had the net cash flow used in investing activities at the amount of 331.6 million Baht, decreased from the same period of previous year by 3,345.9 million Baht (or decreased by 91%) because in 2016 the current investment of TTW and subsidiaries decreased by 1,467.6 million Baht, and in 2015 the investment in associated companies increased by 1,471.9 million Baht.

### Cash Flow from Financial Activities

In 2015, TTW and subsidiaries had the cash flow used in financial activities at the amount of 463.1 million Baht, which decreased from 2014; because in 2015 there was a cash inflow from the issuance of debentures at the amount of 2,895.1 million Baht.

In 2016, TTW and subsidiaries had the cash flow used in financial activities at the amount of 3,478.9 million Baht, which increased from 2015; because in 2015 the company issued debentures at the amount of 1,500 million Baht for settling the payment of construction cost for the second tap water manufacturing plant of the company, and also issued debentures at the amount of 1,400 million Baht for investing in new ordinary shares of CKP Company. And in 2016, the company took out the bank deposit at the amount of 1,800 million Baht to redeem the matured debentures in February 2016.

### Remuneration of the auditor

For 2016, TTW and subsidiaries contracted EY Office Ltd. to serve as the auditor of TTW and subsidiaries in accordance with the resolution from the annual general meeting of shareholders for 2016, organized on 7 April 2016. The auditor received remuneration from TTW at a total amount of 1,300,000 Baht.

### Research and Development Expenses

TTW and subsidiaries did not have any expenses in this category.



# Financial Statements





## Statement of financial position

TTW Public Company Limited and its subsidiaries

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	246,286,986	784,670,038	196,869,602	444,769,853
Current investments	8	4,477,538,942	5,941,873,036	3,771,093,280	5,421,045,693
Trade and other receivables	9	497,006,571	515,828,992	346,050,729	363,612,326
Current portion of long-term loans to related party and interest receivable	6	-	-	367,422,440	367,530,822
Raw materials and supplies	10	21,700,544	22,107,553	11,646,086	11,976,459
Other current assets		41,035,585	34,626,761	34,988,626	28,962,489
<b>Total current assets</b>		<b>5,283,568,628</b>	<b>7,299,106,380</b>	<b>4,728,070,763</b>	<b>6,637,897,642</b>
<b>Non-current assets</b>					
Long-term loans to related party, net of current portion	6	-	-	828,220,000	1,195,360,000
Investments in subsidiaries	11	-	-	2,580,169,162	2,802,270,143
Investment in associate	12	4,507,336,539	4,510,053,592	4,228,013,282	4,228,013,282
Other long-term investments	13	15,000,000	-	-	-
Property, plant and equipment	14	916,041,515	690,614,882	855,164,794	628,731,051
Assets for production of treated water	15	2,195,305,884	1,086,648,389	2,195,305,884	1,086,648,389
Assets for production of treated water under agreements with public sector agency:					
Assets that are owned by the Company	16	7,764,924,649	7,274,066,103	7,764,924,649	7,274,066,103
Assets that must be transferred at end of concession of subsidiary	17	2,560,062,990	2,732,467,351	-	-
Rights to produce and sell treated water and treat waste water from private sector agency	18	1,137,733,871	1,181,113,975	1,137,733,871	1,181,113,975
Rights to produce and sell treated water from business acquisition	19	1,323,985,418	1,519,465,909	-	-
Intangible assets	20	5,205,150	6,368,838	-	-
Deferred tax assets	28	2,761,831	1,864,779	-	-
Advance payment to subcontractor - related party		8,948,084	305,232,978	8,948,084	292,527,576
Other non-current assets		43,948,712	36,834,476	43,010,062	34,197,522
<b>Total non-current assets</b>		<b>20,481,254,643</b>	<b>19,344,731,272</b>	<b>19,641,489,788</b>	<b>18,722,928,041</b>
<b>Total assets</b>		<b>25,764,823,271</b>	<b>26,643,837,652</b>	<b>24,369,560,551</b>	<b>25,360,825,683</b>

The accompanying notes are an integral part of the financial statements.



## Statement of financial position (continued)

TTW Public Company Limited and its subsidiaries

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	21	324,964,181	257,255,686	289,626,318	203,521,173
Current portion of long-term loans	22	1,090,000,000	770,000,000	1,090,000,000	770,000,000
Current portion of debentures	23	-	1,800,000,000	-	1,800,000,000
Income tax payable		280,069,856	253,254,144	200,479,209	178,023,826
Accrued interest		100,955,440	130,134,593	100,955,440	130,134,593
Other current liabilities		58,104,150	54,187,578	37,830,966	37,822,718
<b>Total current liabilities</b>		<b>1,854,093,627</b>	<b>3,264,832,001</b>	<b>1,718,891,933</b>	<b>3,119,502,310</b>
<b>Non-current liabilities</b>					
Retention payable - subsidiary	6	-	-	5,000,000	5,000,000
Long-term loans, net of current portion	22	5,855,000,000	5,445,000,000	5,855,000,000	5,445,000,000
Debentures, net of current portion	23	6,393,017,554	6,391,737,288	6,393,017,554	6,391,737,288
Provision for long-term employee benefits	24	34,650,832	27,791,333	17,894,998	15,972,120
Deferred tax liabilities	28	92,672,008	84,814,257	70,889,525	71,826,863
<b>Total non-current liabilities</b>		<b>12,375,340,394</b>	<b>11,949,342,878</b>	<b>12,341,802,077</b>	<b>11,929,536,271</b>
<b>Total liabilities</b>		<b>14,229,434,021</b>	<b>15,214,174,879</b>	<b>14,060,694,010</b>	<b>15,049,038,581</b>

The accompanying notes are an integral part of the financial statements.



## Statement of financial position (continued)

TTW Public Company Limited and its subsidiaries

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered					
3,990,000,000 ordinary shares of Baht 1 each		3,990,000,000	3,990,000,000	3,990,000,000	3,990,000,000
Issued and fully paid-up					
3,990,000,000 ordinary shares of Baht 1 each		3,990,000,000	3,990,000,000	3,990,000,000	3,990,000,000
Share premium		2,637,769,601	2,637,769,601	2,637,769,601	2,637,769,601
Retained earnings					
Appropriated - statutory reserve	25	399,000,000	399,000,000	399,000,000	399,000,000
Appropriated - other reserve	26	1,691,230,767	1,445,616,272	1,691,230,767	1,445,616,272
Unappropriated		3,432,942,542	3,599,586,197	1,590,866,173	1,839,401,229
Other components of shareholders' equity		(657,808,002)	(682,760,466)	-	-
Equity attributable to owners of the Company		11,493,134,908	11,389,211,604	10,308,866,541	10,311,787,102
Non-controlling interests of the subsidiaries		42,254,342	40,451,169	-	-
<b>Total shareholders' equity</b>		<b>11,535,389,250</b>	<b>11,429,662,773</b>	<b>10,308,866,541</b>	<b>10,311,787,102</b>
<b>Total liabilities and shareholders' equity</b>		<b>25,764,823,271</b>	<b>26,643,837,652</b>	<b>24,369,560,551</b>	<b>25,360,825,683</b>

The accompanying notes are an integral part of the financial statements.



# Statement of comprehensive income

## TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales of treated water to public sector agency:					
Sales of treated water - minimum offtake quantities		4,981,686,284	4,867,529,106	3,339,905,444	3,342,632,105
Sales of treated water - above minimum offtake quantities		108,409,053	281,126,146	103,659,043	129,388,011
Sales of treated water to private sector agencies		180,139,377	174,881,610	180,139,377	174,881,610
Total sales of treated water	29	5,270,234,714	5,323,536,862	3,623,703,864	3,646,901,726
Service income		108,743,783	106,108,059	36,932,945	36,236,795
Dividend income	11, 12	-	-	782,678,725	738,705,132
Other income		120,110,549	144,842,049	181,946,714	208,732,343
<b>Total revenues</b>		<b>5,499,089,046</b>	<b>5,574,486,970</b>	<b>4,625,262,248</b>	<b>4,630,575,996</b>
<b>Expenses</b>					
Cost of sales of treated water and services		1,497,485,032	1,509,951,054	904,371,302	889,334,329
Administrative expenses		244,344,320	304,661,644	196,204,676	256,925,472
Amortisation of investments in subsidiaries	11	-	-	222,100,981	221,494,148
Amortisation of rights to produce and sell treated water and treat waste water from private sector agency	18	43,380,104	43,046,285	43,380,104	43,046,285
Amortisation of rights to produce and sell treated water from business acquisition	19	195,480,491	194,946,391	-	-
<b>Total expenses</b>		<b>1,980,689,947</b>	<b>2,052,605,374</b>	<b>1,366,057,063</b>	<b>1,410,800,234</b>
<b>Profit before share of profit from investment in associate, finance cost and income tax expenses</b>		<b>3,518,399,099</b>	<b>3,521,881,596</b>	<b>3,259,205,185</b>	<b>3,219,775,762</b>
Share of profit from investment in associate	12	13,934,354	103,498,301	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>3,532,333,453</b>	<b>3,625,379,897</b>	<b>3,259,205,185</b>	<b>3,219,775,762</b>
Finance cost		(433,178,951)	(549,509,077)	(433,178,951)	(548,642,181)
<b>Profit before income tax expenses</b>		<b>3,099,154,502</b>	<b>3,075,870,820</b>	<b>2,826,026,234</b>	<b>2,671,133,581</b>
Income tax expenses	28	(606,667,937)	(378,267,296)	(434,539,522)	(214,988,625)
<b>Profit for the year</b>		<b>2,492,486,565</b>	<b>2,697,603,524</b>	<b>2,391,486,712</b>	<b>2,456,144,956</b>

The accompanying notes are an integral part of the financial statements.



## Statement of comprehensive income (continued)

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Unrealised gain (loss) from cash flow hedges					
- net of income tax		19,978,476	(49,637,092)	-	-
Gain on change in value of available-for-sale investments					
- net of income tax		4,973,988	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax		(2,849,112)	-	(668,153)	-
<b>Other comprehensive income for the year</b>		<b>22,103,352</b>	<b>(49,637,092)</b>	<b>(668,153)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,514,589,917</b>	<b>2,647,966,432</b>	<b>2,390,818,559</b>	<b>2,456,144,956</b>
<b>Profit attributable to:</b>		<b>2,475,559,072</b>	<b>2,680,520,981</b>	<b>2,391,486,712</b>	<b>2,456,144,956</b>
Equity holders of the Company		16,927,493	17,082,543		
Non-controlling interests of the subsidiaries		2,492,486,565	2,697,603,524		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		2,497,662,424	2,630,883,889	2,390,818,559	2,456,144,956
Non-controlling interests of the subsidiaries		16,927,493	17,082,543		
		2,514,589,917	2,647,966,432		
<b>Basic earnings per share</b>	30				
Profit attributable to equity holders of the Company		0.62	0.67	0.60	0.62

The accompanying notes are an integral part of the financial statements.



## Cash flows statement

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Profit before tax	3,099,154,502	3,075,870,820	2,826,026,234	2,671,133,581
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	658,231,610	651,285,786	386,950,260	368,219,187
Amortisation of investments in subsidiaries	-	-	222,100,981	221,494,148
Amortisation of rights to produce and sell treated water and treat waste water from private sector agency	43,380,104	43,046,285	43,380,104	43,046,285
Amortisation of rights to produce and sell treated water from business acquisition	195,480,491	194,946,391	-	-
Gain on sales/written off of equipment	(1,258,867)	(4,178,819)	(373,830)	(2,116,586)
Gain on sales of assets for production of treated water that must be transferred at the end of concession of subsidiary	(7,496,388)	-	-	-
Share of profit from investment in associate	(13,934,354)	(103,498,301)	-	-
Dividend income	-	-	(782,678,725)	(738,705,132)
Withholding tax deducted at source written off	2,461,380	5,377,012	-	3,048,350
Provision for long-term employee benefits	6,675,290	5,436,867	4,464,867	3,741,933
Interest expenses	433,178,951	548,658,487	433,178,951	548,642,181
Profit from operating activities before changes in operating assets and liabilities	4,415,872,719	4,416,944,528	3,133,048,842	3,118,503,947
Operating assets (increase) decrease				
Trade and other receivables	19,899,238	4,582,294	18,746,797	623,362
Raw materials and supplies	407,009	(738,603)	330,373	(869,843)
Other current assets	7,333,383	24,997,495	6,402,937	20,950,928
Other non-current assets	(10,050,670)	(21,003,501)	(10,068,070)	(21,053,501)
Operating liabilities increase (decrease)				
Trade and other payables	(126,503,237)	9,005,325	(108,106,587)	12,836,292
Other current liabilities	3,916,572	(6,696,820)	8,248	(3,844,187)
Cash paid for long-term employee benefits	(3,377,180)	-	(3,377,180)	-
Cash from operating activities	4,307,497,834	4,427,090,718	3,036,985,360	3,127,146,998
Cash paid for interest expenses	(461,077,837)	(523,516,985)	(461,077,837)	(523,500,679)
Cash paid for corporate income tax	(574,272,856)	(176,219,324)	(412,854,438)	(15,996,079)
<b>Net cash from operating activities</b>	<b>3,272,147,141</b>	<b>3,727,354,409</b>	<b>2,163,053,085</b>	<b>2,587,650,240</b>

The accompanying notes are an integral part of the financial statements.



## Cash flows statement (continued)

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	1,467,556,813	(658,380,612)	1,653,175,132	(521,895,354)
Increase in other long-term investments	(15,000,000)	-	-	-
Decrease (increase) in long-term loans to related party	-	-	367,140,000	(90,000,000)
Increase in investment in associate	-	(1,471,933,272)	-	(1,471,933,272)
Increase in property, plant and equipment	(210,902,770)	(27,404,943)	(209,377,837)	(25,645,877)
Increase in assets for production of treated water	(1,446,087,899)	(737,517,387)	(1,446,087,899)	(737,517,387)
Cash paid for capitalised interest	(71,487,063)	(42,864,820)	(71,487,063)	(42,864,820)
Increase in assets for production of treated water under agreements with public sector agency - assets that are owned by the Company	(2,837,065)	(14,487,609)	(2,837,065)	(14,487,609)
Increase in assets for production of treated water that must be transferred at the end of concession of subsidiary	(84,079,478)	(267,220,319)	-	-
Proceeds from sales of equipment	1,258,879	5,411,495	373,832	2,516,075
Proceeds from sales of assets for production of treated water that must be transferred at the end of concession of subsidiary	9,100,000	-	-	-
Dividend received	41,603,871	27,500,000	782,678,725	738,705,132
Increase in advance payment to subcontractor - related party	(20,716,950)	(490,620,000)	(20,716,950)	(435,555,000)
<b>Net cash from (used in) investing activities</b>	<b>(331,591,662)</b>	<b>(3,677,517,467)</b>	<b>1,052,860,875</b>	<b>(2,598,678,112)</b>
<b>Cash flows from financing activities</b>				
Cash receipt from long-term loans	1,500,000,000	-	1,500,000,000	-
Repayment of long-term loans	(770,000,000)	(750,000,000)	(770,000,000)	(750,000,000)
Cash receipt from debentures	-	2,895,065,550	-	2,895,065,550
Repayment of debentures	(1,800,000,000)	-	(1,800,000,000)	-
Dividend paid	(2,393,814,211)	(2,593,625,227)	(2,393,814,211)	(2,593,625,227)
Dividend paid for non-controlling interests of the subsidiary	(15,124,320)	(14,514,720)	-	-
<b>Net cash used in financing activities</b>	<b>(3,478,938,531)</b>	<b>(463,074,397)</b>	<b>(3,463,814,211)</b>	<b>(448,559,677)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(538,383,052)</b>	<b>(413,237,455)</b>	<b>(247,900,251)</b>	<b>(459,587,549)</b>
Cash and cash equivalents at beginning of year	784,670,038	1,197,907,493	444,769,853	904,357,402
<b>Cash and cash equivalents at end of year</b>	<b>246,286,986</b>	<b>784,670,038</b>	<b>196,869,602</b>	<b>444,769,853</b>

The accompanying notes are an integral part of the financial statements.



## Cash flows statement (continued)

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Decrease in dividend payable	(75,091)	(246,952)	(75,091)	(246,952)
Decrease (increase) in accounts receivable from securities trading	(1,076,817)	8,563,884	(1,076,817)	8,563,884
Increase (decrease) in accounts payable from securities trading	4,299,536	(1,910,813)	4,299,536	(1,910,813)
Transfer deposit to construction in progress	1,255,530	-	1,255,530	-
Portion of advance payment to subcontractor deducted from payment for equipment	19,472,534	-	19,472,534	-
Increase in property, plant and equipment from construction payable	4,454,865	25,000	4,454,865	-
Increase in assets for production of treated water from construction payable	173,103,346	78,244,715	173,103,346	78,244,715
Portion of advance payment to subcontractor deducted from payment for assets for production of treated water	284,823,908	143,027,424	284,823,908	143,027,424
Transfer assets for production of treated water to assets for production of treated water under agreements with public sector agency that are owned by the Company	866,772,720	-	866,772,720	-
Transfer assets for production of treated water to property, plant and equipment	72,000	-	72,000	-
Increase in assets for production of treated water that must be transferred at end of concession of subsidiary from construction payable	-	4,116,250	-	-
Portion of advance payment to subcontractor deducted from payment for assets for production of treated water that must be transferred at end of concession of subsidiary	12,705,402	42,359,598	-	-

The accompanying notes are an integral part of the financial statements.



# Statement of changes in shareholders' equity

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

		Consolidated financial statements																	
		Equity attributable to owners of the Company																	
		Retained earnings					Other components of equity												
		Surplus on changes in value of available-for-sale investments					Other comprehensive income												
		Appropriated - statutory reserve		Appropriated - other reserve		Unappropriated		Unrealised gain (loss) from cash flow hedges		Difference on reorganisation of business of group companies		Total other components of shareholders' equity		Total equity attributable to owners of the Company		Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity	
		Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated	Unrealised gain (loss) from cash flow hedges	Difference on reorganisation of business of group companies	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity							
	<b>Balance as at 1 January 2015</b>	3,990,000,000	2,637,769,601	399,000,000	1,171,411,333	3,786,648,430	-	(600,362,866)	(633,123,374)	11,351,705,990	37,883,346	11,389,589,336							
	Profit for the year	-	-	-	-	2,680,520,981	-	-	-	2,680,520,981	17,082,543	2,697,603,524							
	Other comprehensive income for the year	-	-	-	-	-	(49,637,092)	-	(49,637,092)	(49,637,092)	-	(49,637,092)							
	Total comprehensive income for the year	-	-	-	-	2,680,520,981	-	-	(49,637,092)	2,630,883,889	17,082,543	2,647,966,432							
	Dividend paid	-	-	-	-	(2,593,378,275)	-	-	-	(2,593,378,275)	-	(2,593,378,275)							
	Transferred to other reserve	-	-	-	274,204,939	(274,204,939)	-	-	-	-	-	-							
	Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	(14,514,720)	(14,514,720)							
	<b>Balance as at 31 December 2015</b>	3,990,000,000	2,637,769,601	399,000,000	1,445,616,272	3,599,586,197	-	(600,362,866)	(682,760,466)	11,389,211,604	40,451,169	11,429,662,773							
	<b>Balance as at 1 January 2016</b>	3,990,000,000	2,637,769,601	399,000,000	1,445,616,272	3,599,586,197	-	(600,362,866)	(682,760,466)	11,389,211,604	40,451,169	11,429,662,773							
	Profit for the year	-	-	-	-	2,475,559,072	-	-	-	2,475,559,072	16,927,493	2,492,486,565							
	Other comprehensive income for the year	-	-	-	-	(2,849,112)	4,973,988	19,978,476	24,952,464	22,103,352	-	22,103,352							
	Total comprehensive income for the year	-	-	-	-	2,472,709,960	4,973,988	19,978,476	24,952,464	2,497,662,424	16,927,493	2,514,589,917							
	Dividend paid	-	-	-	-	(2,393,739,120)	-	-	-	(2,393,739,120)	-	(2,393,739,120)							
	Transferred to other reserve	-	-	-	245,614,495	(245,614,495)	-	-	-	-	-	-							
	Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	(15,124,320)	(15,124,320)							
	<b>Balance as at 31 December 2016</b>	3,990,000,000	2,637,769,601	399,000,000	1,691,230,767	3,432,942,542	4,973,988	(62,419,124)	(657,808,002)	11,493,134,908	42,254,342	11,535,389,250							

The accompanying notes are an integral part of the financial statements.





# Statement of changes in shareholders' equity (continued)

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

	Note	Separate financial statements					Total shareholders' equity
		Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	
				Appropriated - statutory reserve	Appropriated - other reserve		
<b>Balance as at 1 January 2015</b>		3,990,000,000	2,637,769,601	399,000,000	1,171,411,333	2,250,839,487	10,449,020,421
Total comprehensive income for the year		-	-	-	-	2,456,144,956	2,456,144,956
Dividend paid	33	-	-	-	-	(2,593,378,275)	(2,593,378,275)
Transferred to other reserve	26	-	-	-	274,204,939	(274,204,939)	-
<b>Balance as at 31 December 2015</b>		3,990,000,000	2,637,769,601	399,000,000	1,445,616,272	1,839,401,229	10,311,787,102
<b>Balance as at 1 January 2016</b>		3,990,000,000	2,637,769,601	399,000,000	1,445,616,272	1,839,401,229	10,311,787,102
Profit for the year		-	-	-	-	2,391,486,712	2,391,486,712
Other comprehensive income for the year		-	-	-	-	(668,153)	(668,153)
Total comprehensive income for the year		-	-	-	-	2,390,818,559	2,390,818,559
Dividend paid	33	-	-	-	-	(2,393,739,120)	(2,393,739,120)
Transferred to other reserve	26	-	-	-	245,614,495	(245,614,495)	-
<b>Balance as at 31 December 2016</b>		3,990,000,000	2,637,769,601	399,000,000	1,691,230,767	1,590,866,173	10,308,866,541

The accompanying notes are an integral part of the financial statements.



# Notes to consolidated financial statements

TTW Public Company Limited and its subsidiaries

For the year ended 31 December 2016

## 1. General information

TTW Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Mitsui Water Holdings (Thailand) Company Limited, which was incorporated in Thailand. The Company is principally engaged in the production and sale of treated water to the Provincial Waterworks Authority (“PWA”) in the Amphur Nakorn Chaisri, Amphur Sam Pran, and Amphur Budha Monthon areas of Nakhon Pathom and the Amphur Muang and Amphur Kratumban areas of Samut Sakhon, under the “Water Purchase Agreement” made with the PWA dated 21 September 2000 (An amendment agreement dated 29 December 2008), which covers a period of 30 years as from the Actual Commencement Date (21 July 2004), and under the Concession to operate treated water granted by the Ministry of Natural Resources and Environment (“the Concessionaire”) for a period of 25 years commencing on 11 March 2005. The Company has to comply with certain conditions as stipulated in the Water Purchase Agreement and the Concession.

The terms of the Concession include certain significant conditions, such as that when the Company has completed half of the concession period, if the government or the local government agency wish to purchase the water production business of the Company, the Concessionaire is entitled to cancel the concession in order to purchase it, or permit the relevant local government agency to purchase it, at market price. However, it must provide the Company with advance notice of six months of such action.

The Company’s registered office is at 30/130 Moo 12, Budha Monthon 5 Road, RaiKhing, Sam Pran, Nakhon Pathom.

## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.



## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of TTW Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016 (%)	2015 (%)
Pathum Thani Water Company Limited	Production and sale of treated water in Pathumthani	Thailand	98.0	98.0
Thai Water Operations Company Limited (31.5% held by Pathum Thani Water Company Limited)	Operating and maintenance of water supply project	Thailand	68.5	68.5

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

## 3. New financial reporting standards

### (a) Financial reporting standards that became effective in the current year

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements



(b) **Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

**TAS 27 (revised 2016) Separate Financial Statements**

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it adopted.

## 4. Significant accounting policies

### 4.1 Revenues recognition

*Sales of treated water*

Sales of treated water are recognised when the Company and a subsidiary supply the water to the Provincial Waterworks Authority, and comprise the invoiced value, excluding value added tax, of the treated water supplied, after deducting discounts and allowances.

*Service income*

Service income presents the invoiced value, excluding value added tax, of services rendered.

*Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

*Dividends*

Dividends are recognised when the right to receive the dividends is established.



#### *Other income and expenses*

Other income and expenses are recognised on an accrual basis

#### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **4.4 Raw materials and supplies**

Raw materials and supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to treated water production costs whenever consumed.

#### **4.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- d) Investment in associate is accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

#### **4.6 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

Investment costs of subsidiaries are the values paid for their acquisition. The subsidiary is engaged in business under the agreement for the production and sale of treated water with the Provincial Waterworks Authority and concessions granted by state enterprises or government agencies, which have defined fixed periods of operation, as stipulated in the agreement and concessions; and the subsidiary has committed to transfer most of its assets used in the operation to the Provincial Waterworks Authority. Hence, parts of the investment cost are deemed to be investments in the acquisition of rights to operate business under



the agreement and concessions, and are amortised on a straight-line basis over the remaining periods of the agreements, commencing from the date of investment in the subsidiary. This amortised amount is presented as amortisation of investments in subsidiary, and recognised as an expense in profit or loss.

In addition, parts of the investment cost in the subsidiary to which the Company transferred most of its operations after investment, in order to reduce future operating costs, was amounts paid for acquisition of such operations. These are amortised on a straight-line basis over the remaining period of the Water Purchase Agreement made between the Company and the Provincial Waterworks Authority, commencing from the date of investing in the subsidiary, and presented as amortisation of investments in subsidiary. The amortised amount is recognised as expense in profit or loss.

#### 4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation for assets is generally calculated by reference to their costs on the straight-line basis over estimated useful lives of 3, 5 and 10 years. However depreciation of the Company's assets used for production of treated water is calculated using the units-of-production method, based on the following formula:

Depreciation for the period	=	Net assets for production of treated water at the beginning of period x Percentage of treated water produced in the period
Percentage of treated water produced in the period	=	$\frac{\text{Current period's actual production of treated water}}{\text{(Actual production of treated water for the period + Projected total production of treated water over the remaining term of the Water Purchase Agreement)}}$
Net assets for production of treated water as at the beginning of the period	=	Total assets for production of treated water - Accumulated depreciation as at the beginning of the period

Assets for production of treated water consist of costs of construction of a water treatment plant and distribution system, and related interest expenses and financial costs.

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.



An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.8 Assets for production of treated water that must be concession and amortisation

Assets for production of treated water of Pathum Thani Water Company Limited that must be transferred to the Provincial Waterworks Authority at the end of the concession to produce and sell treated water (land, water treatment plant and distribution system) are stated at cost less accumulated amortisation and any impairment losses. Amortisation of assets for production of treated water is calculated using the units-of- production method, based on the following formula:

Amortisation for the period	=	Net assets for production of treated water that must be transferred at end of concession as at the beginning of period x Percentage of treated water produced in the period
Percentage of treated water produced in the period	=	$\frac{\text{Current period's actual production of treated water}}{\text{(Actual production of treated water for the period + Projected total production of treated water over the remaining term of concession for production and sale of treated water)}}$
Net assets for production of treated water that must be transferred at end of concession as at the beginning of the period	=	Total assets for production of treated water that must be transferred at end of concession - Accumulated amortisation as at the beginning of the period

Amortisation is included in determining income.

No amortisation is provided on assets under installation.

#### 4.9 Rights to produce and sell treated water and treat waste water and amortisation

The Company recorded cost of rights to produce and sell treated water and treat waste water ("Operation rights") at cost as at the acquisition date, and allocated such cost in line with forecasted revenues calculated as at the acquisition date.

##### a) Rights to produce and sell treated water

Rights to produce and sell treated water are stated at cost less accumulated amortisation and any impairment losses. Amortisation of the rights is calculated using the units-of-production method, based on the following formula:



Amortisation for the period	=	Net rights to produce and sell treated water as at the beginning of period x Percentage of treated water produced in the period
Percentage of treated water produced in the period	=	$\frac{\text{Current period's actual production of treated water}}{(\text{Actual production of treated water for the period} + \text{Projected total production of treated water over the remaining term of operation rights})}$
Net rights to produce and sell treated water as at beginning of the period	=	Total rights to treated water - Accumulated amortisation as at the beginning of the period

Amortisation is included in determining income.

#### b) Rights to treat waste water

Rights to treat waste water are stated at cost less accumulated amortisation and any impairment losses. Amortisation of the rights is calculated using the units-of- production method, based on the following formula:

Amortisation for the period	=	Net rights to treat waste water as at the beginning of period x Percentage of waste water treated in the period
Percentage of waste water treated in the period	=	$\frac{\text{Current period's actual treatment of waste water}}{(\text{Actual treatment of wasted water for the period} + \text{Projected total treatment of waste water over the remaining term of operation rights})}$
Net rights to treat waste water as at beginning of the period	=	Total rights to treat waste water - Accumulated amortisation as at the beginning of the period

Amortisation is included in determining income.

#### 4.10 Rights to produce and sell treated water from business acquisition and amortisation

Rights to produce and sell treated water, which arose as a result of the acquisition of ordinary shares in Pathum Thani Water Company Limited being made at a cost higher than the fair value of this subsidiary, is regarded as an intangible asset with a definite life. It is carried at cost less accumulated amortisation and any impairment losses.

The Company amortises it on a straight-line basis over the remaining period of the subsidiary's agreement for the production and sale of treated water, starting from the acquisition date, (approximately 16 years) and tested for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for rights to produce and sell treated water are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.



#### 4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.12 Intangible assets

The intangible assets (assets from which the subsidiary obtained the maintenance and management project) of the subsidiary are carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life (5 years and 10 years) and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

#### 4.13 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### 4.14 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### 4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out



annual impairment reviews in respect of rights to produce and sell treated water. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### 4.16 Employee benefits

##### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### *Post-employment benefits*

###### *Defined contribution plans*

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post - employment benefits are recognised immediately in other comprehensive income.

#### 4.17 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

**Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

**Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.19 Hedge accounting - Cash flow hedges**

Associate applies hedge accounting in order to hedge the foreign exchange exposure on a certain portion of its forecasted revenue from sales of electricity in USD currency where the revenues from sales of electricity are designated as the hedged item and long-term loans in USD are the hedging instrument. The associate has recorded such transactions using cash flow hedge accounting.

The effective portion of the change in the fair value of the cash flow hedging instrument is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss. Gains or losses accumulated in other comprehensive income are then transferred to profit or loss in the period when the hedged items affect profit or loss.

**4.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

## 6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Seperate financial statements		Transfer pricing policy
	2016	2015	2016	2015	
<b>Transactions with subsidiary companies</b> (eliminated from the consolidated financial statements)					
Cost of sales and services	-	-	34	34	Contract price
Interest income	-	-	63	69	Minimum Loan Rate minus stipulated margin per annum
Management income	-	-	16	12	Based on contract
Dividend income	-	-	741	711	As declared



(หน่วย: ล้านบาท)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2016	2015	2016	2015	
<b>Transaction with associate</b>					
Dividend income	-	-	42	28	As declared
<b>Transactions with related parties</b>					
Sales of treated water	31	25	31	25	Based on contract
Service income	2	2	2	2	Based on contract
Construction in progress	2,113	1,236	2,028	954	Based on contract
Cost of sales and services	4	2	4	2	Based on contract
Purchases of fixed assets	80	-	80	-	Market price

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Other receivables - related parties (Note 9)</b>				
Subsidiaries	-	-	1,391	1,971
Related companies (related by shareholders or committees)	5,529	5,571	5,529	5,571
<b>Total other receivables - related parties</b>	<b>5,529</b>	<b>5,571</b>	<b>6,920</b>	<b>7,542</b>
<b>Advance payment to subcontractor - related party</b>				
Related company (related by committees)	8,948	305,233	8,948	292,528
<b>Total advance payment to subcontractor - related party</b>	<b>8,948</b>	<b>305,233</b>	<b>8,948</b>	<b>292,528</b>
<b>Trade and other payables - related parties (Note 21)</b>				
Subsidiaries	-	-	3,037	3,638
Related companies (related by shareholders or committees)	197,017	129,284	197,017	116,729
<b>Total trade and other payables - related parties</b>	<b>197,017</b>	<b>129,284</b>	<b>200,054</b>	<b>120,367</b>



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Retention payable - subsidiary	-	-	5,000	5,000
	-	-	5,000	5,000

**Long-term loans to related party**

As at 31 December 2016 and 2015, the balance of long-term loans between the Company and a related party and the movement are as follows:

(Unit: Thousand Baht)

Company's name	Related by	Separate financial statements			
		Balance as at 1 January 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Pathum Thani Water Company Limited	Subsidiary				
Loan		1,562,500	-	(367,140)	1,195,360
Interest receivable		391	62,582	(62,691)	282
<b>Total</b>		<b>1,562,891</b>	<b>62,582</b>	<b>(429,831)</b>	<b>1,195,642</b>

(Unit: Thousand Baht)

	Separate financial statements	
	2016	2015
<b>Long-term loans to related party and interest receivable</b>		
Pathum Thani Water Company Limited		
Loan	1,195,360	1,562,500
Interest receivable	282	391
Total	1,195,642	1,562,891
<u>Less: Current portion and interest receivable</u>	(367,422)	(367,531)
<b>Long-term loans to related party, net of current portion</b>	<b>828,220</b>	<b>1,195,360</b>

Long-term loans to subsidiary were subject to interest at the Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum. Repayment is to be made in quarterly installments and due in full within December 2022.



### Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	70	67	57	55
Post-employment benefits	4	3	3	3
Total	74	70	60	58

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	476	455	129	105
Bank deposits	245,811	784,215	196,741	444,665
Total	246,287	784,670	196,870	444,770

As at 31 December 2016, bank deposits in saving accounts and fixed deposits carried interests between 0.05% and 0.98% per annum (2015: between 0.05% and 1.80% per annum).

## 8. Current investments

The balances of current investments represent investments in trading securities and the 4 - 12 month fixed deposits, carrying interests between 1.15% and 4.70% per annum (2015: between 0.90% and 4.70% per annum).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Fixed deposits</b>	687,950	4,203,770	567,950	3,733,014
	687,950	4,203,770	567,950	3,733,014
<b>Investments in trading securities at fair value</b>				
Government and state enterprise bonds	471,741	969,936	471,741	969,936
Private sector debt securities	3,085,873	595,401	2,499,427	545,330



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Marketable equity securities	231,975	172,766	231,975	172,766
	3,789,589	1,738,103	3,203,143	1,688,032
Total current investments	4,477,539	5,941,873	3,771,093	5,421,046

## 9. Trade and other receivables

As at 31 December 2016 and 2015, the outstanding balances of trade and other receivables were overdue less than 3 months.

## 10. Raw materials and supplies

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Raw materials	5,096	5,752	2,853	3,484
Spare parts	16,605	16,356	8,793	8,492
Total	21,701	22,108	11,646	11,976

## 11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
			(ร้อยละ)	(ร้อยละ)				
Thai Water Operations Company Limited	60,000	60,000	68.5	68.5	700,000	700,000	-	-
Pathum Thani Water Company Limited	1,200,000	1,200,000	98.0	98.0	3,998,310	3,998,310	741,075	711,205
					4,698,310	4,698,310	741,075	711,205
<u>Less:</u> Accumulated amortisation of investments in subsidiaries					(2,098,141)	(1,876,040)	-	-
<u>Less:</u> Dividend received from income before purchase of shares					(20,000)	(20,000)	-	-
<b>Total</b>					<b>2,580,169</b>	<b>2,802,270</b>	<b>741,075</b>	<b>711,205</b>



## 12. Investment in associate

### 12.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding percentage		Carrying amounts based on equity method	
			2016 (%)	2015 (%)	2016	2015
CK Power Public Company Limited	Making investment in other companies	Thailand	25.31	25.31	4,228,013	4,507,337
Total					4,228,013	4,510,054

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	งบการเงินเฉพาะกิจการ			
			Shareholding percentage		Carrying amounts based on equity method	
			2016 (%)	2015 (%)	2016	2015
CK Power Public Company Limited	Making investment in other companies	Thailand	25.31	25.31 (ร้อยละ)	4,228,013	4,228,013
Total					4,228,013	4,228,013



### 12.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit from investment in associate company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Million Baht)

Associate	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in associate during the year		Share of other comprehensive income from investment in associate during the year		Dividend received during the year	
	2016	2015	2016	2015	2016	2015
CK Power Public Company Limited	14	103	25	(50)	42	28
Total	14	103	25	(50)	42	28

### 12.3 Fair value of investment in listed associate

In respect of investment in associate that is listed company on the Stock Exchange of Thailand, its fair value is as follows:

(Unit: Million Baht)

Associate	Fair values as at 31 December	
	2016	2015
CK Power Public Company Limited	6,604 <sup>(1)</sup>	3,657 <sup>(1)</sup>
บริษัท	6,604	3,657

<sup>(1)</sup> Excluding the fair value of warrants amounting to Baht 255 million (2015: Baht 172 million).

### 12.4 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	CK Power Public Company Limited	
	2016	2015
Current assets	7,666	5,196
Non-current assets	51,639	49,371
Current liabilities	(1,488)	(2,416)
Non-current liabilities	(27,311)	(20,338)
Net assets	30,506	31,813



(Unit: Million Baht)

	CK Power Public Company Limited	
	2016	2015
Equity attributable to non-controlling interest of the associate	(12,762)	(14,058)
Net assets of the Company	17,744	17,755
Shareholding percentage (%)	25.31	25.31
Share of net assets	4,491	4,494
Goodwill	16	16
Carrying amounts of associate based on equity method	4,507	4,510

## Summarised information about comprehensive income

(Unit: Million Baht)

	CK Power Public Company Limited	
	For the years ended 31 December	
	2016	2015
Revenue	6,359	6,851
Profit	194	786
Other comprehensive income	156	(433)
Total comprehensive income	350	353

In May 2012, the Company agreed to provide financial support to CK Power Public Company Limited (“the associate”), in the form of a guarantee, whereby it will provide financial support to a subsidiary of the associate not more than Baht 154 million, should the subsidiary be unable to comply with the conditions of a loan or default on loan repayment to the lending bank. In September 2016, the subsidiary signed a long-term loan agreement with a group of domestic lenders for repayment of the original loan and the above obligations have been cancelled.

In May 2015, the Company received, at no cost, 490.64 million warrants to purchase 490.64 million newly issued ordinary shares (at a ratio of 1 warrant to 1 ordinary share), with an exercise price of Baht 6 per share. The warrants have a term of 5 years from the date they were issued and offered and can be exercised every 3 months, beginning on 30 September 2015 and with the final exercise date on 28 May 2020.



In addition, during the second quarter of the year 2016, the Company received dividend from the associate amounting to Baht 41.6 million, in accordance with a resolution of the Annual General Meeting of the associate's shareholders held on 19 April 2016.

### 13. Other long-term investment

On 14 October 2016, the Board of Director's meeting of Thai Water Operations Company Limited ("subsidiary") approved investment in mutual funds, and/or government and/or state enterprise and/or private sector debt securities, the subsidiary has made investments in debentures that management intend to hold to maturity, as follows:

(Unit: Thousand Baht)

Debentures	Life	Maturity date	Interest rate (% per annum)	Consolidated financial statements	
				2016	2015
1	3 years	28 October 2019	4.20	10,000	-
2	5 years	2 December 2021	4.50	5,000	-
Total				15,000	-







As at 31 December 2016, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 149 million (Separate financial statements: Baht 87 million) (2015: Baht 143 million Separate financial statements: Baht 83 million).

## 15. Assets for production of treated water

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
	Construction in progress
<b>Cost:</b>	
1 January 2015	84,994
Additions	958,789
Capitalised interest	42,865
31 December 2015	1,086,648
Additions	1,904,015
Capitalised interest	71,487
Reclassify	(866,844)
31 December 2016	2,195,306

As at 31 December 2016, the Company had an outstanding balance of assets for production of treated water under construction amounting to Baht 2,110 million (2015: Baht 1,002 million). The construction was financed with debentures, issued and offered for sale on 6 February 2015 and loan from financial institution. Borrowing costs amounting to Baht 71 million were capitalised as project costs during the year ended 31 December 2016 (2015: Baht 43 million).



## 16. Assets for production of treated water under agreements with public sector agency - assets that are owned by the Company

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Water treatment plant		Total
	and distribution treated water system	Construction in progress	
<b>Cost:</b>			
1 January 2015	10,799,223	43,379	10,842,602
Additions	-	14,487	14,487
Transfer in (out)	20,272	(20,272)	-
31 December 2015	10,819,495	37,594	10,857,089
Additions	-	2,837	2,837
Transfer in (out)	15,250	(15,250)	-
Reclassify	891,954	(25,181)	866,773
31 December 2016	11,726,699	-	11,726,699
<b>Accumulated amortisation:</b>			
1 January 2015	3,224,732	-	3,224,732
Amortisation for the year	358,291	-	358,291
31 December 2015	3,583,023	-	3,583,023
Amortisation for the year	378,751	-	378,751
31 December 2016	3,961,774	-	3,961,774
<b>Net book value:</b>			
31 December 2015	7,236,472	37,594	7,274,066
31 December 2016	7,764,925	-	7,764,925
<b>Amortisation for the year</b>			
2015			358,291
2016			378,751

Amortisation of such assets for production of treated water has been included as part of cost of sales of treated water.



## 17. Assets for production of treated water under agreements with public sector agency - assets that must be transferred at end of concession of subsidiary

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land	Water treatment plant and distribution treated water system	Construction in progress	Total
<b>Cost:</b>				
1 January 2015	418,088	6,001,215	134,843	6,554,146
Additions	-	7,379	306,317	313,696
31 December 2015	418,088	6,008,594	441,160	6,867,842
Additions	-	11,412	85,373	96,785
Disposals	(4,687)	-	-	(4,687)
Transfer in (out)	-	526,533	(526,533)	-
31 December 2016	413,401	6,546,539	-	6,959,940
<b>Accumulated amortisation:</b>				
1 January 2015	266,910	3,591,182	-	3,858,092
Amortisation for the year	17,117	260,166	-	277,283
31 December 2015	284,027	3,851,348	-	4,135,375
Amortisation for the year	16,653	250,932	-	267,585
Amortisation on disposals	(3,083)	-	-	(3,083)
31 December 2016	297,597	4,102,280	-	4,399,877
<b>Net book value:</b>				
31 December 2015	134,061	2,157,246	441,160	2,732,467
31 December 2016	115,804	2,444,259	-	2,560,063
<b>Amortisation for the year</b>				
2015				277,283
2016				277,283

Amortisation of such assets for production of treated water has been included as part of cost of sales of treated water.

Assets for production of treated water of Pathum Thani Water Company Limited will be transferred to the Provincial Waterworks Authority after the end of the 25-year concession to produce and sell treated water.



## 18. Rights to produce and sell treated water and treat waste water from private sector agency

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2016	2015
Rights to produce and sell treated water and treat waste water from private sector agency	1,410,075	1,410,075
<u>Less</u> : Accumulated amortisation of rights to produce and sell treated water and treat waste water from private sector agency	(272,341)	(228,961)
Rights to produce and sell treated water and treat waste water from private sector agency, net	1,137,734	1,181,114

## 19. Rights to produce and sell treated water from business acquisition

(Unit: Thousand Baht)

	Consolidated financial statements	
	2016	2015
Rights to produce and sell treated water from business acquisition	3,169,109	3,169,109
<u>Less</u> : Accumulated amortisation of rights to produce and sell treated water from business acquisition	(1,845,123)	(1,649,643)
Rights to produce and sell treated water from business acquisition, net	1,323,986	1,519,466

## 20. Intangible assets

The net book value of intangible assets as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

As at 31 December 2016	
Cost	14,104
<u>Less</u> Accumulated amortisation	(8,899)
Net book value	5,205
As at 31 December 2015	
Cost	14,104
<u>Less</u> Accumulated amortisation	(7,735)
Net book value	6,369



A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	2016	2015
Net book value at beginning of year	6,369	8,029
Amortisation	(1,164)	(1,660)
Net book value at end of year	5,205	6,369

## 21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables - related party	-	-	3,037	3,025
Trade payables - unrelated parties	18,255	19,040	9,939	9,411
Amounts due to related parties	124	125	124	738
Amounts due to unrelated parties	15,127	11,929	12,029	9,110
Construction payable - related party	189,987	83,722	189,987	83,722
Construction payable - unrelated parties	143	4,574	143	143
Retention payable for contract work - related party	6,906	45,437	6,906	32,882
Retention payable for contract work - unrelated parties	4,186	3,179	3,860	3,061
Accounts payable from securities trading	4,300	-	4,300	-
Accrued expenses	85,936	89,250	59,301	61,429
<b>Total trade and other payables</b>	<b>324,964</b>	<b>257,256</b>	<b>289,626</b>	<b>203,521</b>



## 22. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated / Separate financial statements	
			2016	2015
1.	The 6-month fixed deposit rate + a stipulated margin	Quarterly installments as from March 2010 to June 2019	600,000	790,000
2.	The 6-month and 12-month fixed deposit rate + a stipulated margin	Quarterly installments as from December 2009 to September 2019	990,000	1,350,000
3.	The 6-month fixed deposit rate + a stipulated margin	Repayment in full by 9 May 2020	2,760,000	2,760,000
4.	The 6-month fixed deposit rate + a stipulated margin	Quarterly installments as from June 2014 to December 2021	1,095,000	1,315,000
5.	Fixed rate at 2.95% per annum	Quarterly installments as from March 2017 to December 2021	1,500,000	-
Total			6,945,000	6,215,000
<u>Less:</u> Current portion			1,090,000	770,000
Long-term loans, net of current portion			5,855,000	5,445,000

The loan agreements contain several covenants which, among other things, require the Company to maintain certain debt to equity ratio, net debt to EBITDA and EBITDA to interest ratio at the rate prescribed in the agreements.



## 23. Debentures

(Unit: Thousand Baht)

Debentures	Life	Date of issue	Maturity date	Interest rate (% per annum)	Consolidated / Separate financial statements	
					2016	2015
1	7 years	26 February 2009	26 February 2016	5.35	-	1,800,000
2	7 years	22 February 2012	22 February 2019	4.40	1,500,000	1,500,000
3	10 years	22 February 2012	22 February 2022	4.60	2,000,000	2,000,000
4	3 years	6 February 2015	6 February 2018	3.06	1,000,000	1,000,000
5	5 years	6 February 2015	6 February 2020	3.37	500,000	500,000
6	10 years	21 May 2015	21 May 2025	3.98	1,400,000	1,400,000
Total					6,400,000	8,200,000
<u>Less:</u> Current portion of debentures					-	(1,800,000)
<u>Less:</u> Deferred debenture issuing costs					(6,982)	(8,263)
Debentures, net of current portion					6,393,018	6,391,737

On 12 November 2014, a meeting of the Company's Board of Directors passed a resolution granting approval for the Company to issue Baht 1,500 million of unsecured senior debentures, with no trustees, in 2 series; to be offered for sale to investors in accordance with the Notification of the Securities and Exchange Commission. Details of the debentures are as follow:-

- A) Series #1 comprises 1,000,000 debentures with a par value of Baht 1,000 or a total of Baht 1,000 million. The debentures mature on 6 February 2018 and bear interest at a fixed rate of 3.06% per annum, payable every 6 months.
- B) Series #2 comprises 500,000 debentures with a par value of Baht 1,000 or total of Baht 500 million. The debentures mature on 6 February 2020 and bear interest at a fixed rate of 3.37% per annum, payable every 6 months.

The Company issued these debentures on 6 February 2015.



On 7 April 2015, a meeting of the Company's Board of Directors passed a resolution granting approval for the Company to issue Baht 1,400 million of unsecured senior debentures, with no trustees, in 1 series; to be offered for sale to investors in accordance with the Notification of the Securities and Exchange Commission. Details of the debentures are as follows:-

- C) Series #3 comprises 1,400,000 debentures with a par value of Baht 1,000 or a total of Baht 1,400 million. The debentures mature on 21 May 2025 and bear interest at a fixed rate of 3.98% per annum, payable every 6 months.

The Company issued these debentures on 21 May 2015.

The Company is required to maintain certain financial ratios i.e. debt to equity ratio, net debt to EBITDA and EBITDA to interest ratio at the rate prescribed.

## 24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Provision for long-term employee benefits at beginning of year</b>	27,791	22,355	15,972	12,230
Included in profit or loss:				
Current service cost	4,566	4,551	2,697	3,256
Interest cost	690	885	348	486
Past service costs and gains or losses on settlement	1,420	-	1,420	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	885	-	187	-
Financial assumptions changes	3,409	-	1,564	-
Experience adjustments	(733)	-	(916)	-
Benefits paid during the year	(3,377)	-	(3,377)	-
<b>Provision for long-term employee benefits at end of year</b>	<b>34,651</b>	<b>27,791</b>	<b>17,895</b>	<b>15,972</b>



Line items in profit or loss under which long-term employee benefit expenses are recognised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of sales of treated water and service	2,187	1,706	478	330
Administrative expenses	4,489	3,730	3,987	3,412
Total expenses recognised in profit or loss	6,676	5,436	4,465	3,742

The Company and its subsidiaries expect to pay Baht 1 million of long-term employee benefits during the next year (Separate financial statements: nil) (2015: Baht 1 million, Separate financial statements: nil).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefits is 12.02 - 15.42 years (Separate financial statements: 12.02 years) (2015: 9.70 - 12.65 years, Separate financial statements: 9.70 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.31 - 2.53	3.88 - 4.21	2.31	3.97
Salary increase rate	5.0	5.0	5.0	5.0
Turnover rate	0 - 16.0	0 - 18.0	0 - 12.0	0 - 9.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: million Baht)

	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.5)	2.8	(1.1)	1.3
Salary increase rate	2.7	(2.4)	1.2	(1.1)
Turnover rate	(2.6)	1.8	(1.2)	0.8



(Unit: million Baht)

## As at 31 December 2015

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.7)	2.0	(0.9)	1.0
Salary increase rate	2.0	(1.7)	1.0	(0.9)
Turnover rate	(2.0)	1.3	(1.0)	0.6

## 25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 26. Other reserve

According to the amendment of the concession to operate treated water dated 20 March 2008, prior to paying a dividend the Company is required to set aside 10% of its annual net profit to other reserve.

However, according to the additional amendment of the agreement to the concession to operate treated water dated 28 October 2016, amendment the articles above to prior to paying a dividend from net profit the Company is required to set aside 10% of its full registered share capital to the legal reserve and retained earnings set aside as the legal reserve are to be retained in cash and deposited at a bank or financial institution licensed by the Bank of Thailand.



## 27. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Salaries, wages and other employee benefits	178,752	166,340	95,368	90,720
Depreciation and amortisation	390,646	374,003	386,950	368,219
Amortisation of assets for production of treated water that must be transferred at end of concession	267,585	277,283	-	-
Amortisation of investments in subsidiaries	-	-	222,101	221,494
Operating and maintenance expenses	-	-	35,203	33,918
Production and maintenance cost	699,882	735,011	428,662	441,898

## 28. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Current income tax:</b>				
Current income tax charge	598,995	359,157	435,310	194,020
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	7,673	19,110	(770)	20,969
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>606,668</b>	<b>378,267</b>	<b>434,540</b>	<b>214,989</b>



The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax on actuarial loss	(713)	-	(167)	-
Deferred tax on gain from the change in value of available-for-sale investments	1,243	-	-	-
Deferred tax on unrealised gain (loss) from cash flow hedges	4,995	(12,409)	-	-
Total	5,525	(12,409)	(167)	-

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	3,099,155	3,075,871	2,826,026	2,671,134
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	619,831	615,174	565,205	534,227
Effects of:				
Promotional privileges (Note 29)	(48,297)	(268,550)	(19,570)	(227,721)
Non-deductible expenses	49,663	49,276	46,136	46,099
Additional expense deductions allowed	(1,791)	(405)	(1,595)	(243)
Exemption of income	-	-	(156,536)	(147,741)
Effect of elimination entry on the consolidated financial statements	(10,567)	(27,596)	-	-
Others	(2,171)	10,368	900	10,368
Total	(13,163)	(236,907)	(130,665)	(319,238)
Income tax expenses reported in the statement of comprehensive income	606,668	378,267	434,540	214,989



The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position as at 31 December			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	6,930	5,558	3,579	3,194
<b>Total</b>	<b>6,930</b>	<b>5,558</b>	<b>3,579</b>	<b>3,194</b>
<b>Deferred tax liabilities</b>				
Accumulated amortisation - assets for production of treated water	(58,299)	(59,434)	(58,299)	(59,434)
Accumulated amortisation of rights to produce and sell treated water and treat waste water	(15,023)	(14,311)	(15,023)	(14,311)
Accumulated amortisation - assets for production of treated water that must be transferred at end of concession of subsidiary	(16,427)	(6,663)	-	-
Deferred debenture issuing costs	(1,147)	(1,276)	(1,147)	(1,276)
Fair value adjustment of assets for production of treated water that must be transferred at end of concession regarding business combination	(5,944)	(6,823)	-	-
<b>Total</b>	<b>(96,840)</b>	<b>(88,507)</b>	<b>(74,469)</b>	<b>(75,021)</b>

## 29. Promotional privileges

The Company received promotional privileges from the Board of Investment for production of treated water, pursuant to the investment promotion certificate No. 2437(2)/2553 issued on 13 September 2010. Subject to certain imposed conditions, the main privileges include the following:

- Exemption from import duty on imported machinery under specified conditions.
- Exemption from corporate income tax on net profit from the promoted operations for a period of eight years from the date the promoted operations begin generating revenues (30 September 2010).



During the year 2013, the Company received promotional privileges from the Board of Investment to restore investment after the floods, pursuant to the promotion certificate No. 5177(2)/2556 issued on 27 May 2013 (replacing earlier promotion certificate No. 1382(2)/2545 which expired in 2012). Subject to certain imposed conditions, the main privileges include the following:

- Exemption from import duty on imported machinery under specified conditions.
- Exemption from corporate income tax on net profit from the promoted operations, with the amount of tax exempted capped at 150% of investment, excluding land and working capital, only the repair expenses of machinery and equipment damaged due to flooding, for a period of eight years from the date the promoted operations begin generating revenues (30 June 2013).

The Company's operating revenues for the years ended 31 December 2016 and 2015, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2016	2015	2016	2015	2016	2015
Sales of treated water	252,759	1,780,851	3,370,945	1,866,051	3,623,704	3,646,902

### 30. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Basic earnings per share</b>				
Profit for the year (Thousand Baht)	2,475,559	2,680,521	2,391,487	2,456,145
Weighted average number of ordinary shares (Thousand shares)	3,990,000	3,990,000	3,990,000	3,990,000
Profit attributable to equity holders of the Company (Baht per share)	0.62	0.67	0.60	0.62

### 31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.



The Company and the subsidiaries are principally engaged in the production and sell of treated water. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographic area.

#### Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

#### Major customer

For the year 2016, the Company and its subsidiaries have revenue from a major customer in amount of Baht 5,090 million (2015: Baht 5,149 million).

### 32. Provident fund

The Company, its subsidiaries and their employees have established provident funds jointly with their employees in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiaries and their employees contribute to the funds monthly at the rates of 5 - 7.5% of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 7 million (Separate financial statements: Baht 4 million) (2015: Baht 6 million, Separate financial statements: Baht 3 million) were recognised as expenses.

### 33. Dividend paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends from the earnings of the promoted operations for July to December 2014	Annual General Meeting of the shareholders on 30 March 2015	1,057,350	0.265
Dividends from the earnings of the non-promoted operations for July to December 2014	Annual General Meeting of the shareholders on 30 March 2015	211,470	0.053
Dividends from unappropriated retained earnings	Annual General Meeting of the shareholders on 30 March 2015	127,680	0.032



Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Interim dividends from the earnings of the promoted operations for January to June 2015	Board of Directors' meeting on 10 August 2015	1,057,243	0.265
Interim dividends from the earnings of the non-promoted operations for January to June 2015	Board of Directors' meeting on 10 August 2015	139,635	0.035
Total dividends for 2015		2,593,378	0.650
Dividends from the earnings of the promoted operations for July to December 2015	Annual General Meeting of the shareholders on 7 April 2016	43,886	0.011
Dividends from the earnings of the non-promoted operations for to July to December 2015	Annual General Meeting of the shareholders on 7 April 2016	965,482	0.242
Dividends from unappropriated retained earnings	Annual General Meeting of the shareholders on 7 April 2016	187,511	0.047
Interim dividends from the earnings of the promoted operations for January to June 2016	Board of Directors' meeting on 11 August 2016	43,885	0.011
Interim dividends from the earnings of the non-promoted operations for January to June 2016	Board of Directors' meeting on 11 August 2016	1,053,237	0.264
Dividends from unappropriated retained earnings	Board of Directors' meeting on 11 August 2016	99,738	0.025
Total dividends for 2016		2,393,739	0.600



## 34. Commitments and contingent liabilities

### 34.1 Capital commitments

As at 31 December 2016, the Company had capital commitments of Baht 52 million relating to the area water supply capacity expansion project and the relocation of raw water pump (2015: Baht 1,736 million (Separate financial statements: Baht 1,664 million) relating to the construction of a water tank and area water supply capacity expansion project).

### 34.2 Service commitments and other commitments

- a) The Company has entered into operation and maintenance agreements with Thai Water Operations Company Limited (“the subsidiary”), whereby the subsidiary is to manage and maintenance of production and supply of treated water system and to manage the waste water system. Under the conditions of the agreements, the Company is to pay service fees at a rate stipulated in the agreements, which have an initial term of 1 year from 8 January 2010 and thereafter automatically renews each year for a further period of 1 year.
- b) As at 31 December 2016, the subsidiaries had commitments totaling Baht 11 million (2015: Baht 8 million) under other service agreements.

### 34.3 Operating lease commitments

The Company has entered into vehicles and land lease agreements for office building. The term of the land lease agreement is between 1 March 2010 and 31 August 2039.

Future minimum lease payments required under this non-cancellable operating lease contract were as follows:

(Unit: Million Baht)

	Separate financial statements	
	2016	2015
Payable:		
In up to 1 year	7	7
In over 1 and up to 5 years	20	20
In over 5 years	36	9

### 34.4 Bank guarantees

As at 31 December 2016, there were outstanding bank guarantees of Baht 296 million (Separate financial statements: Baht 109 million) (2015: Baht 291 million (Separate financial statements: Baht 103 million)) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee as follows:



(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Guarantee under the Water Purchase Agreement with the Provincial Waterworks Authority	228	228	62	62
Guarantee electricity use	65	63	44	41
Guarantee for others	3	-	3	-
<b>Total</b>	<b>296</b>	<b>291</b>	<b>109</b>	<b>103</b>

### 35. Fair value hierarchy

As of 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Held for trade investments				
Equity instruments	232	-	-	232
Debt instruments	-	3,558	-	3,558
<b>Asset for which fair value are disclosed</b>				
Investment in associate	6,604	-	-	6,604
Other long-term investment - debentures	-	15	-	15
<b>Liability for which fair value are disclosed</b>				
Debentures	-	6,753	-	6,753



(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2015

	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Held for trade investments				
Equity instruments	173	-	-	173
Debt instruments	-	1,565	-	1,565
<b>Asset for which fair value are disclosed</b>				
Investment in associate	3,657	-	-	3,657
<b>Liability for which fair value are disclosed</b>				
Debentures	-	8,545	-	8,545

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2016

	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Held for trade investments				
Equity instruments	232	-	-	232
Debt instruments	-	2,971	-	2,971
<b>Asset for which fair value are disclosed</b>				
Investment in associate	6,604	-	-	6,604
<b>Liability for which fair value are disclosed</b>				
Debentures	-	6,753	-	6,753



(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Held for trade investments				
Equity instruments	173	-	-	173
Debt instruments	-	1,515	-	1,515
<b>Asset for which fair value are disclosed</b>				
Investment in associate	3,657	-	-	3,657
<b>Liability for which fair value are disclosed</b>				
Debentures	-	8,545	-	8,545

### 36. Financial instruments

#### 36.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, other long-term investments, long-term loans to related party, trade and other payables, debentures and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

##### *Credit risk*

The Company and its subsidiary are exposed to credit risk primarily with respect to trade accounts receivable and there is a high concentration of risk since the Company and its subsidiary have only one major customer, the Provincial Waterworks Authority. However, because the Provincial Waterworks Authority is a government agency, the Company and its subsidiary do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

##### *Interest rate risk*

The Company's and its subsidiaries' exposures to interest rate risk relate primarily to their cash at banks, current investments, long-term loans to related party, debentures and long-term loans. However, since most of the Company's and the subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.



Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2016							
Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
							(% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	8	-	-	206	32	246	0.05 - 0.98
Current investments	4,246	-	-	-	232	4,478	1.15 - 4.70
Trade and other receivables	-	-	-	-	497	497	-
Other long-term investments	-	15	-	-	-	15	4.20 and 4.50
	4,254	15	-	206	761	5,236	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	320	320	-
Long-term loans	-	-	-	6,945	-	6,945	2.8125 - 3.1000
Debentures	-	2,998	3,395	-	-	6,393	3.06 - 4.60
	-	2,998	3,395	6,945	320	13,658	



(Unit: Million Baht)

As at 31 December 2015

## Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
(% per annum)							
<b>Financial assets</b>							
Cash and cash equivalents	105	-	-	645	35	785	0.05 - 1.80
Current investments	5,719	-	-	-	223	5,942	0.90 - 4.70
Trade and other receivables	-	-	-	-	516	516	-
	5,824	-	-	645	774	7,243	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	257	257	-
Long-term loans	-	-	-	6,215	-	6,215	2.8625 - 4.7500
Debentures	1,800	2,997	3,395	-	-	8,192	3.06 - 5.35
	1,800	2,997	3,395	6,215	257	14,664	



(Unit: Million Baht)

As at 31 December 2016

## Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(% per annum)						
<b>Financial assets</b>							
Cash and cash equivalents	8	-	-	157	32	197	0.05 - 0.98
Current investments	3,539	-	-	-	232	3,771	1.15 - 4.70
Trade and other receivables	-	-	-	-	346	346	-
Long-term loans to related party	-	-	-	1,196	-	1,196	4.25 - 4.65
	3,547	-	-	1,353	610	5,510	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	285	285	-
Long-term loans	-	-	-	6,945	-	6,945	2.8125 - 3.1000
Debentures	-	2,998	3,395	-	-	6,393	3.06 - 4.60
	-	2,998	3,395	6,945	285	13,623	



(Unit: Million Baht)

As at 31 December 2015

## Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
(% per annum)							
<b>Financial assets</b>							
Cash and cash equivalents	33	-	-	378	34	445	0.05 - 1.05
Current investments	5,248	-	-	-	173	5,421	0.90 - 4.70
Trade and other receivables	-	-	-	-	364	364	-
Long-term loans to related party	-	-	-	1,563	-	1,563	4.75 - 5.00
	5,281	-	-	1,941	571	7,793	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	204	204	-
Long-term loans	-	-	-	6,215	-	6,215	2.8625 - 4.7500
Debentures	1,800	2,997	3,395	-	-	8,192	3.06 - 5.35
	1,800	2,997	3,395	6,215	204	14,611	

**Foreign currency risk**

The Company and its subsidiaries do not consider themselves exposed to foreign currency risk because they have no significant foreign currency transactions.



### 36.2 Fair values of financial instruments

Since the majority of the Company's and the subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	As at 31 December 2016		As at 31 December 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Debentures	6,393	6,753	8,192	8,545

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

## 37. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 1.23:1 (2015: 1.33:1) and the Company's was 1.36:1 (2015: 1.46:1).

## 38. Event after the reporting period

On 22 February 2017, a meeting of the Company's Board of Directors passed a resolutions to propose a dividend payment of Baht 0.60 per share, of which Baht 0.30 per share was paid as an interim dividend and the final dividend payment will be Baht 0.30 per share. Dividend payment is subject to the approval of shareholders.

## 39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2017.



**TTW Public Company Limited**

30/130 Moo 12, Buddha Monthon 5 Road, Rai Khing, Samphran, Nakhon Pathom 73210

Tel: (+66) 2019 9490-1 Fax: (+66) 2420 6064

[www.ttwpic.com](http://www.ttwpic.com)

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