

ANNUAL REPORT 2013



WHA
Warehouse Asia

WHA CORPORATION PUBLIC COMPANY LIMITED

รายงานประจำปี 2556

บริษัท ดับบลิวเอชเอ คอร์ปอเรชั่น จำกัด (มหาชน)

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Message from the Chairman



Year 2013 is one of the prosperous years of WHA Corporation Public Company Limited due to the wide recognition of customers who understand the built to suit concept of warehouse, distribution center and factory in which the Company has been a pioneer in this area throughout 10-year period. Our understanding to the customers' requirements and our international standard quality plays an important role in significantly reducing our customers' operating costs. So far, we have achieved good response from our multi-national customers who invest in Thailand and Thai conglomerates. Hence, we have leapfrogged both revenue and earning profile in the past year. In addition, the Company focuses on the financial innovations to reduce the financial cost, thus increasing the profit and cash flow to further reinvest in 2014 and 2015.

The trade era over the past 10 years has evolved to be the prosperous of the modern trade retailers who have established in Thailand until now and continued to expand from the group of customers in Bangkok and vicinities to main cities in all over regions throughout Thailand. In the near future, it will expand to the neighbor countries in AEC in which Thailand is the center of the logistics hub in consuming goods, medicines, vitamins and healthcare products produced in Thailand and imported from international countries. In addition, it has become increasingly visible to envisage the e-commerce trend which will replicate the traditional business as a next wave. The Company, therefore, puts more emphasis on the e-commerce business. In year 2014, it is likely that there will be the first group of e-commerce customers to use the Company's services and it will grow significantly for the next 3-5 years which will affect the Company's growth as the Company is poised to be their business partner who will grow with them side by side. The Company adheres to the concept under the slogan "Better Together, Better to Greatness".

Currently, the Company still focuses on learning organization in all aspects covering project development and construction where the Company continuously promotes research and development to enhance the construction capability, high efficiency, low financial costs, innovative financial instruments in order to reduce the financial costs and optimize the liquidity of the Company.

The Company places on total solution concept that the Company will provide the logistics facilities services to provide facilities to customers and enhance the profitability to the Company.

The Company has the policy to further operate the solar rooftop project in the future where the Company will leverage on the economy of scale for the warehouse farm projects, each of which has approximately 6-8 megawatts which will result in the minimization of the installation and maintenance costs. We will also continue to initiate the Green concept which will be beneficial to the business community, country and global environment. The solar energy will also provide the power stability to the country.

The Company has the policy in lending hands to society and support the Corporate Social Responsibility (CSR). The Company sets the annual budget and procures the project which will help the society in a long-term project in which the money will be prudently utilized for utmost benefit.

As the AEC is approaching coupled with the fact that the country positioned as the strategic logistic hub in the ASEAN region, we need to prepare and be well equipped for business expansion of works to our neighbor countries. It will be more concrete at the end of this year.

Finally, I would like to express my gratitude to all shareholders of the Company who welcome and support us. We hope that we will walk and grow together in the long term.

นายสมยศ อนันตประยูร
ประธานกรรมการ

Report of the Audit Committee



TO THE SHAREHOLDERS:

The Audit Committee comprises the 3 honorable and independent members, namely Mr. Pichi Akrathit, the Chairman of the Audit Committee, Mrs. Kritsana Sukboonyasatit and Mr. Somsak Pratomsrimek, the Audit Committee. The Audit Committee has sufficient knowledge and experience in reviewing the reliability of financial statements.

In 2013, there were 10 Audit Committee meetings. All the members attended every meeting, except an audit committee member who absented by 1 time. The Audit Committee consulted with the Chairman, the Directors, the Management, the auditor, and the Internal Auditor in many occasions as appropriate, and gave independent opinion and suggestion. The Audit Committee reported its resolution of the 10 meetings as concluded as follows:

Accuracy, Completeness and Reliability of Financial Report

The Audit Committee reviewed both quarterly and annual financial statements, key accounting policies, and sufficiency of information disclosure, including considered jointly with the Management and the auditor. The Audit Committee viewed that the Company's financial statements was prepared in compliance with the generally accepted accounting principles, accurateness, relevance with the decision, completeness, and reliability, as well as the accounting policies were properly selected to reflect the Company's operating performance and the financial position.

The adequacy of internal controls, risk management and good corporate governance

The Audit Committee reviewed the reports of the internal audit and the auditor on the evaluation of the internal controls, risk management and good corporate governance, including gave comments on improvement of the operations as a result of the said reports. The Audit Committee viewed that the Company's internal controls were adequate and appropriate to the situation as well as at the level of supporting the secured growth of the business.

The Audit Committee reviewed the annual internal auditing program which was prepared in accordance with the Risk-Based Audit Plan that focused on auditing to identify the high impact risk in the business operations, as well as rendered the helpful suggestions to manage the risk at the acceptable level. The Audit Committee always consulted with the internal auditor without the management, and viewed that the internal audit was independent and appropriate.

Compliance with the law governing securities and exchange, regulations of the Stock Exchange of Thailand, and laws related to the Company's business

The Audit Committee reviewed the compliance with the law governing securities and exchange, regulations of the Stock Exchange of Thailand, and laws related to real estate business which is the Company's core business, as well as evaluated the Management's compliance with legal requirements on a regular basis. The Audit Committee viewed that the Company were in compliance with the law governing securities and exchange, regulations of the Stock Exchange of Thailand, and laws related to the Company's business properly.

Transactions which may cause conflict of interests

The Audit Committee paid significant attention on considering the transactions that might cause conflict of interest in order to comply with the regulations of the Stock Exchange of Thailand, as well as the relevant accounting standard in every quarter. The Audit Committee assigned the internal audit to review the compliance and reported to the Audit Committee, including evaluated the connected transactions as disclosed in the auditor's notes in the financial statements in every quarter. The Audit Committee had the opinion that the connected transactions were the transactions in normal business having commercially ordinary conditions that were reasonable, fair and of optimized benefit to the Company.

Appropriateness, selection, and appointment of the auditor

The Audit Committee evaluated the independence and performance of the auditor for the year 2013 and it concluded that its performance in overall was at the satisfied level with sufficient independence. On selection and appointment of the audit for 2014, after comparing the audit fee with the previous year, the Audit Committee considered the performance, scope of service, and volume of transactions compared with the audit fee in 2014 proposed by the auditor, and agreed to propose to the Board of Directors to appoint PricewaterhouseCoopers ABAS Ltd to be the auditor of the Company and its subsidiaries for 2014, with the audit fee at the total amount of Baht 2,956,000.

Overall opinion and observation of the Audit Committee

- The Audit Committee evaluated its performance by evaluating the committee as a whole in 2013 in 2 parts:
- 1) the overall performance of the Audit Committee, and
 - 2) the specific performance of the Audit Committee in the 6 areas: 1) reviewing for the completeness and sufficiency of the Company's financial report; 2) reviewing for efficiency and effectiveness of the Company's internal controls and Internal audit; 3) reviewing for the Company's compliance with the laws governing securities and exchange, regulations of the Stock Exchange of Thailand, and relevant laws; 4) selecting and proposing to appoint the auditor; 5) considering the connected transactions; and 6) preparing the report of the Audit Committee. The Audit Committee viewed in overall that it performed sufficiently and completely.



Mr. Pichit Akrathit
Chairman of the Audit Committee

Board of Directors



Mr. Nagong Kritchanchai
Director



Mr. Jakrit Chaisanit
Director and Head of
Construction Management



Mrs. Jareeporn Anantaprayoon
Director,
Managing Director,
and Head of Business
Development



Mr. Somyos Anantaprayoon
Chairman and
Chief Executive Officer



Mr. Surathian Chakthranont
Director



Mr. Somsak Boonchoyruengchai
Director and
Head of Accounting



Dr. Pichit Akrathit
Independent Director
and Chairman
of the Audit Committee

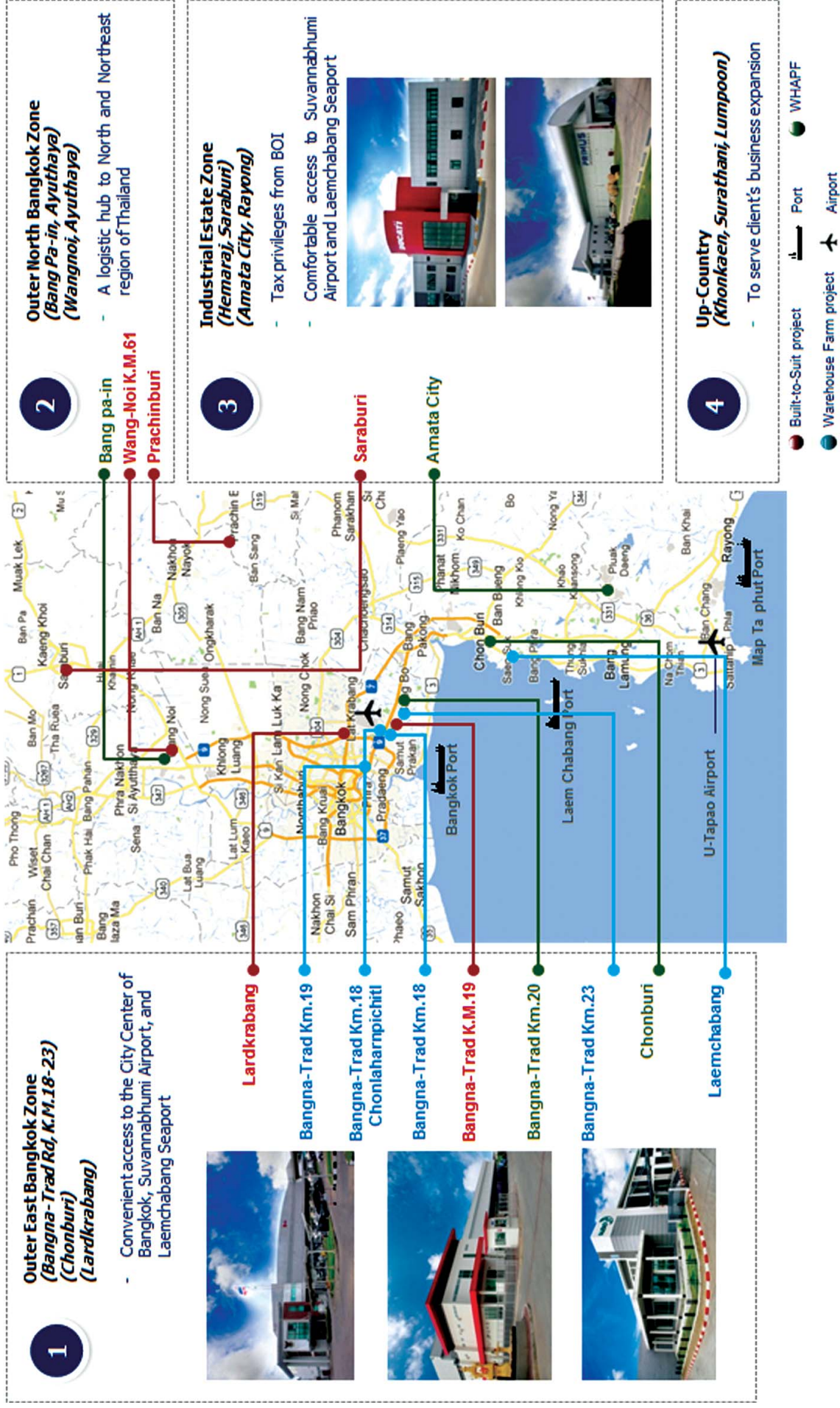


Dr. Somsak Pratomsrimek
Independent Director
and Audit Committee



Dr. Kritsana Sukboonyasatit
Independent Director
and Audit Committee

Project Locations



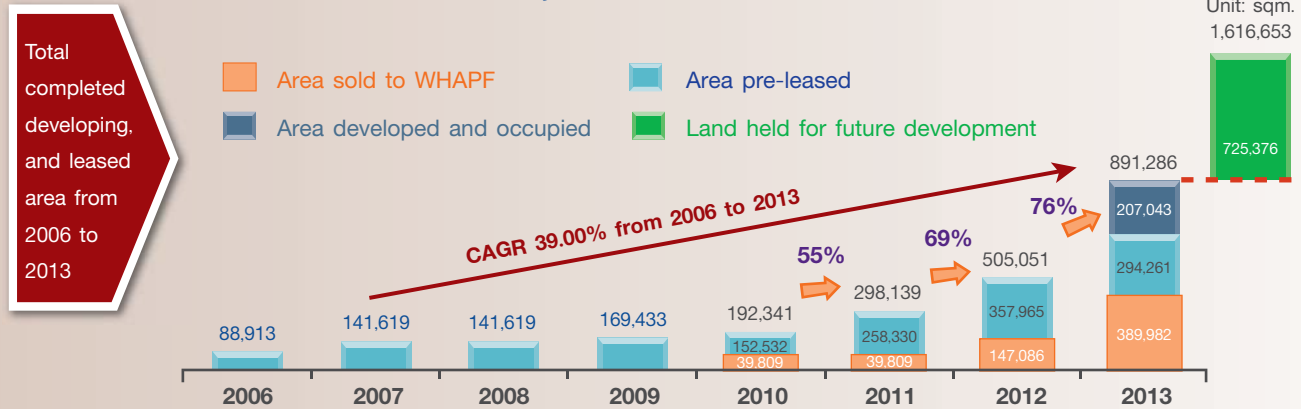
Financial Highlights

Unit : Million Baht

Details	2013	2012	2011
	(consolidated statement)	(consolidated statement)	(consolidated statement)
Rental and service income	500.50	359.93	220.93
Income from sales of investment properties	6,584.95	1,808.85	-
Total revenue	7,168.97	2,213.43	240.18
Cost of investment properties	4,961.78	1,617.10	-
Cost of rental and service	178.99	126.00	43.27
Administrative expenses	131.76	68.06	31.05
Net profit from normal operations (Profit attributable to owners of the parent)	1,463.46	212.42	55.40
Assets	11,048.86	8,297.51	5,188.00
Liabilities	6,895.06	5,410.45	4,148.45
Shareholders' equity	4,153.80	2,887.06	1,039.55
Dividend per share (Baht)	1.31	0.32	-
Return on Equity	41.57%	11.20%	13.37%
Return on Assets	31.47%	8.92%	5.65%



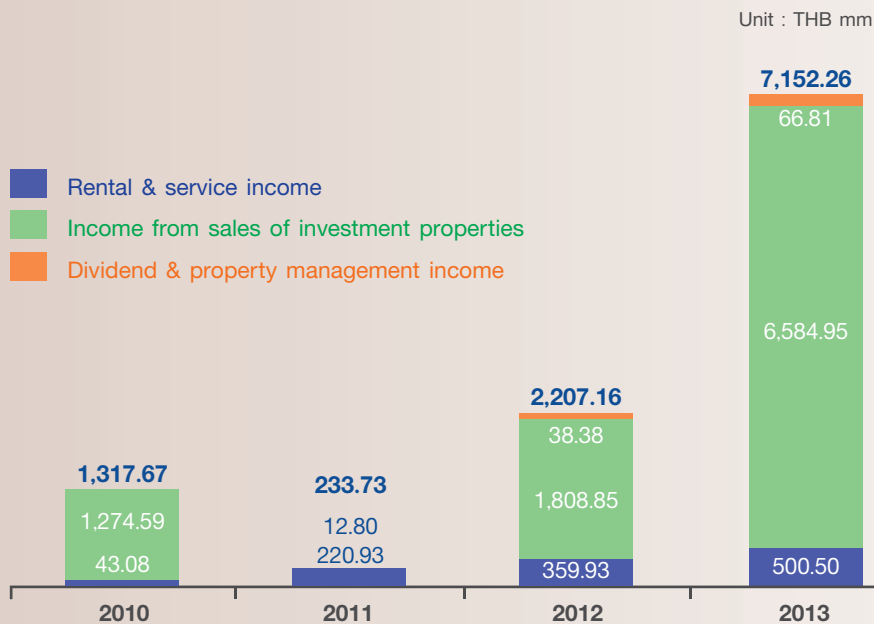
Project Portfolio Growth



List of Existing Tenants



Revenue Structure from Normal Operation





Vision

Be recognized as a market leader in aligning vertical integrated logistics facilities provider with quality capturing throughout value chain in the region.

Mission

- > Fulfil requirement of the key major business partners, shareholders and stakeholders
- > Inorganic strategic initiatives to enhance shareholders value
- > Create a last-long term relationship with strategic alliance
- > Provide unrivalled quality products with knowledge and expertise leading to win-win solution
- > Maintain financial discipline to maximize return on equity
- > Enhance organizational core competency and good governance

Policy and Overall Business Description



1. Policy and Overall Business Description

1.1 Vision, Mission and Goal of the Group of Companies on Business Operation

Vision

Be recognized as a market leader in aligning vertical integrated logistics facilities provider with quality capturing throughout value chain in the region.

Mission

- Fulfil requirement of the key major business partners, shareholders and stakeholders
- Inorganic strategic initiatives to enhance shareholders value
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- Provide unrivalled quality products with knowledge and expertise leading to win-win solution
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Business Goal

The Company has the following business goal.

1. To fulfil requirement of the key major business partners, shareholders and stakeholders

The Group of Companies has strong intention to become the leader in Thailand as a premium developer of the projects to be responsive to specific and complicated requirements of each customer, where the products and services in the market could not respond to customers' requirement in this segment (Built-to-Suit) in parallel with development of Warehouse Farm project which provides both Built-to-Suit to serve specific needs of certain group of customers; e.g. reservation of premise for future expansion and General Warehouse to serve new customer base. Warehouse Farm concept increases the portion of short-term lease, encourages the Group of Companies to expand the customer base into various groups and results in the market responsiveness.

In addition to provide total solution to the customers, the Group of Companies also emphasizes in the efficient management and development of organization and long-term and sustainable growth in order to optimize the benefit and return of the shareholders and stakeholders.

2. To initiate and innovate the strategic initiatives to differentiate and enhance shareholders' value

The Group of Companies realizes that the logistics cost in Thailand is still relatively high compared with those in the developed countries. In order to reduce the tenants' logistics costs properly and to enhance the tenants' competitive capability, the Group of Companies initiated the development of premium warehouse, distribution center and factory which is different from the traditional warehouse; i.e. the warehouse is of high quality and durable structure with long-life use and a few defective problems. Besides, the Group of Companies realizes significance of the floor. Our building floor is flatter and stronger than other typical warehouses which could enhance the tenants' efficiency and competitive capability.

In order that the organization grows continuously and firmly as well as provides the shareholders with long-term added value, the Group of Companies set its business strategy and goal clearly. The Group of Companies focuses on continuous study and development pursuant to the concept of development of organization to become the knowledge organization by giving an opportunity to personnel of the Group of Companies to develop and expand their capability continuously.

3. To create a last-long term relationship with strategic alliance

The Group of Companies closely works with customers as a good business partner in order to truly know the requirement of customers in each group in both of the building specifications and location of the projects and to ensure the customers to operate in the most efficient manner. The Group of Companies jointly plans to procure the land and overall design to serve the customers' expansion of works in the future.

The Group of Companies has strong intention to create and maintain a long-term relationship with customers by studying the sophisticated requirements of customers evidenced by the magnitude of the precedence that the leasable area was up to 10,000-70,000 sq.m. which reflects the trust given to the Group of Companies and the customers' need to continuously expand their leased premises with the Group of Companies. The Group of Companies aims to maintain international standard of developing the quality products and services. In addition, the Group of Companies has the plan to expand the customer base to other customers, among others, leading Thai companies which require Built-to-Suit factory and warehouse in high quality, or multi-national customers who undertake business in various industries in order for us to diversify the risk on reliance on any group of tenants.

4. To provide unrivalled quality products with knowledge and expertise leading to win-win solution

Apart from developing warehouse, distribution center and factory with the standard and quality different from the traditional warehouses, the Group of Companies focuses on the customers' requirement by conducting thorough study and innovations which are implemented to create the mutual benefits to both customers and the Company which ultimately maximizes the shareholders' return.

The Group of Companies has strong intention to study and develop to achieve ultimate goal in developing modern projects of international quality with capability to provide full services in response to the customers' logistics requirements in distribution center and factories. Moreover, the Group of Companies has the intention to continuously develop the quality of the projects to be in line with the international standard to meet and satisfy the customers. The Group of Companies focuses on finding solutions for customers in logistics management through long past knowledge and expertise, as well as building sustainable relationships with customers.

5. To maintain financial discipline while maximizing return on equity

The Group of Companies focuses on seeking the source of fund at low cost to maximize the return to the Company and shareholders. The Group of Companies also pays attention to financial innovation at low risk and applicable to the Group of Companies. Meanwhile, the Group of Companies has a policy to strictly maintain and control financial ratio at an appropriate level so that it is acceptable to financial institutions, partners, shareholders and stakeholders.

6. To enhance organizational core competency and good governance

The Group of Companies realizes the significance and benefit of a good corporate governance for both Company and stakeholders; e.g. shareholders, partners, customers, lenders, employees and community. The Group of Companies adheres to and complies with the good governance to create the fair administration, management and supervision of the transactions and good long-term management.

2. History and Key Developments

2003	- The group of shareholders together with Ms. Jitt Anantaprayoon incorporated WHA Alliance Co., Ltd. On February 28, 2003 with the registered capital of Baht 180 mn (paid-up capital of Baht 1 mn-fully paid up in 2004). The major shareholders and group of Ms. Jitt Anantaprayoon equally hold shares at 50.0% ratio. - WHA Alliance Co., Ltd. initiated the concept on development of the Built-to-Suit project for development of modern warehouses and distribution centers which satisfies the specific requirements of tenants.
2006	- The group of major shareholders and group of Ms. Jitt Anantaprayoon incorporated Warehouse Asia Alliance Co., Ltd. On June 14, 2006 with the initial capital of Baht 310 mn (paid-up capital of Baht 310 mn). The group of major shareholders holds 50% of shares in Warehouse Asia Alliance Co., Ltd. - WHA Alliance Co., Ltd. started its construction on distribution center project with 52,913.3 sq.m. area on Bangna-Trad Road, KM 20 which was the first project to undertake the business in response to the specific requirement of customers. - Warehouse Asia Alliance Co., Ltd. commenced construction of air-conditioned distribution center with 52,706.8 sq.m. areas under one roof to keep medical products on Bangna-Trad Road, KM 19 which was the biggest and most modern air-conditioned distribution center in Thailand.
2007	- In February, WHA Alliance Co., Ltd. increased its registered capital to Baht 260 mn (paid-up capital of Baht 180 mn). - CWT Co., Ltd. (formerly, CWT Distribution Co., Ltd.) who provides logistics services in Singapore entered into joint venture with WHA Alliance Co., Ltd. at the ratio of 25% for 6,500,000 shares at Baht 10 par value in the total amount of Baht 65 mn while each of the group of major shareholders and group of Ms. Jitt Anantaprayoon increased the capital of Baht 7.5 mn for 750,000 shares. The shareholding ratio of the group of major shareholders and Ms. Jitt Anantaprayoon in WHA Alliance, therefore, decreased to the same 37.5%. - WHA Alliance Co., Ltd. changed the name to WHA CWT Alliance Co., Ltd. - In March, a subsidiary of Glomac Berhad, a group of reputable real estate developer of residential and commercial areas in Malaysia holds 15,190,000 shares, representing 49.0% of

	shares in Warehouse Asia Alliance by purchase of shares from the group of major shareholders and group of Ms. Jitt Anantaprayoon at Baht 10 per share in the total amount of Baht 152 mn. The group of major shareholders, therefore, holds shares in Warehouse Asia Alliance Co., Ltd. at 26% of shares. - Warehouse Asia Alliance Co, Ltd. changed its name to WHA Glomac Alliance Co., Ltd. - In September, WHA Corporation Co., Ltd. was incorporated with the registered capital of Baht 170 mn (paid-up capital of Baht 170 mn).
2010	- In May, the group of major shareholders and group of Ms. Jitt Anantaprayoon decided to purchase all of ordinary shares in WHA CTW Alliance Co., Ltd. from CTW Distribution Co., Ltd. in the amount of Baht 80 mn or Baht 12.3 per share for 6,500,000 shares. The shareholding ratio of the group of major shareholders and group of Ms. Jitt Anantaprayoon, therefore, are 50%. - The Company offered new product and service on Sale and Leaseback by investment in purchase and leaseback of warehouse buildings of more than 36,000 sq.m. in Bangpa-In Industrial Estate, Ayudhaya. - In December, WHA Premium Factory and Warehouse Fund* was established. The Company sold 2 warehouse buildings and 1 factory with lease space of 39,808.8 sq.m. at the value of Baht 1,283 mn to the Fund and the Company was appointed as the property manager.
2011	- In March, the Company purchased 13,000,000 ordinary shares of WHA CTW Alliance Co., Ltd. representing 50.0% from Ms. Jitt Anantaprayoon at Baht 5.9 per share (the book value as of December 31, 2010 is Baht 8.6 per share). The Company and the group of major shareholders therefore hold the same 50% and the Company has obtained the control over the business since the said time. - WHA CWT Alliance changed the name to WHA Alliance. - In September, the Company decided to purchase 15,190,000 shares, representing 49.0% of shares in WHA Glomac Alliance from group of Glomac Berhad at Baht 18.8 per share, and 7,750,000 shares representing 25.5% of shares from Ms. Jitt Anantaprayoon at Baht 15.9 per share (book value as of December 31, 2010 is Baht 10.6 per share), totaling 74.0% of registered capital. The Company became the major shareholder in WHA Glomac Alliance. The group of major shareholders still holds 26.0% of shares. The Company obtained control over the business since the said time. - WHA Glomac Alliance changed its name to Warehouse Asia Alliance Co., Ltd. - The Company initiated Warehouse Farm project, consisting of Built-to-Suit project and Ready-Built project. The first Warehouse Farm was located on 72,5000 sq.m. space on Bangna-Trad Road, KM 18 under the project name of WHA Mega Logistic Center Bangna-Trad KM.18. - In December, the Company increased the registered capital from Baht 170,000,000 to Baht 380,599,960 by offering for sale of 21,059,996 newly-issued shares at Baht 10 par value at the offer price of Baht 10 per share in the total amount of Baht 210,599,960. The Company has restructured its group of businesses and made the payment for newly-issued shares as follows. 1) To swap 8,059,998 shares of Warehouse Asia Alliance Co., Ltd. at Baht 10 in the total amount of Baht 80,599,980. The swap ratio for shares of Warehouse Asia Alliance is 1 to 1. 2) To swap 12,999,998 shares of WHA Alliance Co., Ltd. at Baht 10 in the total amount of Baht 129,999,980. The swap ratio for shares of WHA Alliance is 1 to 1.

	At present, the Company holds 99.9% of paid-up registered capital of two companies. Purchase of shares in both companies was intended to enhance the efficiency in management and to prepare the readiness on initial public offering for shares to be listed on the Stock Exchange of Thailand.
2012	• In February, the Fund effected the 1st capital increase in the amount of Baht 1,827 mn to purchase and take delivery of leasehold right of 3 warehouse projects and 1 factory project for the leased premises of 107,277.4 sq.m., and the Company was appointed as the property manager. • The shareholders' meeting of the Company no. 1/2012 held on April 20, 2012 approved the Company to proceed with the following. - The Company shall be converted to a public company limited under the name of WHA Corporation Public Company Limited. - The par value of Baht 10 shall be changed to Baht 1 par value. - The registered capital shall be increased for Baht 129,400,040 from Baht 380,599,960 registered capital to be new registered capital of Baht 510,000,000 by issuance of 129,400,040 new ordinary shares at Baht 1 par value for initial public offering.
2013	• In January, the Fund effected the 2nd capital increase of approximately Baht 2,142 mn for purchase of assets and taking delivery of leasehold right of 3 warehouse projects with the leased premises of 69,529.28 sq.m. from the Company and Warehouse Asia Alliance Co., Ltd. The Company was appointed as the property manager. • In April, the Company effected the registered capital for Baht 102 mn from Baht 510 mn to be Baht 612 mn to serve the stock dividend at the ratio of 5 existing shares to 1 new share. • In August, the Company and Gunkul Engineering Public Company Limited incorporated 11 companies to invest in Solar PV Rooftop project. 74.99% of shares in all 11 companies is held by WHA Corporation Public Company Limited and 25.01% by Gunkul Engineering Public Company Limited. The joint venture companies filed an application with Metropolitan Electricity Authority and Provincial Electricity Authority for proposal to sell electricity to them, and it was selected as the operator for such Solar PV Rooftop for 5 companies with capability of 4.28 MW (details of which are shown in Section 2.1, Descriptions of Products and Services) • In August, the Company decreased its registered capital in respect of the unpaid up shares of Baht 1,017 by deleting the authorized but unissued 1,017 shares which remained after the issuance of stock dividend pursuant to the resolution of the annual general meeting in 2013. After such capital decrease the Company had registered and paid up capital at Baht 611,998,983. • In September, the Company increased its registered capital for Baht 305,999,491 from Baht 611,998,983 to be Baht 917,998,474 to serve the stock dividend at the ratio of 2 existing shares to 1 new share. • In September, the Company offered the debentures to institutional investors and high net worth investors in the amount of Baht 2,700 mn divided into 3 tranches as detailed below:

Tranche	units	amount (Baht mn)	Fixed Interest Rate (% per annum)	Term
1	1,630,000	1,630	4.24	3
2	500,000	500	4.55	4
3	570,000	570	4.84	5

- In October, the Company and group of KPN incorporated WHA KPN Alliance Co., Ltd. with the registered capital of Baht 1 mn and have the plan to increase the capital to be Baht 768 mn to develop the premium warehouse and distribution center project which is the Built-to-Suit and Warehouse Farm projects on Bangna-Trad Road, KM 23, Bangplee, Samut Prakan. 64.97% of shares in the joint venture company will be held by WHA Corporation Public Company Limited and 35.03% by Mr. Krit Narongdetch.
- In November, the Fund effected the 3rd capital increase of approximately Baht 4,056 mn for the purchase of assets and taking delivery of leasehold right for 5 warehouse projects and 1 movable asset at the total value of Baht 4,536 mn (including loan from institution at Baht 600 mn) with the leasable area of 173,366.79 sq.m. from the Company, Warehouse Asia Alliance Co., Ltd. and WHA Alliance Co., Ltd. The Company was appointed as the property manager.
- In December, the Fund held the unitholders' meeting to consider the 4th capital increase in additional investment comprising of 4 warehouse projects and 1 project modification in the amount of up to 4,590.0 mn. The agenda was approved by the unitholders' meeting and has 1 year validity period since the approval date.

* In 2011, the unitholders approved the change of fund manager of WHA Premium Factory and Warehouse Fund from MFC Asset Management Public Company Limited to Kasikorn Asset Management Co., Ltd. and the Fund's name was changed to WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund ("WHAPF"; or the "Fund").

3. Shareholding Structure of Group of Companies

As of December 31, 2013, the structure of the Group of Companies and subsidiaries is as follows.



Remark: Details of registered capital of WHA Gunkul Green Solar Roof are as follows.

Company	Registered Capital (Baht)	Paid-up Capital (Baht)
WHA Gunkul Green Solar Roof 1 Co., Ltd.	11,500,000	2,875,000
WHA Gunkul Green Solar Roof 2 Co., Ltd.	1,000,000	250,000
WHA Gunkul Green Solar Roof 3 Co., Ltd.	14,500,000	3,625,000
WHA Gunkul Green Solar Roof 4 Co., Ltd.	1,000,000	250,000
WHA Gunkul Green Solar Roof 5 Co., Ltd.	1,000,000	250,000
WHA Gunkul Green Solar Roof 6 Co., Ltd.	14,500,000	3,625,000
WHA Gunkul Green Solar Roof 8 Co., Ltd.	100,000	25,000
WHA Gunkul Green Solar Roof 9 Co., Ltd.	100,000	25,000
WHA Gunkul Green Solar Roof 10 Co., Ltd.	15,500,000	3,875,000
WHA Gunkul Green Solar Roof 16 Co., Ltd.	100,000	25,000
WHA Gunkul Green Solar Roof 17 Co., Ltd.	11,500,000	2,875,000

4. Relationship with the business of major shareholders

-None-



Nature of Business

In the past, the Group of Companies operated the business of development Built-to-Suit Project for rent, most of which were large projects. However, the Group of Companies now develops General Warehouse under the Warehouse Farm Project in order to serve the specific need for Built-to-Suit of certain groups of customers including the future overflow demands to serve their long-term expansion plan and for general warehouse to serve for new group of customers who required immediate space to be responsive to market demand.

In addition, in 2013, the Group of Companies commenced the business of Solar PV Rooftop for sale which not only created a value added to the core business but also responded to the group's policy in becoming in an environmentally supportive organization and in recognition of the importance of alternative energy to reduce destruction to the natural resource. Furthermore, the Group of Companies also realized the potential of the growth in such business. According to the alternative energy promotion scheme of the public sector, the 10-year Alternative Energy Development Plan (AEDP 2012 - 2021) to have contributed approximately 25% of total energy consumption shows that Ministry of Energy's goal for use of solar energy within 2021 is 3,000 megawatts, 800 of which is generated by Solar PV Rooftop.

In summary, the Group of Companies' business is divided into two main segments as follows:

- 1) Business of Investment, development and Property Management which can be divided into three sub-categories:
 - 1.1. Business of properties Development for rental and service income
 - 1.2. Business of properties for Sale
 - 1.3. Business of Investment and Property Management
- 2) Business of Investment and Development of Solar PV Rooftop

During 2012-2013, WHA Corporation Public Company Limited's income structure of each business segment is as follows:

Revenue Structure	For the fiscal year ended					
	31 Dec 2011 (Consolidated Financial Statement)		31 Dec 2012 (Consolidated Financial Statement)		31 Dec 2013 (Consolidated Financial Statement)	
	Million Baht	%	Million Baht	%	Million Baht	%
Rental and service income	220.9	37.0	359.9	16.3	500.5	7.0%
Income from sale of investment properties	-	-	1,808.9	81.7	6,585.0	91.8%
Dividend income	10.6	1.8	32.3	1.5	56.7	0.8%
Property Management income	2.2	0.4	6.1	0.3	10.1	0.1%
Other incomes	6.4	1.1	2.1	0.1	8.0	0.1%
Interest income	1.5	0.3	2.4	0.1	7.8	0.1%
Utilities income	1.6	0.3	1.1	0.1	1.1	0.1%
Compensation under a land lease agreement	1.5	0.3	-	-	-	0.0%
House and building tax	1.8	0.3	0.7	0.0	-	0.0%
Total income from normal operation	246.6	41.3	2,213.4	100.0	7,169.0	100.0%
Profit from business acquisition	350.1	58.7	-	-	-	0.0%
Total income	596.7	100.0	2,213.4	100.0	7,169.0	100.0%

Remark: ¹⁾ Other income means income from interest income, utilities income, and other incomes.

²⁾ From 2012 onwards, the Company adjusted recording method for asset sold to the Fund by recording the income from asset sale rather than recording only profit from asset sale as conducted in 2010.

1. Business of Investment, Development and Management of Real Estate

1.1 Nature of Product or Service

1.1.1 Business of Real Estate Development for rental and service income

1.1.1.1 Built-to-Suit Project customized to customers' needs

The Group of Companies operates a business of development and Built-to-Suit Project for rent. Each project has different complexity to suit different needs of the business and the operation process of each tenant. These projects are based in strategic locations for logistics such as Bangna-Trad, Ladkrabang, Wang Noi, Bang Pa In, Saraburi or other industrial estates. The rental agreements are developed based on tenants' need and most are long-term agreements of between 10-15 years lease term. Tenants must provide a rental deposit in form of cash and/or a bank guarantee valued approximately 3-12 months of the annual rental fee. If tenants terminate the lease agreement before the end of the lease term, the tenants must pay compensation in the amount equal to the remaining lease fee for the rest of the lease term to the Group of Companies.

A. Warehouse and Distribution Center

All projects of the Group of Companies are designed in accordance with the international standard which takes into consideration tenant's maximum

utilization, for example, interior space designed to serve the maximum of the flow of goods, high clear height and wide entry/exit designed to allow quick loading and unloading, and product shelves having a flexible design and being adjustable to suit tenants' operation process of which enables fast arrangements/packing while reducing error. Furthermore, the projects under the Group of Companies are located in strategic locations for logistics to serve as a distribution center. The area of the projects ranges from 10,000 to 70,000 sq.m. Most projects are located either on the routes with easy access to Suvarnabhumi International Airport or Laem Chabang Port or on the routes with connection to main highways such as Bangna-Trad KM. 18-23 which is convenient for transportation of goods for delivery in Bangkok or for distribution of goods to other regions of Thailand and other countries which reduces the cost of transportation in a long run for tenants. An example of the past project is the Air-conditioned Distribution Center of 52,706.8 square meters on Bangna-Trad KM. 19 with DKSH (Thailand) Co., Ltd. as a main tenant who uses the project as a distribution center and storage of medical supply. Due to its need, the project is designed based on the criteria of Good Manufacturing Practice and equipped with air-conditioners to maintain the internal temperature of 23 degree Celsius and the freezer temperature of -30 degree Celsius which enables the tenant to control the product quality.

B. Large Factory

The Group of Companies' team of engineering experts works closely with tenants' team in every step in design and construction of factory buildings to ensure that the factory buildings are handed over to the customers suit the specific needs of tenants in all aspects. For example, the utilized area and the column layout provide clear access for the operation process. Strong construction materials used to support the weight of goods, machines and equipment. Roof design allows natural ventilation. Infrastructure such as electricity system, lighting system and waste management system are also designed as a Built-to-Suit and it is also in accordance with the industrial standard requirements. All projects developed by the Company are located in various industrial estates such as Amata City Industrial Estate in Rayong, Hemaraj Industrial Estate in Saraburi.

Examples of Built-to-Suit Projects



Location: Amata City
Leasable area: 9,399.4 square meters
Designed by: The Company
Type of Project: Factory



Location: Ladkrabang
Leasable area: 18,156.0 square meters
Designed by: The Company
Type of Project: Distribution Center



Location: Wang Noi, Ayutthaya
Leasable area: 15,364.0 square meters
Designed by: The Company
Type of Project: Distribution Center

1.1.1.2 Warehouse Farm Projects

Since the Group of Companies anticipated the increased demand for lease of warehouse, distribution center and factory, from 2011 onwards, the Group of Companies commenced development of Warehouse Farm under the name Mega Logistics Center. The Warehouse Farm Project is a combination of premium quality Built-to-Suit and General Warehouse. Built-to-Suit within the Warehouse Farm ranges from 10,000.0 to 16,000.0 square meters while General Warehouse is smaller with a leasable area of approximately 3,000.0 to 5,000.0 square meters. Despite having smaller in terms of leasable area than Built-to-Suit, the Company's General Warehouse maintains the same building specifications and the standard of warehouse and factory of premium quality which is the Group of Companies' key business concept. The Company views that Warehouse Farm will help serve the existing customers in terms of their area expansions as well as broaden the customer base to new tenants who may only need a short-term lease which will potentially turn to be Built-to-Suit customers in the future.

The Group of Companies selects the location for development of the Warehouse Farm based on the needs of the existing customers and the anticipated demands. Most Built-to-Suit Projects' lease agreements are long-term lease of 10 years or over while General Warehouse lease agreements are short-term lease of 3 years on average with options for renewal in the same manner as Built-to-Suit Projects lease.

The Group of Companies also provides common facilities such as common electricity, security and safety, road maintenance and infrastructure system and the project facilities.

Examples of Warehouse Farm Projects



Location: Bangna-Trad KM.18
Leasable area: 72,179.5 square meters
Designed by: The Company
(To be sold to the Fund in 2014)
Type of Project: Warehouse Farm



Location: Hemaraj Industrial Estate, Saraburi
Leasable area: 71,462.0 square meters
Designed by: The Company
Type of Project: Warehouse Farm

Example of the Projects Qualification

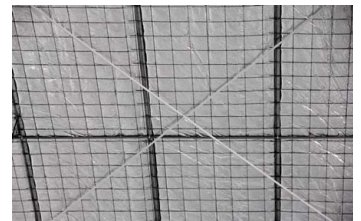
Seamless Metal Sheet Roof

The Company uses single metal sheet which reduces leakage between roof connections.



Thermal Insulation Roof

The micro fiber insulation is installed beneath roofing to create air gap which reduces inside temperature and helps maintain quality of goods.



Natural Ventilation System

Metal sheet louvers with bird screen around the building and high ceiling maximize wind flow within the projects.



Environmental Management Criteria

Basic structure of the projects such as distribution system, warehouse building and production factory are developed based on international standards, for example, buildings are designed to reduce accumulation of dust and dirt and to prevent termites and insects.



The Group of Companies' policy on asset sale to the Fund specifies that the assets to be sold must be developed and leasable assets meaning the rental and service income is generated and that the assets to be sold must be qualified in all aspects without violation of the investment policy of the Fund and/or the law and/or the related regulations. The Group of Companies considers the number and the size of projects based on the need of fund for expansion into new projects and anticipated profit from such sale.

In 2013, the Group of Companies completed asset sale to the Fund in January and November and as a result, the Group of Companies' recording for such sale was 6,585 million Baht out of the total income of 7,169 million Baht. The Company also planned to sell developed projects to a third party particularly existing tenant of the respective projects which will generate income to the Group of Companies. In addition, the Group of Companies has a policy to set up a Real Estate Investment Trust to generate periodic income from sale of asset sufficient for financial need for new project investment.

1.1.3 Business of Investment and Property Management

The Company has policy to invest in the real estate business through the Fund and Real Estate Investment Trust at no greater than 15% to 20% of the total Fund units for the returns in terms of dividend payment annually on regular basis. However, the investment in the Fund and Real Estate Investment Trust is dependent on the funding need and the amount of fund raised from the sale of assets to the Fund at that time. Therefore, the investments in the Fund may be different from the specified investment policy. Moreover, the Company is appointed to be the Property Manager of the Fund and Real Estate Investment Trust which generates regular income arising from the management of the Fund's and (in the near future) Real Estate Investment Trust's property.

Overview of the Group of Companies and the Fund's Project

(Details of the completed project with revenue recognition and the projects under development as at 31 December 2013)

Type of Buildings	Location	Details			Total leasable area (square meters)
		Construction Stage	Occupancy Rate (%)	Expected Completion Date with revenue Recognition	
Projects of the Group of Companies					
Warehouse and distribution center (under the plan for sale to the Fund ¹)	Bangna-Trad KM.18	Construction completed and income recognition has started.	100	-	72,179.1
Warehouse and distribution center	Ladkrabang	Construction completed and income recognition has started.	100	-	13,464.0
Warehouse and distribution center	Wang Noi District, Ayutthaya	Construction completed and income recognition has started.	100	-	48,167.0
Warehouse and distribution center (under the plan for sale to the Fund ¹)	Ladkrabang	Construction completed and income recognition has started.	100	-	18,156.0
Factory	Amata City, Rayong	Construction completed and income recognition has started.	100	-	9,399.4

Type of Buildings	Location	Details			Total leasable area (square meters)
		Construction Stage	Occupancy Rate (%)	Expected Completion Date with revenue Recognition	
Office building	Bangna-Trad KM.7	Projects under development	-	Quarter 4 2014	7,000.0
Warehouse and distribution center	Bangna-Trad KM. 19	Construction completed and income recognition has started.	100	-	14,099.56
Warehouse and distribution center (under the plan for sale to the Fund ¹)	Bangna-Trad KM. 23	Construction completed and income recognition has started.	100	-	59,835.0
Warehouse and distribution center (under the plan for sale to the Fund ¹)	Ladkrabang	Projects under development	-	Quarter 1 2014	16,937.0
Warehouse and distribution center	Ladkrabang	Projects under development	-	Quarter 3 2014	19,474.0
Warehouse and distribution center	Saraburi	Construction completed and income recognition has started.	100	-	15,879.0
Warehouse and distribution center	Saraburi	Projects under development	-	Quarter 2 2014	17,139.0
Warehouse and distribution center	Bang Phli District, Samut Prakarn KM.4	Construction completed and income recognition has started.	100	-	43,082.0
Warehouse and distribution center	Bang Phli District, Samut Prakarn KM.4	Projects under development	-	Quarter 1 2014	2,460.0
Warehouse and distribution center	Bang Phli District, Samut Prakarn KM.4	Projects under development	-	Quarter 2 2014	34,848.0
Warehouse and distribution center	Wang Noi District Ayutthaya	Projects under development	-	Quarter 2 2014	13,836.0
Warehouse and distribution center	Bang Phli District, Samut Prakarn KM.3	Projects under development	-	Quarter 3 2014	30,014.1
Warehouse and distribution center	Bang Phli District, Samut Prakarn KM.5	Projects under development	-	Quarter 1 2014	25,751.0
Warehouse and distribution center	Bang Phli District, Samut Prakarn KM.5	Projects under development	-	Quarter 2 2014	35,422.0
Total projects of the Company					497,142.56
Projects of the Fund					
Warehouse and distribution center	Don Hua Ro Sub-district Mueang District, Chonburi	Sold to the Fund	100	-	42,310.4
Factory	Amata City, Rayong	Sold to the Fund	100	-	14,320.8
Warehouse and distribution center	Bangna-Trad KM. 20	Lease right transferred and building sold to the Fund	100	-	63,827.4
Warehouse and distribution center	Bang Pa In District, Ayutthaya	Sold to the Fund	100	-	36,000.0
Factory	Amata City, Rayong	Sold to the Fund	100	-	7,450.0
Warehouse and distribution center	Bangna-Trad KM. 19	Sold to the Fund	100	-	52,706.8
Warehouse and distribution center	Bangna-Trad KM. 19	Transferred land leasehold right and Sold to the Fund	100	-	57,399.4

Type of Buildings	Location	Details			Total leasable area (square meters)
		Construction Stage	Occupancy Rate (%)	Expected Completion Date with revenue Recognition	
Factory and Warehouse	Saraburi	Sold to the Fund	100	-	55,372.4
Factory	Amata City, Rayong	Sold to the Fund	100	-	12,835.0
Warehouse and distribution center	Bangna-Trad KM. 20	Sold to the Fund	100	-	9,195
Warehouse and distribution center	Pan Thong District, Chonburi	Sold to the Fund	100	-	38,565.0
Total Projects of the Fund					389,982.20
Grand Total					887,124.76

- Remark:**
1. The Company plans to sell the title in land and warehouses in the warehouse and distribution center project on Bangna-Trad Km.18, project on Bangna-Trad Km.23 and project at Ladkrabang to the Fund in late 2014. The unitholders of the Fund granted approval to invest into such property on 19 December 2013.
 2. 1 rai of land equal to leasable area of approximately 1,000 square meters

Future Projects (Land held for future development)

Regarding future projects, the Company has purchased land and lease right for construction of warehouse and distribution center and factory in Bangkok, Ayutthaya, Saraburi, Samut Prakarn, Chonburi, Kabinburi, Surat Thani, Lamphun and Khon Kaen with the total area of 725,376 square meters.

Privileges from the Board of Investment (BOI)

The Company receives promotion from the Board of Investment for the business of development of industrial factory and/or warehouse for two projects. The details and the material content of the privilege are as follows:

Certificate No.	Date of Approval	Product Name	Significant Privilege
1822(2)/2553	17 August 2010	Development of factory buildings and/or warehouse buildings	1. The Company is entitled to a corporate income tax exemption for the net profit generated from the operation of the promoted business in a total of up to 100 percent of the investment fund, not including the value of land and working capital for 8 years starting from the first date of generating income from such business operation. In the event of loss during the corporate income tax exempt period, the grantee of the BOI privileges period is allowed to carry forward the loss during the corporate income tax exempt period to be deducted from its net profit within 5 years after the end of such corporate income tax exempt period. In this regard, the grantee of the BOI privileges can choose to carry forward the loss to be deducted from the net profit of any particular year or for any collective period of years. 2. The Company is entitled to exemption from including the dividends obtained from the operation of the promoted business in tax calculation throughout the tax exempt period. 3. The Company is entitled to exemption of 50% percent of corporate income tax for the net profit generated from the operation of promoted business for a period of 5 years after the end of the period in Clause 1. 4. The Company is entitled to double the amount of the transportation fee, electricity fee, and water supply fee can be deducted from the tax base for a period of 10 years from the date on which the promoted business starts to generate income. 5. The Company is entitled to deduct 25% of investment for the installation or the construction of facilities from the tax calculation in addition to the normal deduction for depreciation costs.

Certificate No.	Date of Approval	Product Name	Significant Privilege
1533/2556	26 December 2013	Development of factory buildings and/or warehouse buildings	- The Company is entitled to a corporate income tax exemption for the net profit generated from the operation of the promoted business in a total of up to 100 percent of the investment fund, not including the value of land and working capital for 7 years starting from the first date of generating income from such business operation. In the event of loss during the corporate income tax exempt period, the grantee of the BOI privileges period is allowed to carry forward the loss during the corporate income tax exempt period to be deducted from its net profit within 5 years after the end of such corporate income tax exempt period. In this regard, the grantee of the BOI privileges can choose to carry forward the loss to be deducted from the net profit of any particular year or for any collective period of years. - The Company is entitled to exemption from including the dividends obtained from the operation of the promoted business in tax calculation throughout the tax exempt period.

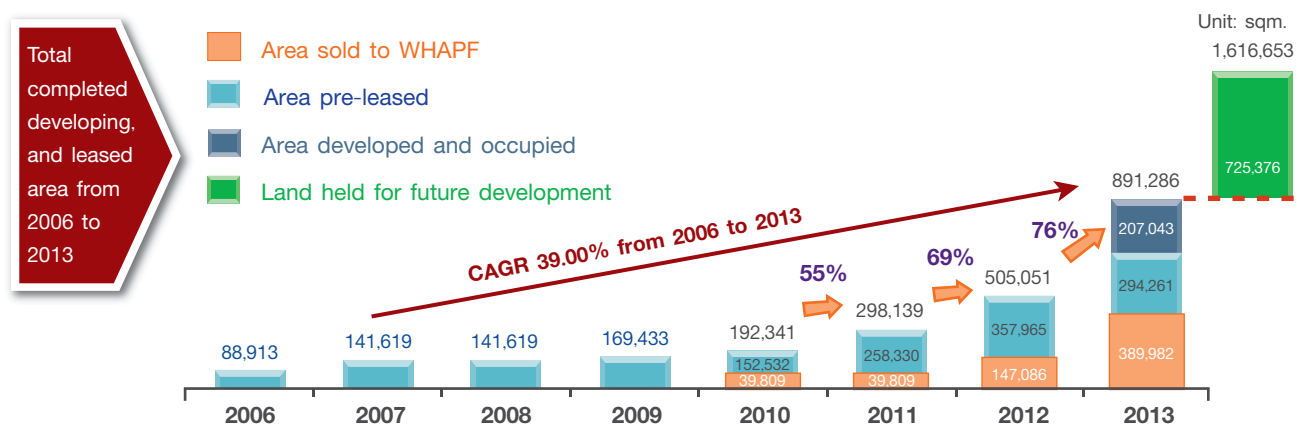
1.2 Marketing and Competition

1.2.1 Policy and key Features of the Products

Competition Strategy

The Group of Companies develops warehouse, distribution center and factory for rent which are customized to suit each tenant (Built-to-Suit) and Warehouse Farm Project which is a combination of General Warehouse and Built-to-Suit. The Group of Companies focuses on creating additional value for tenants in terms of logistics cost management by understanding the need and the specific business specification of the customers, developing customized projects, choosing suitable locations, handing over projects in timely manner with the appropriate rental rate. This enables tenants to have confidence that leasing a project from the Group of Companies will increase their logistic management efficiency. The Group of Companies also gains trust and frequently wins bidding for several projects as evidenced in the continuous growth of the leasable area under the Group of Companies' management at 39.0% p.a. during 2006 to the end of 2013*.

Growth of Completed/ Pre-Leased / Land Held for Future Development/ and Area Under the Company's Management Sold to the Fund



* Remark: The compounded annual growth rate of 39.0% suggests the average annual growth rate of the leasable area of the properties under the Company's management from 2006 which equals to 88,913 sq.m. to the end of 2013 which equals to 891,286 square meters. These numbers also includes the properties in the Fund. At the end of 2013, the Group of Companies' total leasable area, backlog, and land held for future development was 1,616,653 sq.m.

In addition, the Group of Companies develops and expands leasable area regularly for existing customers and new customers. The Group of Companies' strength and strategies employed in the competition are as follows:

Product Strategy

1. Built-to-Suit warehouses, distribution centers and factory customized to meet tenants' specific requirements to increase efficiency in logistic management

Built-to-Suit warehouse, distribution center and factory buildings are designed and developed to suit the need of tenants. Tenants and the Group of Companies' team will work together in design and in-depth study of requirements and constraints in order to give advice and propose the project that matches the needs of the customers. Location and details specified by tenants will be addressed to ensure that the tenants have the projects that meet their specific need and international standard. The project specifications can cater to the complexity required by tenants and also take into consideration the overall utilization, for example, column positions, floor load capacity and clear height suitable for the business, number and position of doors, loading and unloading area and flatness and racks, floor level in comparison with truck height, infrastructure system, ventilation system and temperature control system. The Group of Companies' engineers and tenants' team will cooperate in all steps of the design so that the tenants are confident that the projects developed by the Group of Companies can truly respond to the need in management, storing, packing and distribution and production of goods at appropriate and controllable costs.

2. High standard Ready-Built warehouses, distribution centers and factory (General Warehouse)

The Group of Companies has a plan and strategies to develop premium-quality General Warehouse to support the overflow demand in the existing customers' expansion of space and other customers. This is also a method to increase customer base to tenants who may need more leasable area and Built-to-Suit projects in the future. The Group of Companies selects suitable locations and develops projects to the international standard which makes all projects flexible for different logistics needs of tenants.

3. One-stop service

The Group of Companies is well-equipped with fund, experience and modern technology which allow the Group of Companies to provide comprehensive service. This includes logistics design, management and solution which cover all aspects such as construction project management, consultation and management of complex and specific logistics issues. With several years of experience as a property developer of the Group of Companies' executive team in a premium One-stop service and proven track record in comprehensive service to multinational companies that have more complicated need, the Group of Companies stands out from other property developers.

4. Experience and Expertise

The Group of Companies is a pioneer in the business of development of premium quality warehouse, distribution center and factory buildings for lease with years of trust from the customers. The Group of Companies has particular expertise in management and use of technology and know-how in project design including interior positioning and construction for efficiency in warehouse management. This reduces rotation time and enables faster delivery while minimizing error.

Location Strategy

The Group of Companies realizes the importance to selection of locations and mostly selects location in strategic locations for logistics business and conducts a study in several aspects to ensure that the selected location responds to the need of the customers and enhances the operation as well as reducing logistics costs incurred to customers. Good locations must be close to road network and reduce the transportation and distribution period which are key indicators of efficiency and effectiveness of logistic business. To select a location, the Company collects information from tenants and proposes suitable location and therefore the selection is a joint effort in which tenants and the Company considers direct and indirect factors and short-term and long-term effects on tenants' business.

Transportation Route

The project location must be close to a road network with convenient access in all seasons and the road network must be in good conditions and allow maximum cost saving for the tenants. Most projects of the Group of Companies are located on the route with access to Suvarnabhumi Airport or Laem Chabang Port which is convenient for transportation and distribution of goods to regional areas in Thailand and to other countries and as a result it saves transportation costs for tenants.

Supply of Goods

Development of warehouse, distribution center and factory is directly related to the goods cycle which starts from manufacturers to consumers through intermediary channel or trading channel such as hypermarket, shopping center, department store, retailers and other markets. Therefore, selecting a location must take into consideration supply source and market place, and balance of varied high-and low-productivity supply source in order to minimize the distribution cost while facilitating the business.

Privileges from the Government

The Group of Companies gives consideration to development projects for warehouse located in the investment promotion zone in order to receive tax benefits. Several projects developed by the Group of Companies are located in Board of Investment' promoted Zone 2 while those projects operated by the Group of Companies would receive the same privileges to match the benefits granted to investment in Board of Investment' promoted Zone 3.

Pricing Strategy

Rental and service fee charged to tenants is determined by construction cost and appropriate project IRR as well as marketing competitiveness and value added to logistics management for customers. The Group of Companies and tenants will agree on rental fee and lease term prior to execution of a lease agreement and a service agreement. As a result, the Group of Companies' risk exposure for non-occupancy is very low and the Company can also make an estimate and project return for each project.

Customer Procurement and Marketing Promotion Campaign

In relation to renting of projects, tenants consider experience, potential, quality and past performance of the developers. Therefore, to recruit customers, the Group of Companies relies on good relationship with customers as well as builds its reputation and experience over time. The Company's key sales channels are:

- Bidding - Potential customers directly contact the Company to participate in bidding with other developers. This group of customers generally is the multi-national companies with first-time investment plan in Thailand or expansion plan or enhancement for logistics operation. They will evaluate each developer based on its credentials and invite only the qualified candidate to participate.

- Referral and Expansion of Leasable area by existing customers - one of the effective sales promotion is the past performance since trust among tenants is a key to sales. The Group of Companies' past performance proves and confirms confidence among the existing customers as they expand their leasable area on a regular basis as well as supporting the Group of Companies regarding sales to new customers.

The Group of Companies' key marketing activities also involve direct approach to potential customers, and other intermediaries such as industrial estate developers, government agencies, embassies, trade officers, brokers and etc. The Group of Companies also develops other marketing materials that directly target customers, for example, brochures, press advertisement, the Company's website, signboards on all construction sites, seminar participation and domestic and international conferences.

1.2.2 Customer Profile and Target Customers

1. The manufacturers and distributors from both domestic and international players. This group is in need of the warehouse, distribution center and factory for manufacturing and distributing the products to its customers and consumers throughout Bangkok and vicinity and all regions in Thailand including across the Asean Economic Community (AEC). The delivery of the products can be responsive to their comprehensive requirements as the relevant factors affecting the efficiency of its logistics operation play an important role in the overall logistics cost.
 - A. Multi-national manufacturers and distributors: this group of customers generally has a demand for sophisticated and premium quality warehouses and distribution centers, for example, large location under one roof (of over 50,000 square meters), strong floor support to suit the floor plan, column pitch suitable to function, ventilation system and temperature control system in place. In addition, these multi-national companies look for trustworthy operators in terms of quality, cost, and delivery time and pre-sale and after-sale service which means that this group of customers prefers to lease projects operated by professional developers.
 - B. Local manufacturers and distributors: this group of customers recognizes importance of and need logistic system where, in the past, they built and managed warehouse, distribution center and factory by themselves. Now the trend is that investment for storage and management of warehouse, distribution center and factory buildings has changed from self-investment that requires large capital, expertise with low flexibility, to outsourcing (as seen in Australia, The United States, Japan and some other countries) in order to increase competitiveness to match other countries. In terms of growth, the growth of Third Party Logistics providers (3PLs) tends to be on the rise at a significant level to the business of the Group of Companies.
2. Third Party Logistics providers (3PLs): The majority of these companies are leaders from other countries which have expertise in logistics management. They act as a distributor and transportation service provider for customers whose distribution and transportation are not their core business. The 3PLs companies make investment in distribution network including providing transport vehicles, sourcing warehouse, recruiting personnel, obtaining supply chain and operating system.

Total leasable area of the Group of Companies (square meters) by tenants as at 31 December 2013

Type of Tenant	The Group of Companies	
	As at 31 December 2013	
	Leasable area	%
1 Fast Moving Consumer Goods	102,667.29	35%
2 Third Party Logistics providers (3PLs)	116,348.72	40%
3 Manufacturers and industrial factory	75,245.42	25%
Total	294,261.43	100%

Remark: Excluding leasable area sold to or leasable area with the right transferred to the Fund

Total Leasable area of the Group of Companies (square meters) by lease term (total lease term) as at 31 December 2013

Lease Term (Year)	The Group of Companies	
	As at 31 December 2013	
	Leasable area	%
1 1 - 3 years	152,797.31	52%
2 Over 3 - 5 years	67,022.38	22%
3 Over 5 - 9 years	7,569.00	3%
4 Over 9 years	66,872.74	23%
Total	294,261.43	100%

Remark: Excluding leasable area sold to or leasable area with the right transferred to the Fund

Total Leasable area of the Group of Companies (square meters) by remaining lease term as at 31 December 2013

Remaining Lease Term (Year)	The Group of Companies	
	As at 31 December 2013	
	Leasable area	%
1 1 - 3 years	157,135.00	54%
2 Over 3 - 5 years	62,684.69	21%
3 Over 5 - 9 years	74,441.74	25%
Total	294,261.43	100%

Remark:

1. Excluding leasable area sold to or leasable area with the right transferred to the Fund
2. Remaining lease term for projects with income recognition, calculated from 31 December 2013 onwards.

1.2.3 Market Competition and Industry Trend

Currently, there are a few developers in premium quality warehouse, distribution center and factory for lease in strategic locations. However, the Company has direct and indirect competitors from the large industrial estate developers who are conducting the ready-built properties for sale and rent as follows:

Direct competition from other developers of warehouse, distribution center and factory for rent

The Group of Companies' major competitors are TICON Industrial Connection Public Company Limited and its subsidiaries (TICON group). Although TICON group offers both General Warehouse and Built-to-Suit Warehouse like the Company's products, most of their warehouse have standard size area in average of 2,500 to 5,000 square meters (source: information for investor March 2013) whereas most of the Company's leasable area is based on the needs of the customers which are generally larger than 10,000 square meters. TICON group's main customers are Japanese companies leasing general warehouse. In 2012, this accounts for 55.3% and 44.7% of total tenants (source: Form 56-1 of 2012, TICON Industrial Connection Public Company Limited). Most of TICON's customers are operators in electronics, electrical appliances and automotive industries while the Company's customers are mainly consumer and medical supply companies.

Apart from TICON group, the Group of Companies' other competitors in land development and warehouse and factory construction for sale/lease are Pinthong Industrial Park Co., Ltd. and Thai Factory Development Public Co., Ltd. However, these two competitors are not the Group of Companies' direct competitors because they focus on building small warehouse and ready-made factory for sale or lease to small business.

Competition from industrial estate developers

The Group of Companies' competitors also includes operators who starts off as an industrial estate developer and later on expand their business to development of warehouse and factory buildings within the industrial estates which is to add product line and service. Example of these industrial estate companies are Hemaraj Land and Development Public Co., Ltd., and Amata Summit Ready Build Co., Ltd. Generally, they develop ready-built factory buildings for sale and lease to medium and small operators and these industrial estate developers' opportunity is limited to development of properties in their own industrial estates or in the industrial estates for which they provide service. On the contrary, the Company can freely develop properties in any location seen by the Company and tenants as appropriate. In case the Group of Companies wants to expand the area into the industrial land, the Group of Companies can make a direct inquiry with the respective industrial estates. Due to these factors, the Company has various locations which meet the need of all tenants and it is considered an advantage that makes the Company more flexible than industrial estate developers.

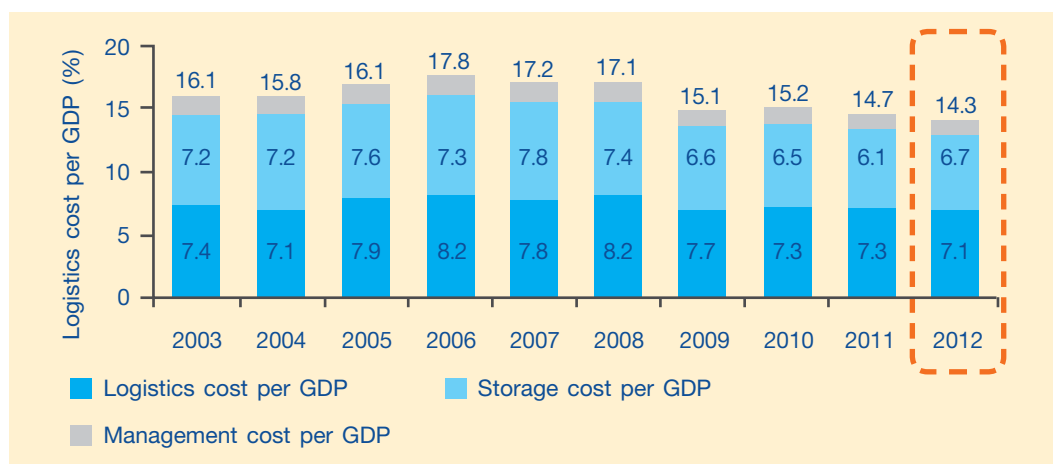
Competition from other small developers of warehouse and factory buildings for sale and lease

At present, there are several developers of warehouse and factory buildings for sale and lease in strategic area for logistics business. However, this group of developers only target small to mid-size corporates who are looking for low-cost warehouses for rent. Therefore, these developers do not compete directly with the Group of Companies.

Industry Trend

Logistic business requires planning, operation, control, data management and financial transactions which drive movement, storage, collection, distribution and service to the maximum efficiency and effectiveness. Logistics costs comprise of three main parts:

- Transportation cost including transportation cost for moving goods from manufacturers to end-users;
- Storage cost including inventory carrying cost or opportunity cost and inventory management cost;
- Management cost including raw material cost and purchasing cost, for example.



(source: NESDB)

The above diagram shows logistic cost per GDP during 2003 - 2012 (forecast). As shown, the result of implementation of the national logistic plan since the beginning of implementation of the National Logistic System Strategy Development Master Plan 2007-2011 was that Thailand logistic cost reduced from 17% of GDP in 2007 to 14.3% of GDP in 2012 (forecast)

Description	Singapore	Malaysia	Thailand	Philippines	Vietnam	Indonesia	Cambodia	Laos	Myanmar
Logistics competency indicators	4.13	3.49	3.18	3.02	3.00	2.94	2.56	2.5	2.37
World Ranking	1.00	29.00	38.00	52.00	53.00	59.00	101.00	109	129
1. Custom Formalities	4.10	3.28	2.96	2.62	2.65	2.53	2.30	2.38	2.24
2. Basic structure	4.15	3.43	3.08	2.80	2.68	2.54	2.20	2.4	2.1
3. Preparation for international transportation	3.99	3.40	3.21	2.97	3.14	2.97	2.61	2.4	2.47
4. Provider's capacity in logistic for public sector and business sector	4.07	3.45	2.98	3.14	2.68	2.85	2.50	2.49	2.42
5. Tracking and checking system	4.07	3.54	3.18	3.30	3.16	3.12	2.77	2.49	2.34
6. Punctuality	4.39	3.86	3.63	3.30	3.64	3.61	2.95	2.82	2.49

(source: World Bank)

However, Thailand's evolution in logistic competition is rather slow when compared with other countries in the same region. The World Bank's 2012 indicators (source: The World Bank) showed that Thailand was ranked 38th while Singapore was ranked 1st whereas among ASEAN countries, Thailand was ranked 3rd with Singapore and Malaysia as leaders.

According to the comparison between countries within the region, Thailand still has high logistic cost which has direct impact on Thai operators. Therefore, efficient logistic

management to reduce cost is the main goal for many operators. Also the study conducted by Office of the National Economics and Social Development Board showed that Thailand had potential in reduction of inventory holding costs by 10% by increasing efficiency in storage format and location and distribution.

Each business in each industry requires different warehouse specification. Warehouse and factory for lease remains an option for foreign operators who want to control their investment and operating cost for non-core business in which they have no expertise or incur high management cost as they cannot benefit from economies of scale. These multinational companies do not want the ownership in warehouse and factory building and therefore they minimize their risk exposure and uncertainty particularly uncertainty in investment and the demand of their products and service.

Furthermore, there is an increasing demand in warehouse, distribution center and factory for lease in logistic companies that are expanding business in Thailand. The trend in using logistic service is obvious in foreign countries such as The United States, China, Japan, European countries and other countries. Thai operators become more interested in using logistic service. These multinational companies do not wish to make investment in properties for non-core business otherwise it will create large fixed cost for a long period of time. They also need to spend part of their investment on information technology system, vehicles and manpower. Given that they have no expertise in self-managed property investment, these industrial companies relies on expertise and experience in property development of property developers for related services.

At present, warehouse, distribution center and factory buildings for lease are scattered in Bangkok, around Bangkok and in major industrial zones. These include ready-built warehouse and factory buildings for lease and Built-to-Suit warehouse and factory buildings. However, the quality of warehouse and factory buildings in several projects are not in accordance with international standard such as the floor cannot take heavy weight or the floor is cracked after period of use, the building format does not allow convenient loading or unloading or there are too many columns. These problems may obstruct tenants' operation or create redundant process. Some projects do not have infrastructure to facilitate tenants' operation such as there is no temperature control system, the road cannot accommodate large truck, there is no waste management or the water system is insufficient. Therefore, the market for premium quality warehouse, distribution center and factory is not very competitive since there are few developers at the moment.

1.3 Product or Service Procurement

Land is the major cost of the Company's business. The Group of Companies' policy is to acquire land when needed rather than holding the land bank without development for long period of time. Land acquisition is made in accordance with the investment plan to match specific needs of customers (Built-to-Suit) and to reduce interest obligations incurred from acquisition and accumulation of a large number of lands with no potential projects. However, the Company may consider acquiring larger piece of land if the land is connected to the existing projects which can be developed for expansion for tenants who clearly express their interest in expansion of the leasable area in the future.

As at 31 December 2013, the Group of Companies' land pending development, developing land and developed land are as follows:

Location	Type of Projects	Total Area (Rai)	Developed Land (Rai)	Developing Land (Rai)	Land pending Development (Rai)	Remark
Bangna-Trad KM.18	Warehouse and distribution center	74-2-67	74-2-67	-	-	Lease right
Ladkrabang, Bangkok	Warehouse and distribution center	99-1-29	20-0-64	18-1-31	60-3-34	Title
Wang Noi District KM. 61	Warehouse and distribution center	69-0-16	59-0-47	9-3-69	-	Lease right
Ladkrabang	Warehouse and distribution center	35-0-00	18-0-0	17-0-0	-	Title
Amata City Industrial Estate	Factory	13-1-14	13-1-14	-	-	Title
Bangna-Trad KM. 19	Warehouse and distribution center	13-0-92	13-0-92	-	-	Lease right
Bangna-Trad KM. 23	Warehouse and distribution center	54-0-09	54-0-09	-	-	Title
Bangna-Trad KM. 23 (Expansion)	Warehouse and distribution center	12-0-6.1	12-0-06.1	-	-	Title
Hemaraj Industrial Estate, Saraburi	Warehouse and distribution center	34-3-12	20-0-00	14-3-12	-	Title
Chonlahan Pichit Irrigation Canal KM. 4	Warehouse and distribution center	80-3-68	38-1-72	31-3-3	10-2-93	Title
Bangna-Trad KM.7	Office building	6-0-7.5	-	6-0-7.5	-	Title
Chonlahan Pichit Irrigation Canal KM.3	Warehouse and distribution center	72-0-23	-	36-3-50	35-0-73	Title
Chonlahan Pichit Irrigation Canal KM.5	Warehouse and distribution center	66-2-85	-	66-2-85	-	Lease right
Panthong	Warehouse and distribution center	119-2-36	119-2-36	Title		
Lamphun	Warehouse and distribution center	59-2-88.4	59-2-88.4	Title		
Bangna-Trad KM.23	Warehouse and distribution center	190-0-0	-	190-0-0	Title	
Prachinburi	Warehouse and distribution center	14-3-39	-	-	14-3-39	Title
Laem Chanbang	Warehouse and distribution center	49-3-59	-	-	49-3-59	Title
Khon Kaen	Warehouse and distribution center	35-3-62.8	-	-	35-3-62.8	Title
Surat Thani	Warehouse and distribution center	159-2-50.5	-	-	159-2-50.5	Title

Land Acquisition

The Group of Companies acquires land from the owner directly or by leasing land from the Group of Companies' partners or by purchasing land through agents. In this respect, the Company usually selects land plots in at least two locations to allow the Group of Companies to have bargaining power and to acquire the land at the preferred location at a good price. The Group of Companies' criteria for land acquisition are as follows:

- Location of the land must be connected to a road network according the requirement and the need of tenants and it must be in a strategic location for logistics business near a port or in a zone entitled for privileges from the Board of Investment (BOI) which will also meet the need of other and new tenants once existing lease agreement expired.
- Land price must not be relatively too high for both freehold and leasehold lands. Land must generate a competitive monthly lease for the Company.
- Land must be in an appropriate size for first development as well as for expansion of future projects of tenants. It should also be flexible in terms of suitability for the need of new tenants.

The Company's land management team studies, analyze, retain and update land data so that the Group of Companies has data on location and land with potential for development of new

projects and the Group of Companies can evaluate and set a strategy for acquisition and budget required accurately. Such data will be transferred to Finance Department for financial planning for the most appropriate and the most economical capital sourcing for land acquisition.

Selection of Construction Contractor

The Group of Companies divides selection of construction contractors into two categories based on type of projects as follows:

1. Contractor selection for Built-to-Suit project: The group of the Companies sends an invitation to bid to construction companies and makes preliminary agreement on pricing before proposing the price to customers. However, not all decisions for selections are made by the Company, for example, tenants may want to select a construction company themselves or it has already been nominated.
2. Contractor selection for General Warehouse Project: The Group of Companies invites all bids from construction companies, negotiate and select construction companies based on the procedure and the criteria set out by the Company.

Since the Group of Companies selects a contractor regularly, the process for contractor selection and evaluation has been established as follows:

1. Send out the requirement and the Terms of Reference (TOR) to construction companies listed in the pre-approved list. For new construction companies, their qualification and project history will be thoroughly verified.
2. Consider bidders' proposal for both technical aspect and pricing aspect.
3. Make selection by the selection committee.
4. Enter into a contract with the selected construction company, most of which are turnkey contract.

The Group of Companies' policy on selection of construction contractor focuses on transparency, fairness and common practices in the industry. The Group of Companies strictly adheres to the principle and the policy for all future projects. The Group of Companies' principle on selection of construction contractors is as follows:

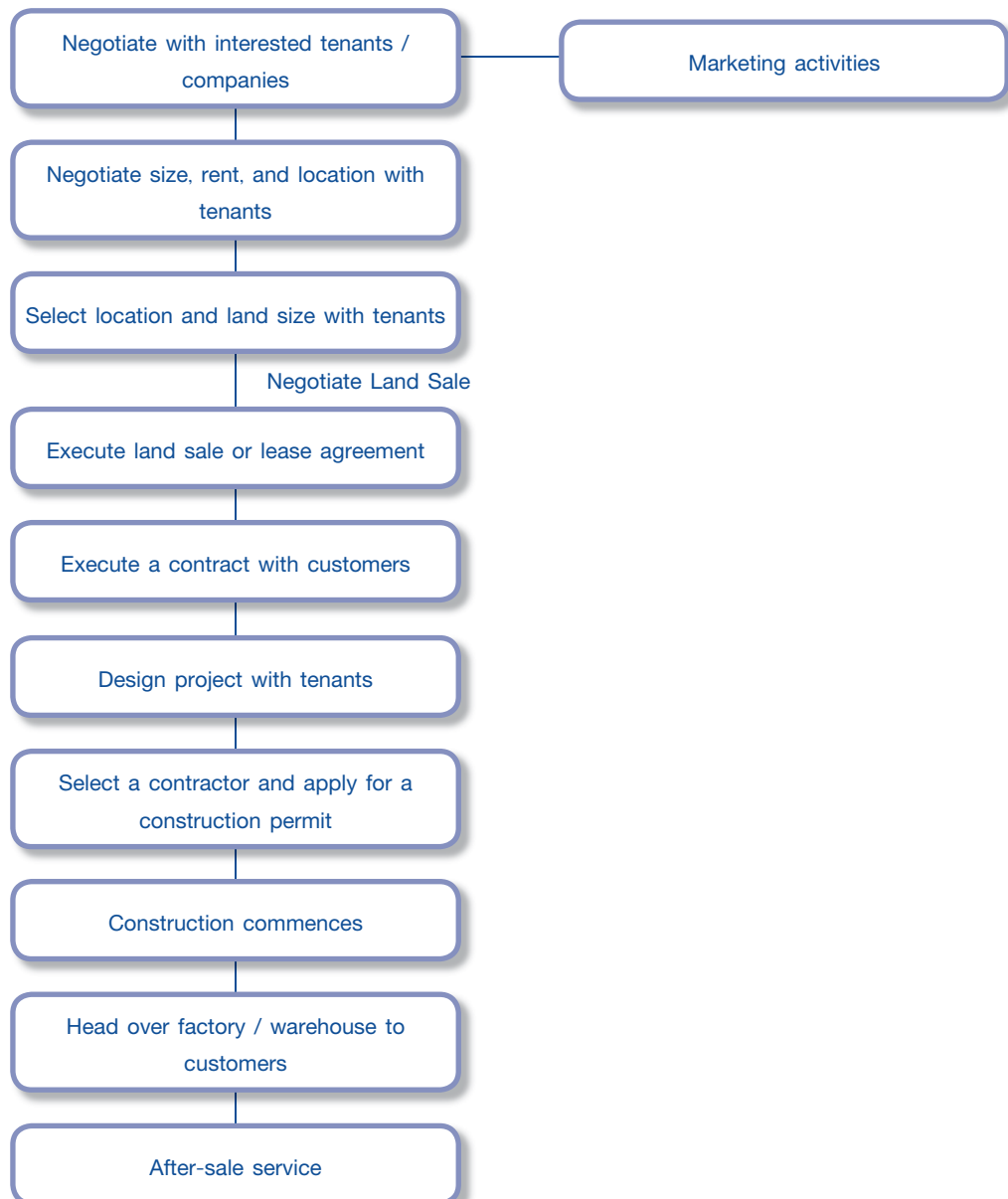
1. The Group of Companies specifies and verifies construction companies in the pre-approved list while promoting fair, transparent and open competition by providing detailed requirements and scope of work in advance to at least two construction companies for bidding.
2. Factors used for consideration and selection of construction companies are past projects, quality upon hand over, construction time, offered price and after-sale service.
3. Selection of a construction company must be approved in accordance with the approval authority and the regulations of the Group of Companies.
4. Contracts are reviewed by an expert legal advisor.
5. There is a segregation of duties for contract execution, inspection for hand over and account recording.
 - Contracts will be executed by the authorized directors of the Group of Companies.
 - The Group of Companies' construction management team is responsible for inspection for hand over and they will inspect the completed project and provide a progress report on a monthly for report to the management. Inspection for hand over includes quality inspection and progress inspection compared to the terms and conditions in the contract.

- Finance & Accounting Department verifies all documents and makes a record and payment upon due as specified in the contract after the project management team has inspected and received the project.
- 6. The Group of Companies establishes a guideline for relevant units, for example, Guideline on Selection of Construction Companies, Operation Guideline for Project Management Team. All units must comply with the guideline and the specified work process.

Procurement of Construction Materials

The Company hires contractor on a turnkey basis which covers cost of construction material which reduces the internal work time and effectively controls construction cost.

Steps of Project Development



1. The Group of Companies procures tenants by direct contact based on the information provided by existing tenants or making contact with new customers who need to lease warehouse or factory and contacts the Group of Companies directly or through bidding or through business referral. The Group of Companies will then make preliminary negotiation on the size, location, and lease fee for the project and enquire about the short-term plan and the long-term plan in depth in order to forecast the size of area required.
2. The Group of Companies works with tenants to determine project size, selection of location, lease terms and design according to the following steps (some of which may be carried out simultaneously):
 - The Group of Companies and customers negotiate nature and size of project, location, price and lease terms to reach mutual satisfactory;
 - The Group of Companies selects land with appropriate size on the agreed location based on the Company's land database which meets the needs of customers, suits transportation, are in appropriate size with potential expansion then proposes it to tenants. At the same time, the Company negotiates price with the landlord and contact a financial institution for an approval of a loan for acquisition/lease of the land and construction of the project.
 - After the Group of Companies and tenant have agreed on the location, the Group of Companies will make a final negotiation on the price and enter into a land sale or land lease agreement with the landlord.
 - Upon acquisition of the land, the Company and customer will execute a land lease and a service agreement.
 - Then the Group of Companies' engineering team will commence design with tenant's architecture / engineering teams to determine requirements and nature of the project in details.
3. The Group of Companies selects a construction company based on proposed price and past projects while making an application for a construction permit with the relevant authorities.
4. Construction begins with the Company's engineering team to act as the construction management team who supervises and monitors progress and control construction quality according to the agreement work plan. Each project generally takes approximately 4-10 months to complete the construction.
5. The Group of Companies hands over the completed project to a tenant in a condition prompt for installation of machines or operation with warranty for the structural part throughout the lease term.
6. The Group of Companies' after-sales service included repair and maintenance for structural part and providing insurance for the developed projects that have already been handed to tenants.

For General Warehouse with standard design, before a customer or a tenant moves in, the construction management team will coordinate with the business development team to determine design and structure of the project to suit the need of the market at the time.

Environmental Impact

The Group of Companies' policy on construction of warehouse, distribution center and factory buildings is based on good practice and strict control with a focus on construction process that minimizes impact on the environment. The Company also promotes and encourages preservation and energy saving. Before the tenants commence their operation, the Group of Companies will glance at their credibility, company profile, products and financial statements. The Group of Companies also specifies in the lease agreement entered between the Group of Companies and a tenant who stores hazardous substances that the tenant must strictly comply

with the regulations on environment preservation so that the Company's business does not have negative impact on the environment. Based on such practice, the Group of Companies has never breached any environmental law or had any environmental dispute.

1.4 Projects Backlog

As at 31 December 2013, the Group of Companies and its subsidiaries have the following projects pending hand over with a lease agreement without income recognition:

Location	Entity	Land (Rai)	Construction Value excl. Land and Lease Right (million Baht)	Status	Project Progress (% of completion)	Expected completion of construction and revenue recognition
1 Bang Phli District, Samut Prakarn KM.4	The Company	3-3-50	29.1	Projects under development	81	Quarter 1 2014
2 Bang Phli District, Samut Prakarn KM.5	The Company	10-3-44	-	Projects under development	10	Quarter 2 2014
3 Bang Phli District, Samut Prakarn KM.5	The Company	30-1-17	253.77	Projects under development	68	Quarter 1 2014
4 Wang Noi District KM.61	The Company	6-0-27	100.58	Completed	100	-
5 Bang Phli District, Samut Prakarn KM.4	The Company	6-3-57	88.87	Projects under development	77	Quarter 1 2014
Total		57-3-95				

Remark: As at 31 December 2013, Wang Noi District KM. 61 was complete but pending hand over to the tenant under the terms of the agreement.

2. Investment and Development of Solar PV Rooftop Project

2.1 Features of Products and Service

Investment and development of Solar PV Rooftop Project is a new business which the Company initiated in 2013 due to the Company's vision that such business has high growth potential, generates steady income and has sustainability with low risk. It is able to enhance value of the Company's core business and it is in line with the Company's aspiration to preserve the environment under the green energy concept. The Company will install rooftop solar cell for existing warehouses, distribution centers and factories and it is expected that the Company will realize the income since 2014. In addition, the solar cell contributes additional benefit to the tenants as it functions as the heat insulator for the roof of warehouses.

On July 16, 2013, the National Energy Policy Committee by Prime Minister as the Chairman of the meeting approved the Metropolitan Electricity Authority and the Provincial Electricity Authority to procure the purchase of the Solar PV Rooftop energy in 2013 with capacity of 200 MWp divided into

- Residence with 100 MWp capacity
- Small business buildings and middle and large business buildings/factory with 100 MWp capacity and approved the Feed-in Tariff (FIT) solar cell energy which has supporting period of 25 years with following details

	Residence	Small Business Building	Middle and Large Business Buildings
Capacity	0-10 KWp	>10-250 KWp	>250 KWp
FIT Rate (Baht/Unit)	6.96	6.55	6.16

Remark: Capacity is calculated from the capacity of the solar cell.

In order to file application with the Metropolitan Electricity Authority and the Provincial Electricity Authority per the above project, the Group of Companies incorporated 11 subsidiaries in which 74.99% of shares are held by WHA Corporation Public Company Limited and 25.01% thereof by Gunkul Engineering Public Company Limited. Our 5 companies were selected to produce the electricity from the rooftop solar cell with capacity of 4.28 MWp, details of which are as follows.

The Metropolitan Electricity Authority

Company	Capacity	FIT Rate (Baht/Unit)	Location
WHA Gunkul Green Solar Roof 1 Co., Ltd.	636.48 KWp	6.16	Bangna-Trad, KM 18
WHA Gunkul Green Solar Roof 3 Co., Ltd.	832.32 KWp	6.16	Bangna-Trad, KM 18
WHA Gunkul Green Solar Roof 6 Co., Ltd.	832.32 KWp	6.16	Bangna-Trad, KM 18
WHA Gunkul Green Solar Roof 10 Co., Ltd.	979.20 KWp	6.16	Bangna-Trad, KM 18
Total	3,280.32 KWp		

The Provincial Electricity Authority

Company	Capacity	FIT Rate (Baht/Unit)	Location
WHA Gunkul Green Solar Roof 17 Co., Ltd.	997.56 KWp	6.16	Wang Noi, Ayudhaya

Privileges from the Board of Investment

5 Subsidiaries obtained the Bol certificate from the Bol and it was granted the privileges as follows.

- Exempt on import tariff of machinery
- Exempt on corporate income tax for net profits arising from the business operation for 8 years from the date on which there is an income
- Receipt of the tax benefit on corporate income tax for net profit arising from the business operation at the rate of 50% of the normal rate for 5 year period after the expiration of the 8th year period.
- Exempt for excluding dividend to be calculated for income tax payment during the corporate income tax exemption period
- Being allowed to deduct the transportation, electricity and water utility fees as expenses 2 times the said expenses for 10 year period from the date on which there is an income from the business operation
- Being allowed to deduct investment sum on installment and facilities construction at 25% of investment sum in addition to the normal depreciation

2.2 Trend of Industry

Based on the government's policy in respect of reduction on reliance of offshore energy, reduction on release of greenhouse gas as well as establishing the sustainable energy policy, the government prepared the renewable energy and 25% alternative energy development plan for 10 year period (2012-2021) or Alternative Energy Development Plan: AEDP (2012-2021) to set the scope and direction of renewable energy of the country which was approved by the resolution of the cabinet on December 27, 2011. The Ministry of Energy has adjusted the target to be in line with the country strategy and the renewable energy of which the growth is higher than previous expectation. The adjustment thereof was approved by the resolution of the cabinet on July 16, 2013 to such that the target capacity of the renewable and alternative energies increases for 51% from the previous plan or 9,201 MW to 13,297 MW. The new target can be summarized as follows.

Electricity Type	Target (MW)	
	Previous Plan (AEDP 2012)	New Plan (AEDP 2013)
Wind Energy	1,200	1,800
Solar Cell Energy	2,000	3,000
Hydroelectric Energy (Small Size)	324	324
Pumped Hydroelectric Energy	1,284	-
Bio-Diesel Energy	3,630	4,800
Biogas	600	600
Napier	3,000	
Waste Energy	160	400
New Energy	3	3
Total	9,201	13,927

Source: Ministry of Energy

Having considered generating of electricity from the current renewable and alternative energy, it is found that the ratio of the alternative energy to the country's energy in 2013 is at 10.9% which increased from 2012 which is at 9.9%. Biodiesel-based energy has highest ratio while the solar cell is expanding to 154% due to the low development cost and less development obstacles compared with the solar cell energy and other alternative energies. In summary, the renewable and alternative energies as of the end of 2013 can be shown as follows.

Energy Typ	Unit	2012	2013
Wind Energy	MW	110.93	222.71
Solar Cell Energy	MW	250.68	635.48
Hydroelectric Energy (Small Size)	MW	96.03	104.77
Biodiesel Energy	MW	1,956.85	2,230.05
Biogas	MW	172.85	262.73
Napier	MW	-	-
Waste Energy	MW	42.72	47.48
New Energy	MW	0.3	0.3
Total	MW	2,633.06	3,503.52

Source: Department of Alternative Energy Development and Efficiency

In comparison of the utilization of the alternative energy for the current electricity generation of 3,503.52 MW and target electricity generation under AEDP 2013 of 13,927 MW, it is found that the size of the alternative energy development will be expanded to 4 times within the next 10 year period. It is expected that the solar cell energy will expand up to 5 times due to the current capacity of 635.48 MW while the target capacity is 3,000 MW.

General Information and Key Information

1.1 The Company

Name	:	WHA Corporation Public Company Limited
Type of Business	:	The developer of premium warehouses, distribution centers, and factories
Location of Head Office	:	1121 Moo 3, Theparak Road, Theparak subdistrict, Muang district, Samutprakarn province 10270
Registered Number	:	0107555000082
Telephone	:	0-2753-3750
Facsimile	:	0-2753-2750
Website	:	http://www.wha.co.th
Registered Capital	:	Baht 917,998,474
Paid-up Capital	:	Baht 917,992,494
Par Value	:	Baht 1 per share

1.2 Subsidiaries and Joint Ventures

Subsidiaries

(1) Name	:	WHA Alliance Company Limited
Type of Business	:	The developer of premium warehouses, distribution centers, and factories
Location of Head Office	:	1121 Moo 3, Theparak Road, Theparak subdistrict, Muang district, Samutprakarn province 10270
Registered Number	:	0115546001801
Telephone	:	0-2753-3750
Facsimile	:	0-2753-2750
Website	:	http://www.wha.co.th
Registered Capital	:	Baht 260,000,000
Paid-up Capital	:	Baht 260,000,000
Par Value	:	Baht 10 per share
(2) Name	:	Warehouse Asia Alliance Company Limited
Type of Business	:	The developer of premium warehouses, distribution centers, and factories
Location of Head Office	:	1121 Moo 3, Theparak Road, Theparak subdistrict, Muang district, Samutprakarn province 10270
Registered Number	:	0115549006111
Telephone	:	0-2753-3750
Facsimile	:	0-2753-2750
Website	:	http://www.wha.co.th
Registered Capital	:	Baht 310,000,000
Paid-up Capital	:	Baht 310,000,000
Par Value	:	Baht 10 per share

Joint Venture

- (1) Name : WHA KPN Alliance Company Limited
Type of Business : The developer of premium warehouses, distribution centers, and factories
Location of Head Office : 1121 Moo 3, Theparak Road, Theparak subdistrict, Muang district, Samutprakarn province 10270
Registered Number : 0115556021936
Telephone : 0-2753-3750
Facsimile : 0-2753-2750
Registered Capital : Baht 768,000,000
Paid-up Capital : Baht 383,750,000
Par Value : Baht 100 per share

(2)

Company	Registered Capital (Baht)	Paid-up Capital (Baht)
WHA Gunkul Green Solar Roof 1 Co., Ltd.	11,500,000	2,875,000
WHA Gunkul Green Solar Roof 2 Co., Ltd.	1,000,000	250,000
WHA Gunkul Green Solar Roof 3 Co., Ltd.	14,500,000	3,625,000
WHA Gunkul Green Solar Roof 4 Co., Ltd.	1,000,000	250,000
WHA Gunkul Green Solar Roof 5 Co., Ltd.	1,000,000	250,000
WHA Gunkul Green Solar Roof 6 Co., Ltd.	14,500,000	3,625,000
WHA Gunkul Green Solar Roof 8 Co., Ltd.	100,000	25,000
WHA Gunkul Green Solar Roof 9 Co., Ltd.	100,000	25,000
WHA Gunkul Green Solar Roof 10 Co., Ltd.	15,500,000	3,875,000
WHA Gunkul Green Solar Roof 16 Co., Ltd.	100,000	25,000
WHA Gunkul Green Solar Roof 17 Co., Ltd.	11,500,000	2,875,000

- Type of Business : Sale and distribution of rooftop solar energy
Location of Head Office : 1121 Moo 3, Theparak Road, Theparak subdistrict, Muang district, Samutprakarn province 10270
Telephone : 0-2753-3750
Facsimile : 0-2753-2750
Par Value : Baht 100 per share

Other juristic persons which the Company holds 10% or more of shares

- Name : WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund
Type of Business : Investment in real estate in the type of warehouses and distribution centers and factories
Location of Head Office : Kasikorn Bank Building, 6th Floor, 400/22 Phaholyothin Road, Samsen-Nai Subdistrict, Phayathai District, Bangkok 10400
Telephone : 0-2673-3999
Facsimile : 0-2673-3900
Registered Capital : Baht 13,560,600,000
Paid-up Capital : Baht 9,390,600,000
Par Value : Baht 10 per share

1.3 Reference Persons

Share Registrar

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building,

62 Ratchadaphisek Road, Klongtoey, Bangkok 10110

Telephone: 0-2229-2800, 02-654-5599

Facsimile: 0-2654-5427

Auditor

Mrs. Anothai Leekitwattana

Authorized Auditor Registration No. 3442

Mrs. Unakorn Phruithithada

Authorized Auditor Registration No.3257

Mr. Vichien Gingmanee

Authorized Auditor Registration No. 3977

Mr. Boonlert Kamolchanokkul

Authorized Auditor Registration No.5339

PricewaterhouseCoopers ABAS Ltd.

15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120

Telephone: 0-2344-1000

Facsimile: 0-2286-5050

Legal Advisor

RL Counsel Co., Ltd.

62/15 Thaniya, Suriyawongse, Bangrak, Bangkok 10500

Telephone: 0-2235-3339

Facsimile: 0-2235-3076

Debenture Registrar

Siam Commercial Bank Public Company Limited

1060 New Petchaburi Road, Makkasan Subdistrict, Ratchathevee, Bangkok 10400

Telephone: 0-2256-2323

2. Other material information

There is no other material information which may materially affect the decision of the investors.

Assets for Business Operation

1 Core Operating assets of the Group of Companies

As of December 31, 2013 the core operating assets of the Group of Companies are investment properties at the at book value of Baht 6,171.2 mn, leasehold right at the net book value of Baht 64.0 mn and improvement in buildings and equipment at the net book value of Baht 43.4 mn, details of which are as follows.

1.1 Investment Properties and leasehold right

The Group of Companies has the intention to hold them for construction of warehouses, distribution centers, and factories for rent with the following details.

	Location	Description	Book Value as of December 31, 2013 (Baht mn)
1.	ICD Road, Klong Sam Pravet Subdistrict, Lad Krabang District, Bangkok	Ownership	651.9
2.	ICD Road, Klong Sam Pravet Subdistrict, Lad Krabang District, Bangkok	Ownership	654.6
3.	Amata City Industrial Estate, Mabyangporn, Pluakdaeng, Rayong	Ownership	166.4
4.	Bangna-Trad Road, Bangchalong, Bangplee, Samut Prakan	Ownership	172.5
5.	Botaalo, Wangnoi, Ayudhya	Leasehold right	757.0
6.	Hemraj Industrial Estate, Nongplamo, Nongkae, Saraburi	Ownership	373.0
7.	Khon Kan	Ownership	128.9
8.	Phan Thong, Choburi	Ownership	442.0
9.	Surat Thani	Ownership	140.5
10.	Bangna-Trad Road, Bangkaew, Bangplee, Samut Prakan	Ownership	377.0
11.	Laem Chabang	Ownership	145.4
12.	Klongsongnam, Samut Prakan	Ownership	432.7
13.	Klongsongnam, Samut Prakan	Leasehold Right	362.3
14.	Klongsongnam, Samut Prakan	Ownership	1,339.1
15.	Kabinburi, Prachinburi	Ownership	24.2
16.	Lampoon	Ownership	59.7
17.	Hemraj Industrial Estate, Nongplamo, Nongkae, Saraburi	Ownership	6,231.2

Remark: Land, leasehold right, warehouse, distribution center and factory including component parts were registered as security interest for loans.

1.2 Improvement in buildings and equipment

Assets	Book Value as of December 31, 2013 (Baht mn)
Adjustment parts of buildings	11.9
Office equipment	7.2
Cars	24.3
Total	43.4

1.3 Details of fixed assets as security interests as of December 31, 2013

Assets	Encumbrances
1. Land title deeds nos. 1482, 42151, 42152, 42153, 42154, 12264, 12265, 12266 on ICD Road, Klong Sam Pravet Subdistrict, Lad Krabang District, Bangkok and buildings on such lands	Security interest for loan of Baht 1,287 mn
2. Land title deeds nos. 6538 and 2488 at Bangsaothong, Bangplee, Samutprakan and buildings on such lands	Security interest for loan of Baht 710 mn
3. Land title deeds nos. 10137, 7963 and 40913 at Batalo, Wangnoi, Ayudhya and buildings on such lands	Security interest for loan of Baht 600 mn
4. Land title deeds nos. 50692 and 50693 at Hemraj Industrial Estate, Nongplamo, Nongkae, Saraburi and buildings on such lands	Security interest for loan of Baht 70 mn
5. Land title deeds nos. 5152, 5227, 15684, 851, 850, 6727, 853, 897, 8332 and 8333 at Tambol Phan Thong, Amphur Phan Thong, Choburi and buildings on such lands	Security interest for loan of Baht 307.22 mn
6. Land title deeds nos. 110571, 3983, 63887, 63888, 63889, 63890, 63891, 63892, 63893, 63894, 63895, 63896, 63897, 63898 and 30862 at Klongsongnam, Samut Prakan and buildings on such lands	Security interest for loan of Baht 1,052 mn

2. Key Agreements relating to the Group of Companies

As of December 31, 2013 the Group of Companies has the key agreements for undertaking of businesses as follows.

2.1 Details of Land Lease Agreement

Parties to Agreement	Tenant: the Company Landlord: Mrs. Fuengfah Pungchittisanti, Mr. Theera Pungchittisanti and Mr. Chanwithya Pungchittisanti
Term	30 years commencing from August 4, 2011 until August 3, 2041
Rental*	Year 1-Year 5: Baht 10.8 mn per year. Additional rent will be adjusted every 5 years.

Remark: *Rental will not include initial remuneration.

Parties to Agreement	Tenant: the Company Landlord: Mrs. Suemsri Tansamritti, Mrs. Sukhawadee Kanchanawat, Mr. Suepong Tansamritti and Mrs. Songkiati Tansamritti
Term	30 years commencing from May 1, 2013 until April 30, 2042
Rental*	Baht 724,920 per year during the lease term

Remark: *Rental will not include initial remuneration.

Parties to Agreement	Tenant: the Company Landlord: Arunwongrat Co, Ltd.
Term	30 years commencing from April 1, 2013 until March 31, 2043
Rental*	Year 1-Year 5: Baht 4.8 mn per year (October 1, 2013-March 31, 2018). Additional rent will be adjusted every 5 years.

Remark: *Rental will not include initial remuneration.

2.2 Memorandum of Agreement on Cooperation

Parties:	The Company and BSY Construction Co, Ltd. ("BSY")
Execution Date:	March 22, 2012
Termination Date:	Nil
Termination Condition:	Nil
Objectives:	To set the scope of cooperation on product development in both quality and price in response to customers' need and competitiveness beyond competitor, and to set the terms for utilizing know-how.

Key terms:

1. To engage bidding or negotiation with customers who need to lease the warehouse, distribution center or Built-to-Suit warehouse at the Company's request, BSY will join bidding or negotiation with customers as the constructor of the Company.
2. BSY will join the Company in developing products, technical information and/or know-how which is useful to the construction of warehouses, distribution centers or factories. BSY and the Company will equally bear expenses. Know-how will belong to the Company and BSY. BSY shall not disclose or use mutually-developed know-how to any construction of the business operator who is the competitor to the business of the Company, nor enter into similar contracts or agreements with the competitor to the business of the Company without a prior written consent of the Company. In case of doubt as to whether such person is a competitor of the Company, BSY will firstly agree with the Company.
3. BSY will give advice and suggestion to the Company to enhance the Company's competitiveness beyond the Company's competitors in leasing business.
4. BSY will suggest and invite potential customers who are interested in leasing the warehouse, distribution centers and/or factories to become the customers of the Company.
5. BSY agrees that all plans, documents, data or things relating to the Company's customers and/or construction which BSY is engaged for construction to the Company are the confidential business information. For whatsoever reasons, BSY will not disclose such information or do any acts and things which cause others to know the confidential information whether before or after the term of this agreement unless the Company's prior written consent is given, or it is required to comply with order, rules, regulations or any provisions of laws or orders of the court or competent governmental agencies.

2.3 Property Management Agreement and Undertaking Agreement

The Company was appointed as the property manager of the WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund (WHAPF), material terms of which are as follows.

1. Property Management Agreement and Undertaking Agreement upon establishment of the Fund

Management Term	8 years from December 14, 2010. After 8 year period without the Company's default on material terms, the Fund will extend this Agreement from time to time, each of which shall not exceed 5 years.
Annual Remuneration	Not more than 5% of net asset value of the Fund
Management Asset	1. Warehouse Projects 1 and 2 (Kao) 2. Factory Project (Primus)
Non-Competition Agreement	If the Company wishes to offer other assets to any customers and brokers for purpose of lease and/or assignment of leasehold right in respect of warehouses and/or factories of the Company within a 20 km radius of the Fund's asset, the Company will firstly offer the Fund's assets to such customers or brokers, if the following conditions are met: • The Company remains as the manager of the Fund's said assets and • The Fund's assets are qualified for the business of the customers or brokers
Investment Unit Holding Agreement	Within 8 year period from the effective date of agreement on appointment of asset manager, the Company shall maintain the investment unit holding ratio as held by it and related persons according to the securities and exchange law of not less than 20% of the total initial amount of the investment units. If the Fund offers for sale of investment units in the future, it shall be deemed that the Company shall not fall into such terms and conditions.

2. Property Management Agreement and Undertaking Agreement upon the first capital increase

Management Term	30 years from February 22, 2012 except that the lease term of management asset expires.
Annual Remuneration	Not more than 5% of net asset value of the Fund
Management Asset	1. DKSH Consumer Project 2. DKSH 3M Project 3. DKSH, Bangpa-In Project 4. Ducati Project
Non-Competition Agreement	If the Company wishes to offer other assets to any customers and brokers for purpose of lease and/or assignment of leasehold right in respect of warehouses and/or factories of the Company within a 20 km radius of the Fund's asset, the Company will firstly offer the Fund's assets to such customers or brokers, if the following conditions are met: • The Company remains as the manager of the Fund's said assets and • The Fund's assets are qualified for the business of the customers or brokers

Investment Unit Holding Agreement	Within 8 year period from the effective date of agreement on appointment of asset manager (“Investment Unit Holding Period”), the Company shall maintain the investment unit holding ratio for the capital increase no. 1 as held by it and related persons according to the securities and exchange law as follows. • not less than 20% of the investment units which were offered for sale in respect of the capital increase no. 1 for the first 2 years of the Investment Unit Holding Period, and • not less than 15% of the investment units which were offered for sale in respect of the capital increase no. 1 for a period between year 3 and year 8 of the Investment Unit Holding Period
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3. Property Management Agreement and Undertaking Agreement upon the second capital increase

Management Term	8 years from January 10, 2013 except that the lease term of management asset expires.
Annual Remuneration	Not more than 5% of net asset value of the Fund
Management Asset	1. Kao 3 Project 2. Healthcare (DKSH)
Non-Competition Agreement	If the Company wishes to offer other assets to any customers and brokers for purpose of lease and/or assignment of leasehold right in respect of warehouses and/or factories of the Company within a 20 km radius of the Fund’s asset, the Company will firstly offer the Fund’s assets to such customers or brokers, if the following conditions are met: • The Company remains as the manager of the Fund’s said assets and • The Fund’s assets are qualified for the business of the customers or brokers
Investment Unit Holding Agreement	Within 3 year period from the effective date of agreement on appointment of asset manager in respect of the capital increase no. 2 (“Investment Unit Holding Period”), the Company shall maintain the investment unit holding ratio which were offered for sale in respect of capital increase no. 2 as held by it and related persons according to the securities and exchange law of not less than 10% of the total amount of the investment units in respect of the capital increase no. 2. If the Fund offers for sale of investment units in the future, it shall be deemed that the Company shall not fall into such terms and conditions.

4. Property Management Agreement and Undertaking Agreement upon the third capital increase

Management Term	8 years from November 29, 2013 except that the lease term of management asset expires.
Annual Remuneration	Not more than 5% of net asset value of the Fund
Management Asset	1. WHA Mega Logistics Center Project (Bangna-Trad Road-KM 19) 2. DSG Phase 1 and Phase 2 Project 3. Ducati Phase 2 Project 4. 3 M Phase 2 Project 5. WHA Mega Logistics Center Project (Phan Tong, Cholburi) 6. Air Condition System in Healthcare Project
Non-Competition Agreement	If the Company wishes to offer other assets to any customers and brokers for purpose of lease and/or assignment of leasehold right in respect of warehouses and/or factories of the Company within a 20 km radius of the Fund's asset, the Company will firstly offer the Fund's assets to such customers or brokers, if the following conditions are met: • The Company remains as the manager of the Fund's said assets and • The Fund's assets are qualified for the business of the customers or brokers However, the above-mentioned conditions shall not apply to the following cases: • The Company presents to the Fund by submission for consideration of the letter of intent of the customer or broker that specifications of the assets of the customer or broker does not match with the specifications of the Fund's assets, and the Company has signed the letter of intent with the said customer or broker notwithstanding the fact that the specifications of the assets of the customer or broker will subsequently match with those of the Fund, or • The Company proposes the Fund's asset to the customer or broker, and it is rejected in writing by customer or broker. The parties agree to grant the customer or broker the exclusive right to consider the Fund's asset as to whether such specifications of the assets match with the type of business of the customer or broker. If the customer or broker does not intend to enter into the agreement with the Fund, it shall not be deemed that the Company breaches this provision of the agreement.
Investment Unit Holding Agreement	Within 3 year period from the effective date of agreement on appointment of asset manager in respect of the capital increase no. 2 ("Investment Unit Holding Period"), the Company shall maintain the investment unit holding ratio which were offered for sale in respect of capital increase no. 2 as held by it and related persons according to the securities and exchange law of not less than 10% of the total amount of the investment units in respect of the capital increase no. 2. If the Fund offers for sale of investment units in the future, it shall be deemed that the Company shall not fall into such terms and conditions.

2.4 Lease Agreement and Service Agreement

General lease agreements and service agreements of the Group of Companies contain the following material terms.

Parties	The Company/Subsidiary ("Landlord") and Tenant
Renewal Conditions	In most of the Built-to-Suit and General Warehouses, the Landlord grants the right to the Tenant for contract renewal for a period which is agreed by the parties. In exercise by the Tenant of the said right, the Tenant shall give a written notice in advance to the Landlord prior to the expiration (approximately 6-12 months). This agreement will automatically renewed pursuant to the same terms and conditions except that the rental will be mutually agreed and the maximum rental is not specified for the renewal of the lease agreement.
Termination Conditions	In most projects, if the Tenant terminates this agreement prior to the initial period without the Landlord's fault, the Tenant shall give a written notice in advance to the Landlord for not less than the period as specified (approximately 6-12 months). If the Tenant terminates this agreement prior to the expiration date without the Landlord's fault, the Tenant shall pay the penalty sum as specified in the agreement.
Deposit Placement Conditions	The Tenant agrees to place the security deposit with the Landlord in cash for performance of duties by the Tenant during the lease and service period. After the end of the lease and service period, the Landlord shall return the security deposit to the Tenant after deduction of damages and/or expenses arising from utilization of the leased premises, namely water and electricity charges, and unpaid rental and service fees owed to the Landlord.
Payment Conditions	In most projects, the Tenant will pay the rental and service fee to the Landlord either monthly or quarterly from the initial date of the lease period unless parties agree otherwise.

2.5 Insurance Agreement

The Group of Companies will procure the insurance policy for all projects to protect any damage to the structure of warehouses and factories but the tenants will procure the insurance to protect any damage to their assets. The insurance agreement of the Group of Companies generally contains the following details.

Insurer	The Company/Subsidiaries
Insurance Period	1 year
Insured Assets	Buildings (excluding foundation), expansion parts, fixed decoration parts, renovation parts, permanently-installed glass including M&E system which is an integral part of the building, such as electricity system and water system
Coverage	All-risk insurance including losses and damage to the insured assets due to fire, thunder, bomb, storm, hail, airplane, crash from motor vehicles, water, flood, smoke, earthquake, volcano, underwater wave or tsunami, labor strike, riot, bad-faith action (except action to cause the political, religious, ritual effect), danger to electrical equipment and accident from external factor subject to the conditions and exceptions of the all-risk insurance policy.
Insured Amount	Estimated amount for project development

2.6 Shareholders' Agreements

The Company entered into agreement with Gunkul Engineering Public Company Limited to invest in joint venture company to undertake the business on generating and distributing electricity from rooftop solar.

Parties	The Company and Gunkul Engineering Public Company Limited ("Gunkul")
Execution Date	December 23, 2013
Expiration Date	The expiration date on which the last electricity sale and purchase agreement between the joint venture company and EGAT, or the date on which the events specified under the agreement occur
Objectives	To set the agreements and terms regarding the business management of the joint venture company in which the parties invest for purpose of undertaking the business on generating and distributing the electricity from the rooftop solar including rights, duties and responsibilities of the parties with regard to the shares in the joint venture company.
Investment Ratio	The Company : 74.99% Gunkul : 25.01%
Shareholders meeting	• The Company and Gunkul shall attend the meeting to constitute the quorum (by themselves or proxy) • The resolution shall be made by the voting of not less than 50% of the voting right of the shareholders of the joint venture company except that the transactions as specified in the agreement shall be approved with the voting of more than 75% of all voting right of the shareholders of the joint venture company.
Board of Directors	• The joint venture company shall comprise 4 directors, 3 of whom are nominated by the Company and 1 from Gunkul • The quorum of board of directors shall comprise 50% of all directors of the joint venture company and at least 1 director nominated by the Company and 1 director nominated by Gunkul shall attend the meeting. • The resolution of the board of directors shall be the majority of the directors attending the meeting and having voting right except the transactions as specified in the agreement shall receive the voting from the voting of at least 1 director nominated by the Company and voting of 1 director nominated by Gunkul.
Dividend Payment	Not less than 90% of net profit after taxes and statutory provision. Dividend shall be paid annually. However, the parties may consider payment of dividend in accordance with the appropriateness of business.
Construction and Operation	• Unless otherwise agreed, the parties agree that the joint venture company may engage Gunkul Power Development Co., Ltd. ("GDP") to exclusively design the project, construct, control construction works and act as advisor for the rooftop-solar power plant project (EPC Contractor) of the joint venture company for the project as confirmed to the relevant joint venture company to enter into the electricity sale and purchase agreement for year 2013 subject to the terms and conditions in the agreement. • For the future projects of the joint venture company, the joint venture company will engage Gunkul, GPD and subsidiaries of Gunkul as EPC Contractor if Gunkul, GPD and their subsidiaries are able to proceed with conditions as specified in the agreement.

	In operation and maintenance, Gunkul shall procure GPD or Gunkul's subsidiaries to propose terms and conditions on the said operation to be considered by the joint venture company within 7 days from the date of the agreement. If the terms and conditions are not favorable to the joint venture company, the joint venture company may select other person to proceed whether in whole or in part.
Procurement of Roof Space	The Company will procure the roof space of the buildings to be used for installment of the solar cells (including the ground floor space for relevant equipment). The joint venture company has right to use the roof for the period of not less than that specified in the electricity sale and purchase agreement at the monthly rate and adjustment rental per the terms of the agreement.
Event of Default	If the defaulting party does not remedy the event of default within 45 days from the date of receipt of the notice from the non-defaulting party, the non-defaulting party has the right to request the defaulting party to do the following: - Sell shares held by it to the non-defaulting party or person as specified by the non-defaulting party at 90% of the value of joint venture company - Purchase shares from the non-defaulting party at 110% of the value of joint venture company

2.7 Joint Venture Agreements

The Company entered into the joint venture agreement with Mr. Krit Narongdej to invest in the joint venture company established for undertaking the business on developing warehouse project on Bangna-Trad Road, KM 23.

Party	Mr. Krit Narongdej ("KN")
Execution Date	October 2, 2013
Termination Date	Upon occurrence of earlier of the following events: 1) liquidation of the joint venture company, or 2) mutual agreement between shareholders for termination of agreement
Objectives	To set the agreement and terms between the shareholders on investment in the joint venture company and utilization of the resource and expertise to develop, construct and manage the warehouse project.
Investment Ratio	The Company : 64.97% KN : 35.03%
Land	- Warehouse project will be developed on 8 plots of land located on Bangna-Trad Road, KM 23, Samut Prakan. The Joint venture may procure additional lands for project development if the business plan has been approved by the board of directors. - KN will procure KPN Group Corporation to lease out such 8 plots of land to the joint venture company for 30 years period. The joint venture will pay the remuneration for the whole lease period in the amount as specified in the agreement.
Project Management	Parties agree that the Company is the asset manager of the joint venture company with the monthly remuneration at 3% of project income or Baht 300,000 per month during the period which there is no income.

Shareholders' Meeting	- The resolution shall be made by the majority voting of all shareholders attending the meeting except that the transactions as specified in the agreement shall be approved with the voting of not less than 75% of all voting right of the shareholders attending the meeting provided that at least 1 voting must be from the Group of Companies and at least 1 voting from KN. 1 share has 1 voting.
Board of Directors	- Comprising 6 directors, 4 of whom are nominated by the Company and 2 from KN. - The quorum of board of directors shall comprise the attending directors at least 3 persons. The resolution of the board of directors shall be the majority of the directors attending the meeting and having voting right except the transactions as specified in the agreement shall receive the voting from the voting of at least 1 director nominated by the Company and voting of 1 director nominated by KN.
Dividend	Pursuant to the approval of the board of directors in accordance with the dividend payment policy as approved by the board of directors
Right of First Refusal	If one party intends to sell or transfer shares in joint venture company, such party shall offer for sale of shares in writing to the other party. If the other party does not accept the offer within 60 days from the receipt of the said offer, or complete the sale and purchase within 60 days from the selling party receive the acceptance from the purchasing party, the selling party will then be entitled to sell such shares in the joint venture company to the third party at the price and with the terms which shall not be more favorable to those proposed to the other party.
Event of Default	To occur when 1) the defaulting shareholder does not remedy the default within 30 days from the date of notice of the non-defaulting shareholders, or 2) the shareholder becomes bankrupt or is sued for bankruptcy. The non-defaulting shareholder may request the defaulting shareholder to do the following: - Terminate the joint venture agreement and claim damages incurred to the non-defaulting shareholder due to default against the defaulting shareholder - Sell all shares in the joint venture company as held by it to the non-defaulting party or person as specified by the non-defaulting party at fair value determined by an independent auditor after deduction of 10% of the said value - Purchase all shares from the non-defaulting party at fair value determined by an auditor plus 10% of the said value

3. Policy on investment in subsidiaries and WHAPF

The Company has the policy in investment in the companies which undertake the business as the same as the core business of the Company, real estate business and alternative energy business to increase the income and competitiveness of the Company.

As of December 31, 2013, the Company has the investment proportion in subsidiaries, joint venture companies and the WHAPF as follows.

Companies	Description of Business	Investment Ratios	Investment Amount per Cost (Baht-mn)
<u>Subsidiaries</u>			
- WHA Alliance Co., Ltd.	Lease out the factories, warehouses and other real estates	99.99	331.40
- Warehouse Asia Alliance Co., Ltd.	Lease out the factories, warehouses and other real estates	99.99	566.88
<u>Joint Venture Companies</u>			
- WHA KPN Alliance Co., Ltd.	Lease out the factories, warehouses and other real estates	64.97	0.16
- WHA Gunkul Green Solar Roof 1 Co., Ltd.	Generate and distribute electricity from rooftop solar energy	74.99	2.16
- WHA Gunkul Green Solar Roof 2 Co., Ltd. ¹⁾	Generate and distribute electricity from rooftop solar energy	74.99	0.19
- WHA Gunkul Green Solar Roof 3 Co., Ltd.	Generate and distribute electricity from rooftop solar energy	74.99	2.72
- WHA Gunkul Green Solar Roof 4 Co., Ltd. ¹⁾	Generate and distribute electricity from real estates	74.99	0.19
- WHA Gunkul Green Solar Roof 5 Co., Ltd. ¹⁾	Generate and distribute electricity from rooftop solar energy	74.99	0.19
- WHA Gunkul Green Solar Roof 6 Co., Ltd.	Generate and distribute electricity from rooftop solar energy	74.99	2.72
- WHA Gunkul Green Solar Roof 8 Co., Ltd. ¹⁾	Generate and distribute electricity from rooftop solar energy	74.99	0.02
- WHA Gunkul Green Solar Roof 9 Co., Ltd. ¹⁾	Generate and distribute electricity from rooftop solar energy	74.99	0.02
- WHA Gunkul Green Solar Roof 10 Co., Ltd.	Generate and distribute electricity from rooftop solar energy	74.99	2.91
- WHA Gunkul Green Solar Roof 16 Co., Ltd. ¹⁾	Generate and distribute electricity from rooftop solar energy	74.99	0.02
- WHA Gunkul Green Solar Roof 17 Co., Ltd.	Generate and distribute electricity from rooftop solar energy	74.99	3.00
- WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund	Investment in real estate in category of warehouse, distribution center and factory	15	1,396.17

Remark: ¹⁾ Not undertake business operation. In the process of preparation of bidding to be filed in respect of the sale and purchase agreement on rooftop-solar electricity.

In business management of the subsidiaries and joint venture companies, the Company will appoint its representative to serve as the director of such companies at the appropriate ratio to supervise the business operation of the subsidiaries and joint venture companies in appropriate director for the best benefits of the Company.

The Company has the policy in investment in the real estate via WHAPF at the ratio of not exceeding 15-20% of all investment units to generate steady dividend income annually. However, investment in WHAPF depends on the need for investment and amount which may be raised from sale of assets to WHAPF during such period. Investment in WHAPF may, therefore, be different from the investment policies as specified. However, the Company does not control or participate in setting up the policy of WHAPF.

Legal Dispute

- None -

Detail of Board of Directors, Executive Directors, Controllers and Company Secretary

Name/Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years		
					Period	Position	Type of Business
Mr. Somyos Anantaprayoon Chairman and Chief Executive Officer (The director having authority to sign for binding the company as set forth in the affiliates) Date of appointment: April 23, 2012	54	- Doctor of Medicine, Mahidol University - Specialist doctor for Obstetrics and Gynecology, Rajavithi Hospital - Master Degree of Business Administration for executives, Faculty of Commerce and Accountancy, Thammasat University - DAP course, 2012	30.92	The spouse of Mrs. Jareeporn Anantaprayoon	2007 - Present	Chairman and Chief Executive Officer	Property developer on warehouses and factories
					2013 - Present	Director	Property developer on warehouses and factories
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy

Name/Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years		
					Period	Position	Type of Business
Mrs. Jareeporn Anantaprayoon Director And Managing Director And Acting Director of Business Development Department (The director having authority to sign for binding the company as set forth in the affiliates) Date of appointment: April 23, 2012	47	- Bachelor Degree in Faculty of Public Health, Mahidol University - Master of Business Administration, Bangkok University - DAP course, 2012	31.80	The spouse of Mr. Somyos Anantaprayoon	2013 - Present	Director	Securities company
					2013 - Present	Director	Securities trading
					2006 - Present	Director	Property developer on warehouses and factories
					2003 - Present	Director	Property developer on warehouses and factories
					1993 - Present	Director	Distribution of plastic products
					2007 - Present	Director, Managing Director And Acting Director of Business Development Department	Property developer on warehouses and factories
					2013 - Present	Director	Property developer on warehouses and factories
					2013 - Present	Director	Property developer on warehouses and factories
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy

Name/Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years		
					Period	Position	Type of Business
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
Surathian Chakthranont Director Date of appointment: April 23, 2012	62	- Bachelor Degree of Engineering Program in Environmental Engineering, Chulalongkorn University - The Honorary Doctorate Degree in Technology, Shinawatra University - DAP course, 2012		None	2012 - Present	Director	Property developer on warehouses and factories
					2008 - Present	Chairman Of The Board	Property developer on warehouses and factories
					2008 - Present	Director	Property developer on warehouses and factories
					2009 - Present	Executive Director Of Cluster Renewable Energy Management	Distribution of plastic products
					2004 - 2011	Director and Chairman of the risk management board	Property developer on warehouses and factories
					2006 - Present	Director	Bio-diesel manufacturer
							Bio-diesel manufacturer
							The office under Ministry of Science and Technology
							Mutual Fund Management
							Paper and cardboard manufacturer

Name/Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years		
					Period	Position	Type of Business
Mr. Jakrit Chaisanit Director And Manager Of Construction Project Management Department Date of appointment: April 23, 2012	41	- Bachelor Degree of Engineering Program in Civil Engineering, Faculty of Engineering, Chulalongkorn University - Master of Engineering in Project Management, Faculty of Engineering, University of Maryland - DAP course, 2012	0.98	None	2012 - Present	Director And Manager Of Construction Project Management Department	Property developer on warehouses and factories
					2003 - Present	Managing Director	Constructor business
Mr. Somsak Boonchoyruengchai Director And Manager Of Finance And Accounting Department Date of appointment: April 23, 2012	44	- Bachelor Degree of Accounting, Faculty of Business Administration, Rajamangala University of Technology - Master Degree of Accounting, Faculty of Commerce and Accounting - DAP course, 2012	0.02	None	2012 - Present	Director And Manager Of Finance And Accounting Department	Property developer on warehouses and factories
					2013 - Present	Director	Property developer on warehouses and factories
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2004 - Present 1995 - Present	Director Director and Managing partner	Honesty Auditing Co., Ltd. A. Ruengroj Furniture Part., Ltd. Accounting audit service Furniture producer and interior design

Name/Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
Mr. Narong Kritchanchai Director Date of appointment: April 23, 2012	38	- Bachelor Degree of Law, Thammasat University - Master Degree of Law, Cornell University - DAP course, 2012		None	2012 - Present	Director	WHA Corporation Public Co., Ltd.	Property developer on warehouses and factories
					2006 - Present	Director	Nakit Property Co., Ltd.	Property developer on housing development housing for sale
					2006 - Present	Director	RL Counsel Co., Ltd.	Legal counsel
Dr. Pichit Akkrathit Independent Director And Chairman Of Audit Committee Date of appointment: April 23, 2012	59	- Bachelor Degree of Economic, Thammasat University - Master Degree of Business Administrative, Thammasat University - Ph. D. of Economic, University of Texas at Austin - DCP course 2002 - DAP course 2004		None	2012 - Present	Independent Director and Chairman of Audit Committee	WHA Corporation Public Co., Ltd.	Property developer on warehouses and factories
					2013 - Present	Director and Chief Executive Officer	Asia Wealth Securities Co. Ltd.	Securities company
					2013 - Present	Director	Asia Wealth Holding Co. Ltd.	Securities trading
					2014 - Present	Director	Board of Government Pension Fund	Pension Fund
					2008 - Present	Director	Faculty of Commerce and Accounting, Thammasat University	Work of board of university
					1996 - Present	Managing Director of College of Innovation	Thammasat University	University
					1999 - 2013	Directors of National Research Council of Thailand on Economic field	National Research Council of Thailand	National Research Council of Thailand
					2011 - 2012	Chairman of The Board	Kiatnakin Fund Management	Securities company
					2010 - 2012	Director	Chamber of National Institute of Development Administration (NIDA)	Chamber of National Institute of Development Administration (NIDA)
					2009 - 2011	Chairman of The Board	Thai Credit Guarantee Corporation	Financial Institute of the state under the supervision of the Ministry of Finance
					2009 - 2011	Director	Thailand Futures Exchange (TFEX)	Center of trade derivatives products from the SEC
					2004 - 2010	Specialized Committee Member	The Energy Fund Administration Institute (Public Organization) under Ministry of Energy	Ministry of Energy
					2002 - 2010	Director Executive Director and Managing Director	MFC Asset Management Public Co., Ltd.	Fund management

Name/Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years		
					Period	Position	Type of Business
					2008 - 2009	Chairman of The Risk Management Sub-committee	Office of Knowledge Management and Development
					2008 - 2009	Chairman of The Executive Director Board	Small and Medium Enterprise Development Bank of Thailand
					2007 - 2008	Chairman of The Risk Management Board	Small and Medium Enterprise Development Bank of Thailand
					2006 - 2008	Director and Chairman of The Risk Management Board	The Stock Exchange of Thailand
					2006 - 2008	Director	The Thailand Securities Depository Co., Ltd.
					2002 - 2008	Director and Executive Director	Export-Import Bank of Thailand
					2005 - 2007	Director of the Corporate Good Governance Board	Government Savings Bank
							Financial institution
Dr. Somsak Pratomrimek Independent Director and Audit Committee Date of appointment: April 23, 2012	42	- Bachelor Degree of Accounting, Burapha University - Master Degree of Accounting, Science, Thammasat University - Ph.D. of Accounting, Chulalongkorn University - DAP Course, 2012 - Certificate of Thai Financial Reporting Standard, 2013	None		2012 - Present	Independent Director and Audit Committee	WHA Corporation Public Co., Ltd.
					1999 - Present	Professor of Faculty of Management and Tourism, Department of Accounting and Business Administration	Burapha University, Bangsaen, Chonburi
					2010 - Present	Sub-committee on the Monitoring of the Development of IFRS	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
					2008 - 2011	Director of Academic Council of Rajmanagala University of Technology suvamabhum	Rajamangala University of Technology Suvamabhum
					2007 - 2010	President of Master Accountancy Program, Burapha University	Burapha University, Bangsaen, Chonburi
					2006 - 2010	Assistant Dean of Planning Faculty of Management and Tourism	Burapha University, Bangsaen, Chonburi
							University
							University

Name/Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years		
					Period	Position	Type of Business
Dr. Kritsana Sukboontasatit Independent Director and Audit Committee Date of appointment: April 23, 2012	43	- Bachelor Degree of Business Administration - Master Degree of Business Administration, Chulalongkorn University - Ph.D. of Arts, Khon Kaen University - DAP course, 2012		None	2012 - Present	Independent Director and Audit Committee	Property developer on warehouses and factories
					2003 - Present	Managing Director	Consultant Business Excellence Consulting Co., Ltd.
					2004 - 2007	Vice President	Goods factory
					2003 - Present	Auditor of the Thailand Quality Award	Carpet Maker (Thailand) Co., Ltd. Office of Thailand Quality Award
Mr. Attavit Chalermphasayakorn Chief Financial Officer Date of appointment: June 20, 2013	37	- Bachelor Degree of Business Administrative, Faculty of Commerce and Accountancy, Thammasat University - Master Degree of Science, Majoring in Finance, University of Illinois (Urbana-Champaign) - DAP course, 2013		None	2013 - Present	Chief Financial Officer	Property developer on warehouses and factories
					2013 - Present	Director	Property developer on warehouses and factories
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2013 - Present	Director	Generator and distributor of electronic power from solar energy
					2011 - 2013	Senior Vice President, Investment Banking Division	Bank and Financial institution
					2007 - 2011	Senior Vice President, Investment Banking Division	Securities company

Name/Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
Mr. Thanapatr Anantaprayoon Acting Manager of Operating Solution Department Date of appointment: May 25, 2012	51	- Bachelor Degree of Business Administration, Sukhothai Thammathira Open University	0.09	Brother of Mr. Somyos Anantaprayoon	2010 - Present	Acting Manager of Operating Solution Department	WHA Corporation Public Co., Ltd.	Property developer on warehouses and factories
					2006 - 2011	Manager of Coordinating Department	Warehouse Asia Alliance Co., Ltd.	Property developer on warehouses and factories
Mr. Kasamsi Sakunchaisriwitt Company Secretary Date of appointment: May 25, 2012	44	- Bachelor Degree of Law, Thammasat University - Master Degree of Law, Temple University		None	2012 - Present	Company Secretary	WHA Corporation Public Co., Ltd.	Property developer on warehouses and factories
					2009 - Present	Director	RL Counsel Co., Ltd	Legal Counsel

Detail of Board of Directors, Executive Directors, Controllers and Company Secretary

Name	WHA Corporation Public Co., Ltd.	Subsidiary Company						Related Company													
		Warehouse Alliance Co., Ltd.	WHA KPN Alliance Co., Ltd.	WHA Gunkul 1,3,5	WHA Gunkul 2,4,6	WHA Gunkul 8,9,10,16,17	WHA -KPN	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Mr. Somyos Anantaprayoon	X, III	I	I	I	I	I	I	I													
Mrs. Jareeporn Anantaprayoon	I, III	I	I	I	I	I	I	I													
Surathian Chakthranont	I								X, I	III	I, IV	I									
Mr. Jakrit Chaisanit	I, III												III								
Mr. Somsak Boonchoyruengchai	I, III							I	I					I	I, III						
Mr. Narong Kritchanchai	I															I	I				
Dr. Pichit Akkrathit	II, V										I, III							X	X	III, IV	I
Dr. Somsak Pratomsimek	II, V																				
Dr. Kritsana Sukboontasatit	II, V																				
Mr. Artavit Chalernsaphayakorn	III			I	I		I														
Mr. Thanapatr Anantaprayoon	III	III																			
Mr. Kasamsi Sakunchaisiriwit	VI																				

Remark: X = Chairman of the Board/ I = Director/ II = Independent Director / III = Executive Director/ IV = Director of Risk Management / V = Audit Committee/ VI = Company Secretary

Related Company

- 1) S & J Holding Co., Ltd.
- 2) E-ester Co., Ltd. and E-ester (Bangkok) Co., Ltd.
- 3) National Science and Technology Development Agency (NSTDA)
- 4) MFC Asset Management Public Co., Ltd.
- 5) Siam Paper Public Co., Ltd.
- 6) A&J Builder Co., Ltd
- 7) Honesty Auditing Co., Ltd.
- 8) A. Ruengroj Furniture Part., Ltd
- 9) Nakit Property Co., Ltd.
- 10) RL Counsel Co., Ltd
- 11) Kiatnakin Fund Management
- 12) Thai Credit Guarantee Corporation
- 13) Small and Medium Enterprise Development Bank of Thailand
- 14) Thailand Futures Exchange (TFEX)

Detail of Board of Directors, Executive Directors, Controllors and Company Secretary

Name	WHA Corporation Public Co., Ltd.	Subsidiary Company						Related Company													
		Warehouse Asia Alliance Co., Ltd.	WHA KPN Alliance Co., Ltd.	WHA Gunkul 1,3,5	WHA Gunkul 2,4,6	WHA Gunkul 8,9,10,16,17	WHA -KPN	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Mr. Somyos Anantaprayoon	X, III	I	I	I	I	I	I				I	I									
Mrs. Jareeporn Anantaprayoon	I, III	I	I	I	I	I	I				I	I									
Surathian Chakthranont	I																				
Mr. Jakrit Chaisanit	I, III																				
Mr. Somsak Boonchoyruengchai	I, III					I	I														
Mr. Narong Kritchanchai	I																				
Dr. Pichit Akkrathit	II, V							I, III	I, IV	I	I, III	I	IV	I	I	I	I	I			
Dr. Somsak Pratomsimek	II, V																				
Dr. Kritsana Sukboontasatit	II, V																		III		III
Mr. Arttavit Chalemsaphayakorn	III			I	I		I														
Mr. Thanapatr Anantaprayoon	III	III																			
Mr. Kasamsi Sakunchaisirwit	VI																				

Remark: X = Chairman of the Board/ I = Director/ II = Independent Director / III = Executive Director/ IV = Director of Risk Management / V = Audit Committee/ VI = Company Secretary

Related Company

- 15) Export-Import Bank of Thailand
- 16) The Stock Exchange of Thailand
- 17) The Thailand Securities Depository Co., Ltd.
- 18) Asia Wealth Securities Co., Ltd.
- 19) Asia Wealth Holding Co., Ltd.
- 20) Office of Knowledge Management and Development
- 21) Faculty of Commerce and Accountancy, Thammasat University
- 22) Board of Government Pension Fund
- 23) The Energy Fund Administration Institute (Public Organization) under Ministry of Energy
- 24) National Research Council of Thailand
- 25) National Institute of Development Administration (NIDA)
- 26) College of Innovation, Thammasat University
- 27) Business Excellence Consulting Co., Ltd.
- 28) Carpet Maker (Thailand) Co., Ltd.

Risk Factors

1. Risk from Business Operations

1.1 Risks from competition of Industrial Estate Developers and other developers

Currently, the industrial estate developers and other developers may start to construct the factories and warehouses for rent similar to the Group's Companies' business. However, most of them who transfer or lease the ready-built factory and warehouse are still confined to each own respective industrial estate area whereas the Group of Companies emphasizes on the development of premium quality warehouse which requires complicated design to be responsive to customers' requirements (Built-to-Suit) which tailor to each requirement. In addition, the Group of Companies aims to utilize our expertise in construction design and technology for Built-to-Suit concept to develop the warehouse farm project in that it requires the high level of the construction technology for other specific customers e.g. those who require the expansion area in the future and for general warehouse referring to potential new customers who require immediate space. The warehouse farm project is still situated in the prime logistics location where it can be responsive to the customer's requirements. As such, the Group of Companies is able to differentiate ourselves from other competitors.

Presently, there are a few players engaging in the high-quality built-to-suit as a result of high barrier of entry and difficult to succeed. This is mainly attributable to the fact that the project requires the expertise and dedicated knowledge to understand the sophisticated customer's requirements, capital-intensive business and in-depth understanding in relation to the locations and ability to procure and invest in land which can respond to customer's need. Furthermore, the expertise and flexibility as well as the patience to conduct the extensive design of the products to achieve the utmost benefit of the customers coupled with the proven track record and credentials which enable us to be entrusted by the multi-national companies having high standard of selection criteria. In addition, the Group of Companies has a policy to continuously improve and develop the quality of the warehouse and services going forward.

1.2 Risk of securing the tenants for the developing projects and renewal risk for the core existing ones

Most of the Group of Companies' rental business are Built-to-Suit where the contract shall be executed prior to the construction and another one so called general warehouse.

For Built-to-Suit type, lease agreements are entered into prior to constructions. Therefore, the risk of unoccupied tenants is low and most of tenants are likely to renew the contract as there has been the discussion between the Group of Companies and tenants at the outset. In addition, the Group of Companies focuses on design, construction and service to provide the highest benefits to customers and draw satisfaction and confidence to the Group of Companies. Further, cost of relocation is considered high. The risk of tenants deciding not to extend lease term is therefore low. During the years 2009 to 2013, most tenants of the Group of Companies (such as DKSH (Thailand) Co., Ltd., Menlo Worldwide (Thailand) Co., Ltd., KAO Commercial (Thailand) Co., Ltd., Nissan Motor (Thailand) Co., Ltd., Hitachi Transport System (Thailand) Co., Ltd., DSG International (Thailand) Co., Ltd.) not only lease the areas in accordance with the existing agreements but also continuously expand the lease area with the Group of Companies. If the tenants decide not to

extend the lease term, the Group of Companies may modify the projects, despite dubbing as the Built-to-Suit type, to correspond the need of new tenants. With the advantage of location, quality of construction and system work as well as understanding and in-depth knowledge of the Group of Companies in design and construction management, the Group of Companies is confident that new tenants is able to be procured within the appropriate period of time. In addition, the Group of Companies will have leading time to procure the new tenants as the the conditions of lease agreements require existing tenants to notify at least 3-12 month in advance.

For the General Warehouse type, there may be risks on securing new tenants because the projects will be developed prior to execution of lease agreement. However, the Group of Companies focuses on location, design and quality of structure of the project and maintains its high standard of the projects. In this regard, good feedback has been well received from prospective tenants. In 2013, the Group of Companies has completed General Warehouse projects for the areas of 199,359 sq.m. Such projects mostly have those who are interested or execute a letter of intent to lease prior to completion of constructions. The risk of tenants not extending the lease term of the project of General Warehouse is quite low. This is because quality of the projects meets to the customers' requirement and is well recognized. Further, cost of relocation is relatively high. In addition, if there are vacant areas due to lease term not being renewed, the Group of Companies is flexible to offer the project to other tenants.

1.3 Risks on overdue rental payment under lease agreements

The risk arising from overdue rental payment under lease agreement may arise in case the customers are negatively affected from the economic and industry downturn or from their business operation resulting in their financial status thus, affecting their ability to pay rent. The Group of Companies may be affected from reduction in rental revenue or significant impact on the financial liquidity.

However, the Group of Companies expects that the impact will be minimal because the major group of customers is leading companies having reliability, and high degree of financial stability. Moreover, the Group of Companies requires tenants to place deposit in cash or in the form of bank guarantee for securing the payment of rental and service fee. The condition in the lease agreements for the projects of Built-to-Suit type provides that if the tenants terminate the lease agreements prior to expiry period, the tenants must pay compensation which shall be equal to the remaining of rental for the remaining period to the Group of Companies.

1.4 Risk of reliance on the few contractors

The core business of the Group of Companies is to develop projects for rent and sale. The Group of Companies will hire contractors under turnkey contracts to construct in accordance with the pre-agreed design with customers. Over the past, the Group of Companies has a process of selecting well-known contractors under the qualification requirement specified by the Group of Companies to be the short list. However, the contractor who has been awarded over the past has been B.S.Y. Construction Co., Ltd. to construct almost every project as they have been qualified for selection criteria i.e. the quality, construction cost, expertise and experiences, capability to deliver the projects on schedule, as well as after sale service. For the Built-to-Suit projects, the tenants are also involved in the selection of contractor process. Therefore, there may be a risk of reliance on B.S.Y. Construction Co., Ltd. For the development of the Group of Companies' projects.

However, the Group of Companies does not have a policy to hire only B.S.Y. Construction Co., Ltd. and always open to work with other contractors who possess the similarly high standard of work. The selection procedures of contractors are systematically and transparently through the

bidding process to select an appropriate contractor for each project, except for the case the customers, especially the Built-to-Suit projects customers, or the former customers specifically specify the contractor.

The Group of Companies' business requires a number of factors including source of funds, expertise of identifying land location, design and building layout as well as a good relationship with customers, etc. This is the capability of the Group of Companies on developing high quality projects, not dependent on any contractor. Rather, this is to combine many key considerations and work with customers, contractors and other related organizations. B.S.Y. Construction Co., Ltd. has engaged in the construction business and been widely recognized in the market for more than 20 years. They are not intended to engage the conduct the same business of the Group of Companies's. In addition, B.S.Y. Construction Co., Ltd. is not a related party of the Group of Companies. The Group of Companies is regarded their good business partner.

In addition, the Company entered the Memorandum of Understanding (MOU) with B.S.Y. Construction Co., Ltd. on March 22, 2012 to govern on business collaboration specifying frameworks for cooperation of product development in respect of both quality and price quotation to fulfill customers' need and effectively compete with competitors. Such agreement also provides for applying knowledge for development of products, technical data and/or relevant know-how and benefit for constructing warehouses, distribution centers or factories which shall be jointly owned by the Company and B.S.Y. Construction Co., Ltd. Moreover, B.S.Y. Construction Co., Ltd. agrees to participate in the bidding process for Built-to-Suit projects when requested by the Company. B.S.Y. Construction Co., Ltd. agrees not to disclose the technical data and knowledge developed jointly with the Company, or to use it in construction work of the Company's competitors or to enter into similar business collaboration agreements with competitors of the Company without consent from the Company. On the other hand, the Company does not have obligations to hire any specific contractors. Therefore, the Group of Companies may hire any contractors, not necessarily to be B.S.Y. Contractor Co., Ltd. The Group of Companies thus may work with other contractors applying the jointly-developed knowledge to develop projects under the standard specified by the Company for the highest benefit of the Company and tenants without breaching the MOU.

1.5 Risk of land procurement policy for development of projects in the future

The Group of Companies has a land procurement policy focusing on procuring land having potential and able to be developed immediately or in the near future. Therefore, the Group of Companies does not have policy to purchase lots of land bank without development plans or certainty on availability of tenants. However, due to the higher competition arising from land acquisition or land lease in good locations among other players, the Group of Companies has risks of rising land price or in the event that the Company is unable to purchase land in good locations at the appropriate level. This may cause the Group of Companies to have the higher cost of development of projects or to decide not to invest because the return on the investment may not be in accordance with the criteria specified by the Group of Companies.

However, the Group of Companies has continually prepared a land survey and purchasing plan to be in line with project development. The Group of Companies views that purchase of lots of land bank without development plans or certainty on availability of tenants does not correspond to the business plan of the Group of Companies and may cause problem related to financial liquidity to the Group of Companies. Therefore, the Group of Companies focuses on land acquisition in the amount consistent to its business plan whereby the land to be purchased must be able to be developed immediately or in the foreseeable future or to be jointly planned with customers for future

expansion of customers' projects. The Group of Companies also has a policy to invest in leasehold land for some locations taking into account of feasibility of return on investment. This will give rise the flexibility to secure the land to be mutually agreed and developed for the tenants in the better position than other competitors who may accumulate the lots of landbank. This is also flexible for business expansion of tenants and able to manage the land cost to be at the appropriate level.

1.6 Risk of fluctuation of revenue from sale of assets to the WHAPF or Real Estate Investment Trust (REIT) (if set up)

The main revenue of the Group of Companies consists of revenue from rental and service fee, and from sale of investment properties. If in any given year, the Group of Companies does not sell its asset to the Fund, the total revenue and profit of the Group of Companies may fluctuate. For example, in 2011 the sale of assets to the Fund was delayed due to the flood crisis in October 2011 causing the total income from normal operation of the Company in 2011 to be at Baht 240.2 million. However, the sale of assets to the Fund was completed in February 2012. The Company also adjusts its accounting record on the sale of assets to the Fund to record as the sale value of the assets instead of recording only profit from sale of assets. This results that the consolidated financial statements as of December 31, 2012 of the Company which envisaged the total revenue in the amount Baht 2,213.3 million (recognized as the revenue from sale of assets in the amount of Baht 1,808.9 million). The sale of assets to the Fund must obtain resolution from the Fund's unitholders. The Company, a unitholder of the Fund, may not vote in this case because of it is a party having interest in this matter. Therefore, there may be a risk of fluctuation of revenue from sale of assets to the Fund.

In 2013, the Company has completed the sale of assets to the Fund in January and November. The Company realized the income from the sale in the total amount of Baht 6,585.0 million out of the total income of Baht 7,169.0 million.

However, since 2014 onwards, the Fund may not expand its size in accordance with the policy of the regulating authority unless the Fund obtains a resolution to increase its capital before 2014. Accordingly, the Company considers setting up a real estate investment trust or REIT to instead purchase assets of the Company. The Company anticipates to regularly recognize this kind of revenue in the appropriate proportion. With quality projects of the Group of Companies and mutual benefit of the Group of Companies and investors on sale of/leasing out assets to the REIT, value added will be created to return to investors of the REIT and the REIT's expansion, enabling the REIT to have more liquidity and good price of the REIT in the secondary market. The Company expects that the sale of assets to the REIT may continuously be made. Moreover, the Group of Companies may consider selling assets to others interested persons other than the REIT such as tenants of the Projects or other investors, etc.

1.7 Risk of business competition with the Fund

The main revenue of the Fund derives from leasing out assets invested by Fund. Such assets are the projects similar to those developed by the Group of Companies. The Company is also the property manager of the assets belong to the Fund. Therefore, there is a risk on the conflict of interest between the Group of Companies and the Fund in the case that both of the Group of Companies and the Fund have vacant areas required by similar tenants with the nearby location at the same period of time. The Group of Companies has to offer the Fund's assets to prospect customers in accordance to the agreement under which the Group of Companies agrees not to compete with the Fund within the areas of 20 km. from the Fund's properties during the time the Company is the property manager of the Fund.

However, such prospect customers will regularly make decisions from their own requirements, the criteria of which, for example, is location, size, specification and timeframe. Moreover, most lease agreement of both the Group of Companies and the Fund will be long-term ones. Most tenants are required to invest in equipment installation and labor employment which incur relocation cost. In addition, the possibility of the Fund's leasable area become vacant due to the existing tenants not renewing the lease term is quite low because currently, the projects leased by most of tenants of the Fund are the Built-to-Suit type.

The competition between the Group of Companies and the Fund, if any, will be transparent on an arm-length basis. The management of the Group of Companies as both of the project developer for lease and the property manager intends work for all sustainable growth of the Group of Companies and the Fund together.

1.8 Risk of natural disasters and accidents

Occurrence of natural disasters and accidents may cause damage to the Group of Companies' assets including loss of life and properties of staff working in various projects. Most of the Group of Companies' leased out projects are for tenants in the business storage of products which may be sensitive to the flood such as drug, medical materials, consumer products, etc. Therefore, there is a risk to business of tenants/customers of the Group of Companies in the case of occurrence of natural disasters, especially floods, resulting in material adverse effect on business operation of the Group of Companies.

Over the past, The Group of Companies realizes the possibilities of such risk, the Group of Companies pays attention on selecting project location, providing appropriate security systems as well as main roads in the projects to be higher than main public roads in front of the projects or the highest level flood during the past 30 years in such area (whichever is higher) for about 30-50 cm. The building floor in the projects is raised higher than the main road in the project in the project for approximately 0.8-1.5 meters. In addition, the buildings in the projects are designed for constructing a flood barrier with the height of 2 meters from the building floor. It can be seen that no projects of the Group of Companies sustain severed damage from the flood disaster in October 2011 including the warehouse project in Bangpa-In Industrial Estate, Ayutthaya Province which was not materially affected in respect of damage on properties and loss of rental revenue because the rental is still collectable and the tenant does not have tendency to relocate the warehouse or terminate the lease agreement.

Moreover, all of its leasable areas are scattered in different locations, thus diversifying the risk. The Group of Companies also procures insurance covering all damages of natural disaster and accidents for every Project by taking all risk Insurance, which covers all types of risks. After the flooding at the end of 2011, the insurance companies limit the compensation amounts for flood damage differently based on project-by-project depending on location of the project. The Group of Companies will be responsible for repair costs of its Projects damaged by flood if damages exceed the compensation amount as determined by an insurance company. The Group of Company is confident that it has been well planned and created the pre-emptive measures for flooding. Therefore, the likelihood that flooding will hit its Projects that cause the damage over the compensation limit is quite low.

1.9 Risk on fluctuation of Interest Rate

The Group of Companies' operations require high investment. It has loan debt payable to the financial institutions which has not yet become due in one year as of December 31, 2011, 2012 and 2013 in the amount of Baht 1,336.2 million, Baht 2,603.6 million and Baht 3,131.9 million

respectively. Such loans bear floating interest rate. If the interest rates in the market rise, it will be obligated to pay higher interest rates. This will affect the profitability of the Group of Companies decreasingly.

However, its interest rates for the loans from most of the financial institutions currently are not higher than the minimum lending rate or MLR of such institutions. The financial plan for project development of the Group of Companies does not rely solely on loans from financial institutions, but it also has the funding policy and raised funds from other sources on balance, especially through the stock market and sales of its assets to the Fund, which will be the significant source of fund for the future investment. Given the Company is the listed company in the Stock Exchange of Thailand, the Group of Companies is able to increase funding channel through capital market. In 2013, the Company issued the debentures in the total amount of Baht 2,700 million. The Company entered into the Interest Rate Swap transactions where the fixed interest rate applicable to the debentures of Baht 1,630 million was converted to a floating interest rate which resulted in the lower interest rate with the risks at the level acceptable to the Company. The interest rate of the remaining debentures of Baht 1,070 million is still at the fixed interest rate which is considered a mitigation of the Company's risks due to interest rate fluctuation by means of increasing proportion of fixed-interest-rate borrowed money.

1.10 Risk on economic changes, national political changes, and other macro factors

Since most of its customers are multinational companies, the changes of national and global economy will have impact on its customers and income. For example, the global financial crisis and the slowdown of the global economy in 2010 to 2011 could decrease in the production or deferral of the overseas investment. The integration of ASEAN Economic Community (AEC) in 2015, which is intended to create capital and labor movement more freely, may in the future cause the current customers and the target customers decide to relocate their production and investment to another country that can boost their competitive advantages. The domestic political instability, such as political turmoil in 2010, causes negatively image and their interest and confidence to invest in Thailand. Moreover, frequent changes of the government or related working groups cause discontinuity and uncertainty in relation to policies. The Group of Companies may have a risk on such impact, especially the policies related on investment promotion, or development of industrial areas, etc.

However, Thailand is still attractive to foreign investors who want to invest in South East Asia. The reasons why Thailand remains attractive for investment are that it has relatively higher qualified labor and relatively low wage rate, compared to those in Europe and the United States, including other countries in Asia. In addition, the infrastructure i.e. public utility systems can provide stability. Despite the natural disaster in 2011 in Thailand, the overall investment in Thailand has been able to grow. In 2012, the number of applications for applying for BOI was 2,347 while in 2013 the number of applications slightly decreased to 2,237 despite the political turmoil (source: BOI). The uncertainty of economic conditions turned out to have positive effect on the Group of Companies' business. Since most companies need to reduce their operation cost, they decide to lease or outsource their non-core activities as good alternative in such circumstance. Under the economic and political uncertainty in Thailand, the Group of Companies is able to secure bidding and maintain to grow continually. Its average growth rate of its area under management, including the area of the Fund, is up to 39.0% p.a. during 2006 to the end of 2013* and tends to grow continuously.

* Remark: The average growth rate is calculated from the area developed under the management of the Group of Companies in 2006 which is 88,913 sq.m. and the area as of the end of 2013 which is 891,284 sq.m. (including the Fund's area and the tenants' pre-leased area).

2. Risks on management

2.1 Risk on having major shareholder influence on the determination of the management policy

Anantaprayoon family consisting of Mr. Somyos and Mrs. Jareeporn Anantaprayoon, including the juristic persons owned by Anantaprayoon family as major shareholders, hold shares in the Company, as of January 8, 2014, at the proportion of approximately 62.7% of the total paid-up capital, and Anantaprayoon family also serves as the executives and the authorized signatory directors. Therefore, they have power to control the management of the Company as well as almost entirely votes of the shareholders on appointment of the directors or other agendas requiring approval of majority votes in the shareholders' meeting, except for those matters requiring three fourth of the votes of the shareholders' meeting under the law or Articles of Association. As a result, it is so difficult for other shareholders to cast aggregated votes to investigate and veto agenda proposed by the major shareholders.

However, the management structure of the Company, consisting of the Board of Directors and 5 sub-committees, i.e. the Audit Committee, the Executive Committee, Nomination and Remuneration Committee*, Corporate Governance Committee* and Risk Management Committee* (* each of the Committees has been set up in February 2014 pursuant to the resolution of the Board of Directors held on February 18, 2014), each of which has clear scope of roles and authorities, make the management of the Company transparent and auditable.

In addition, the Company has appointed the independent directors, totaling 3 members, to take a role of the Audit Committee member to audit the management of the Board of Directors. The Board of Directors consists of the directors not coming from Anantaprayoon family, totaling 7 out of 9 directors; therefore, they can carefully consider the agenda before proposing to the shareholders' meeting to certain extent. The Company adheres to the guidelines prescribed by the Board of Directors on the connected transactions or the transactions related to the directors or major shareholders or persons who have controlling power over the internal business operation as well as person with conflict of interest, where those persons have no authority to approve transactions at issue. This can further help reduce this risk in this section.

2.2 Risk on dependence on the the staff having high expertise in business

The Company's business is to design, procure and develop the Projects for rent, which requires knowledge and competence of personnel. These personnel play significant roles and responsibilities on each respect of the work such as defining the market strategies, organizing the contracts and pricing, land sourcing, or the project management, etc. Lack of these personnel will affect the capability of the Group of Companies to secure projects and its performance. However, most of key personnel are shareholders of the Group of Companies. It is unlikely that they would resign or work for competitors. Also, in the past year 2013, the Group of Companies employed more skilled personnel. After listing of its stocks on the Stock Exchange of Thailand, the Group of Companies is more widely known, which help the Group of Companies become attractive and attract competent personnel to work for the Group of Companies. The Group of Company has well human resources management policies and tries to create the knowledge management as learning organization to reduce the dependence on certain individual, as well as, deploy various incentive plans which is consistent and competitive to market to reduce such risks.

Capital Structure

1. The Company's Securities

The Company's registered capital as of 31 December 2013 was Baht 917,998,474 and the paid-up capital was totally Baht 917,992,494, which was 917,992,494 ordinary shares at par value of Baht 1 per share.

Material change of paid-up capital is as follows.

	Registered Capital	Particular	Paid-up Capital (Increased/Decreased)	Paid-up Capital
17/04/2013	612,000,000	Share Dividend: 5:1	102,000,000	611,998,983
27/08/2013	611,998,983	Capital Decrease	-1,017	611,998,983
18/09/2013	917,998,474	Share Dividend: 2:1	305,999,491	917,992,494

2. Shareholding Structure

The shareholders on the registered book as of 8 January 2014 are as follows

Shareholders	Shares	Percent
1. Group of Anantaprayoon		
WHA Holding Co., Ltd. ⁽¹⁾	230,418,000	25.10
Mrs. Jareeporn Anantaprayoon	141,786,910	15.45
Mr. Somyos Anantaprayoon	133,686,964	14.56
UBS AG Hong Kong Branch ⁽²⁾	70,000,000	7.63
Total	575,891,874	62.73
2. Group of Cholkadeedamrongkul		
Mr. Sompong Cholkadeedamrongkul	40,212,900	4.38
Mr. Sompong Cholkadeedamrongkul held by Asset Plus Fund Management	33,820,000	3.68
Mrs. Warunee Cholkadeedamrongkul	6,030,000	0.66
Total	80,062,900	8.72
3. Group of Charukornsakul		
Mr. Wuthi Charukornsakul	18,474,000	2.01
Ms. Jaruwan Charukornsakul	2,798,418	0.30
Mr. Thira Charukornsakul	998,400	0.11
Total	22,270,818	2.43
4. Ms. Thanadee Tangsithichoke	18,305,000	1.99
5. Ms. Nalinrat Sae Ng	10,081,500	1.10
6. Mrs. Chaleow Srichaiwat	9,966,000	1.09
7. Mr. Jakrit Chaisanit	9,030,000	0.98
8. HSBC (Singapore) Nominees Pte Ltd.	8,326,768	0.91

Shareholders	Shares	Percent
9. Mr. Somchai Klongpramong	8,290,000	0.90
10. Mr. Surachai Tipanamchai	8,249,000	0.90
Total Top Ten of Shareholders	750,473,860	81.75
Other Minority Shareholders	167,518,634	18.25
Grand Total	917,992,494	100.00

Remark (1) WHA Holding Co., Ltd. is a juristic person is the holding company. As of March 23, 2012, it has its registered capital at Baht 5,000,000 being 1,000,000 ordinary shares at its par value of Baht 5 per share. The list of shareholders are as follows:

<u>Shareholder</u>	<u>No. of Share</u>	<u>%</u>
Mr. Somyos Anantaprayoon	500,000	50.0
Mrs. Jareeporn Anantaprayoon	499,999	50.0
Ms. Jaruwan Charukornsakul	1	0.0
Total	1,000,000	100.0

Remark (2) UBS AG Hong Kong Branch is a securities company incorporated in Hong Kong, and the beneficiaries of the shares held by it are Mr. Somyos and Mrs. Jareeporn Anantaprayoon.

3. Other Securities

3.1 Debentures

As of December 31, 2013, the Company has Baht 2,700 mn debentures, in 3 tranches, details of which are as follows.

	Debentures-1/2013		
	1 st Tranche of Debentures with Redemption in Year 2016	2 nd Tranche of Debentures with Redemption in Year 2017	3 rd Tranche of Debentures with Redemption in Year 2018
Type of Debentures	Non-Deferred, Unsecured Named Debentures without Debentureholders Representative with 3 Tranches		
Underwriter	Siam Commercial Bank Public Company Limited		
Nominal Value	Baht 1,000		
Sale Price per Debenture	Baht 1,000		
Total Value of Debentures	Baht 1,630,000,000	Baht 500,000,000	Baht 570,000,000
Number of Debentures	1,630,000 units	500,000 units	570,000 units
Issuance Date	3 years from issuance date	4 years from issuance date	5 years from issuance date
Maturity Date	September 20, 2013		
Interest Rate	September 20, 2016	September 20, 2017	September 20, 2018
Interest Payment	4.24 % p.a.	4.55 % p.a.	4.84 % p.a.
Interest Payment Date	semi-annually	semi-annually	semi-annually
Prepayment	None		
Credit Rating by Fitch Rating (Thailand) Co., Ltd.	A- (tha) as of July 30, 2013		

3.2 Bill of Exchange

As of December 31, 2013, the Company issued Baht 200 mn Bill of Exchange, details of which are as follows.

Bill of Exchange	
Issued Date	12 December 2013
Issuer	Asia Plus Securities Public Company Limited
Amount	Baht 200 mn
Repayment Date	90 days from issuance date of B/E
Security	None

4. Dividend Policy

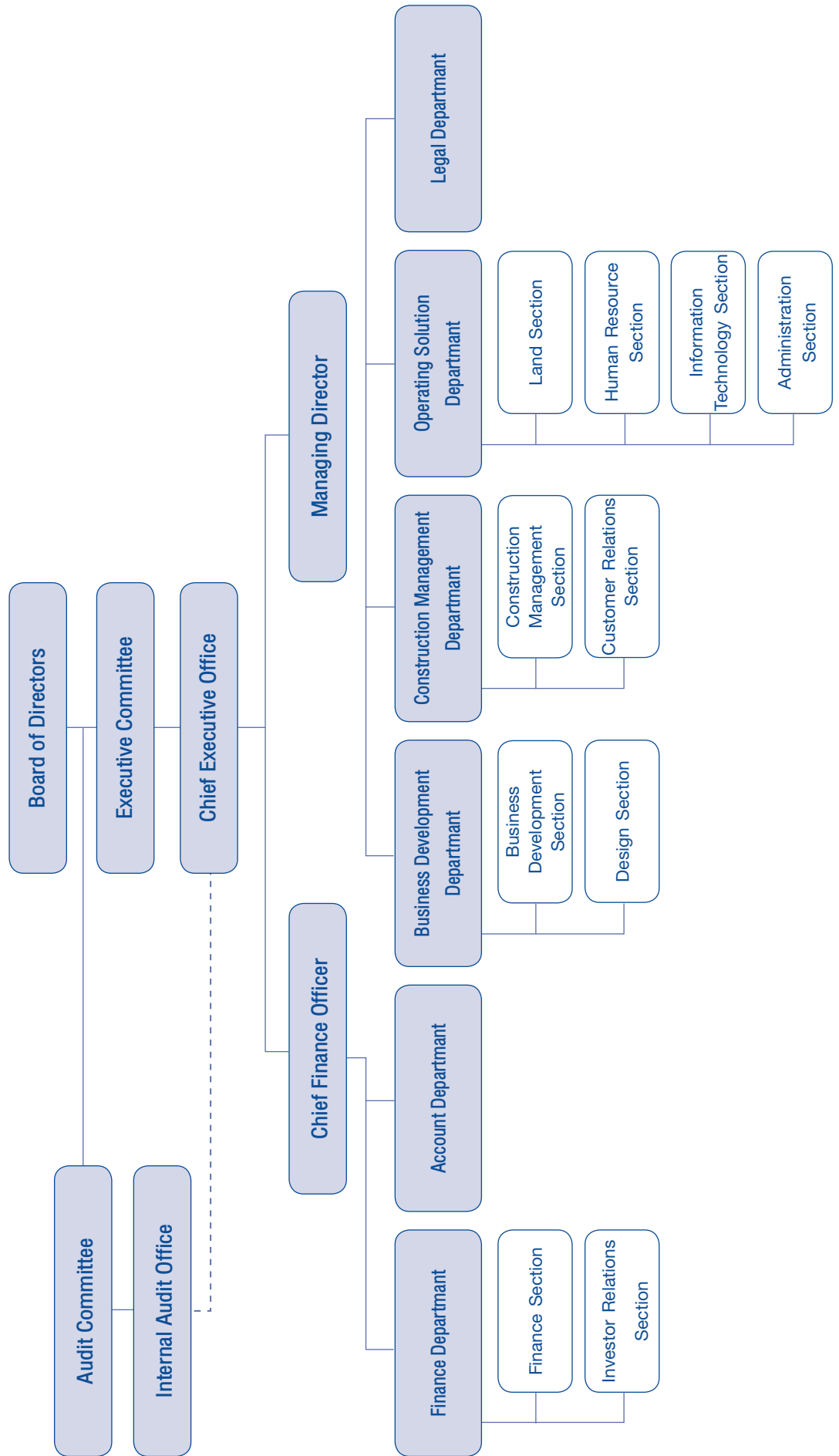
The Company has a policy to pay out dividend at not less than 40.0% of its net profits on its separate financial statements after deduction of the corporate income tax and legal reserve in each year. The Company shall consider on dividend payment based on factors that deem to be the most beneficial to the shareholders such as the Company's performance and financial status, investment plans on each period as it deemed reasonable or appropriate by the Board of Directors. The dividend payment shall not have significant impact on the Company's normal operation. The resolution of the Board of Directors on dividend payment has to be proposed to the shareholders for approval, except payment of the interim dividend where the Board of Directors has its authority to approve and then report to the shareholders on the next shareholders' meeting.

Its subsidiaries have a policy to pay out dividend at no less than 20.0% of its net profits on their respective separate financial statements after deduction of the corporate income tax and legal reserve in each year. The dividend payment of its subsidiaries is done based on consideration of the most beneficial to the shareholders such as the subsidiary's performance and financial status, investment plans on each period as it deemed reasonable or appropriate by the Board of Directors of its subsidiary. The dividend payment shall not have significant impact on the subsidiaries' normal operation. The resolution of the Board of Directors of its subsidiaries on dividend payment has to be proposed to the shareholders for approval.

Management

1. The Company Structure

The Company Structure as of December 31, 2013 is as follows:



In the Company Structure, there are 6 Boards namely:

1. The Board of Directors
2. The Executives Committee
3. The Audit Committee
4. The Nomination and Remuneration Committee
5. The Corporate Governance Committee
6. The Risk Management Committee

It was appointed pursuant to the resolution of the board of directors no. 1/2557 held on February 18, 2014 and will perform the duty after the appointment.

1.1 The Board of Directors

The Company's Board of Directors as of December 31, 2013 consisted of 9 directors as follows:

Name	Position
1. Mr. Somyos Anantaprayoon	Chairman
2. Mrs. Jareeporn Anantaprayoon	Director
3. Mr. Surathian Chakthranont	Director
4. Mr. Jakrit Chaisanit	Director
5. Mr. Narong Kritchanhai	Director
6. Mr. Somsak Boonchoyruengchai	Director
7. Dr. Pichit Akrathit	Independent Director and Chairman of the Audit Committee
8. Dr. Somsak Pratomsrimek	Independent Director and Audit Committee
9. Dr. Kritsana Sukboonyasatit	Independent Director and Audit Committee

Company Secretary: Mr. Kasamsi Sakunchaisiriwit

Authorized Directors

The Directors who have authority to sign for binding the Company are Mr. Somyos Anantaprayoon and Mrs. Jareeporn Anantaprayoon jointly sign with any one of Mr. Jakrit Chaisanit, Mr. Narong Kritchanhai or Mr. Somsak Boonchoyruengchai, altogether 3 persons, with the Company's seal affixed.

Scope of Authorities and Responsibilities of the Board of Directors

1. To perform their duties in compliance with laws, rules, regulations or notification of the Securities and Exchange Commission of Thailand, the Capital Market Supervisory Board, and the Stock Exchange of Thailand that relate to the Company's objectives, the Articles of Association, the resolutions of the Board of Directors and the resolutions of the shareholders' meeting with their accountabilities, carefulness, and integrity;
2. To determine details and approve the Company's vision, business strategies, business direction, business policies, goal, guidelines, strategic plans, and budgets of the Company and its subsidiaries that prepared by the Executive Committee and the Executive.
3. To monitor the Executive and operation of the Executive Committee, Chief Executive Officer, the Executive, or any persons who take responsibilities on such duties in accordance with the Company's policies determined by the Board of Directors;
4. To constantly follow up the Company's performance to be in compliance with the operating plan and budget of the Company;
5. To procure the Company and its subsidiaries to apply appropriate and efficient accounting systems, and to provide internal control and internal audit systems;

6. To arrange the preparation of balance sheet and income statements at the end of the Company's fiscal year and certify such statements in order to propose to the shareholders at the annual general shareholders' meeting for their approval;
7. To consider and approve the selection and appointment of the Company's auditor, and the appropriate audit fee proposed by the Audit Committee prior to propose to the shareholders at the annual general shareholders' meeting for approval;
8. To prepare policy in relation to good corporate governance principle in writing and efficiently apply such policy to ensure that the Company be fairly responsible to all relevant group of persons;
9. To consider and approve the appointment of person who has qualification and is not prohibited under the Public Limited Company Act, B.E. 2535 (as amended), the Securities Exchange Act, B.E. 2535 (as amended), including other relevant notifications, regulations and/or rules to substitute a vacancy in the Board of Directors for reasons other than the termination of the term of office, and to consider and approve the appointment of the director to replace the one retiring by rotation, and determine the director's remunerations as proposed by the Remuneration and Nomination Committee in order to propose the shareholders in the annual general shareholders' meeting for approval;
10. To appoint sub-committee such as the Audit Committee, the Executive Committee, the Corporate Governance Committee, the Remuneration and Nomination Committee, the Risk Management Committee, or other committee, including determining their duties and authorities in order to support the Board of Directors' management;
11. To determine and change the director's name who has authority to sign for binding the Company;
12. To consider and appoint the Executive as defined by the Securities and Exchange Commission or the Capital Market Supervisory Board, and the Company Secretary, including determining their remuneration;
13. To seek profession opinions from external organizations if necessary for making appropriate decision;
14. To support the Company's Directors and Executive to attend any seminars held by Thai Institute of Directors on the program of Duties and Responsibilities of the Directors and the Executive.

The assignment of authorities and responsibilities of the Board of Directors shall not cause the Board of Directors or the sub-authorized person to be entitled to approve the transaction where itself or a person who has a conflict of interest (as defined in the Notification of the Securities and Exchange Commission or the Notification of the Capital Market Supervisory Board) may have interests or other types of benefit or conflict of interests with the Company or its subsidiaries, except the transaction was approved in compliance with the policy and principle approved by the shareholders meeting or the Board of Directors' meeting.

1.2 The Executive Committee

The Executive Committee as of December 31, 2013 consisted of 6 members as follows:

Name	Position
1. Mr. Somyos Anantaprayoon	The Chairman of the Executive Committee
2. Mrs. Jareeporn Anantaprayoon	The Executive Committee
3. Mr. Jakrit Chaisanit	The Executive Committee
4. Mr. Narong Kritchanai	The Executive Committee
5. Mr. Somsak Boonchoyruengchai	The Executive Committee
6. Mr. Arttavit Chalernsaphayakorn	The Executive Committee

Scope of Authorities and Responsibilities of the Executive Committee

1. To screen the Company's business plan and budget prior to propose to the Board of Directors for approval;
2. To screen the Company's policies and operation measurement prior to propose to the Board of Directors for approval;
3. To give opinion, advice and consider to approve the matters relating to the Company's normal business operation under the amount or annual budget approved by the Board of Directors or to perform any activities assigned by the Board of Directors;
4. To consider and approve specific matters or operations within the following amount:
 - (A) To approve the execution of the Company's project under the following conditions:
 - (1) The total investment in each project shall not exceed Baht 500,000,000;
 - (2) The building to be constructed in the project shall not over 20,000 square meters.
 - (B) To approve the purchase of land in the amount not exceeding Baht 100,000,000 per time.
 - (C) To approve the engagement of contractor for the purpose of constructing warehouse or factory in the amount not exceeding Baht 400,000,000 per time.
 - (d) To approve the purchase of construction materials or others for the purpose of constructing warehouse or factory in the amount not exceeding Baht 100,000,000 per time.
 - (e) To approve the payment for the contractor's remuneration and account payables of construction materials in the amount not exceeding Baht 400,000,000 per time.
 - (f) The investment in securities within market's demand in the amount not exceeding Baht 10,000,000 per time.
 - (g) The borrowing money for expenses on normal business operation, marketing, purchasing, or asset investment in the amount not exceeding Baht 400,000,000 per time.
5. To appoint or terminate the Company's Executive or employee at the level of department manager upward, including to determine their compensation.
6. To coordinate and follow up the Company's operation with the Executive in normal business operation to be in compliance with the Company's business plan and budget.
7. To implement and conduct the Company's business as assigned by the Board of Directors.

1.3 The Audit Committee

The Audit Committee as of December 31, 2013 consisted of 3 members as follows:

Name	Position
1. Dr. Pichit Akrathit	The Chairman of the Audit Committee and Independent Director
2. Dr. Somsak Pratomsrimek	The Audit Committee and Independent Director
3. Dr. Kritsana Sukboonyasatit	The Audit Committee and Independent Director

The secretary of the Audit Committee is Ms. Patsanan Jarukornsakul.

The notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares provides a number of qualifications of independent directors and audit committee. The relevant provision is:

- (d) Neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.

In the case where the person appointed by the applicant as independent director has or used to have a business relationship or provide professional services exceeding the value specified under (d) of the first paragraph, the applicant shall be granted an exemption from such prohibition only if the applicant has provided the opinion of the company's board of directors indicating that, by taking into account the provision in Section 89/7, the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders meeting under the agenda for the appointment of independent directors:

- (a) The business relationship or professional service which makes such person's qualifications not in compliance with the prescribed rules;
- (b) The reason and necessity for maintaining or appointing such person as independent director;
- (c) The opinion of the applicant's board of directors for proposing the appointment of such person as independent director.

The Board of Directors' meeting no. 3/2012 held on July 20, 2012, and the extraordinary shareholders' meeting no. 1/2012 held on August 9, 2012, resolved that the appointment of Dr. Pichit Akrathit, did not have any impact on his performance and independent opinion having details as follows:

Dr. Pichit Akrathit was the Managing Director of MFC Asset Management PCL. ("MFC PCL") during the year 2002 to December 17, 2010. MFC PCL was the founder and fund manager of MFC WHA Premium Factory and Warehouse Property Fund to which the Company sold the asset in December 2010, for a certain period before it changed the Asset Management Company into Kasikorn Asset Management Co., Ltd. At present, Dr. Pichit Akrathit resigned from MFC PCL on December 17, 2010. The Fund as managed by MFC PCL purchased the Company's assets in December 2010. Therefore, the Fund is the entity who has business relationship with the Company. However, MFC PCL, the fund manager of the Fund, was responsible to manage the Fund for the benefit of the every Fund's unitholders and to comply with the fund project approved by the Securities and Exchange Commission (the "Fund Project"), the Notification of the Securities and Exchange Commission, the Capital Market Supervisory, and the Stock Exchange of Thailand, including the Securities Exchange Act, B.E. 2535 (as amended) ("relevant regulations"). Moreover, Dr. Pichit Akrathit has knowledge, competence, and experiences on economic with companies and institutions, and is the honorable director of several institutions. At present, he does not work for MFC PCL. The Board of Directors viewed that Dr. Pichit Akrathit was independent on the position of the Independent Director and the Audit Committee. There was no fact or event to interrupt his independent decision, including no other cause that made him not to give opinion independently for the Company's operation.

Dr. Somsak Pratomsrimek is the Audit Committee who has knowledge and experience on review the financial statements, audit, and is a certified auditor expertizing on accounting and finance.

Scope of Authorities and Responsibilities of the Audit Committee

- 1. To review for the accuracy and sufficiency of the Company's financial reports;
- 2. To review for appropriateness and efficiency of the Company's internal control system and internal audit system and to consider the independence of the internal control section, including to give opinion on appointment, relocation, termination of the head of the internal control section and/or engagement of the internal audit company or other sections responsible for the internal audit;
- 3. To review and ensure that the Company complies with the Securities and Exchange laws, the regulations of the Stock Exchange of Thailand, and other law relating to the Company's business;

4. To consider, select and propose to appoint a candidate who is independent to be the Company's auditor and propose its audit fee, as well as to attend the meeting at least once a year with the auditor without attending of the Executive;
5. To consider the connected transactions or any transactions having a conflict of interests to be in compliance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and of ultimate benefit to the Company;
6. To provide the Audit Committee's report and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and consist of the following information:
 - (1) The opinion on the accuracy, completeness, and reliability of the Company's financial reports
 - (2) The opinion on the sufficiency of the internal control of the Company
 - (3) The opinion on compliance with the Securities and Exchange laws and regulations of the Stock Market of Thailand, or other law relating to the Company's business
 - (4) The opinion on appropriateness of the auditor
 - (5) The opinion on the transactions that may have conflict of interest
 - (6) The number of the Audit Committee's meeting and the meeting attending of each Audit Committee
 - (7) The overall opinion or remark that the Audit Committee obtained from performing its duties according to the charter
 - (8) Other transactions as deemed that shareholders and general investors should be informed under the scope of duties and responsibilities assigned by the Board of Directors
7. In performing the Audit Committee's duties, if it is found or suspected that there is the following transaction or action which may materially affect to the Company's financial status and performance, the Audit Committee shall report to the Board of Directors of the Company in order to remedy within the period as the Audit Committee deems appropriate.
 - (1) A transaction having a conflict of interest
 - (2) A fraud or irregularity or major defect on the internal control system
 - (3) Violation of the Securities and Exchange laws, regulations of the Stock Exchange of Thailand, or law relating to the Company's business

If the Board of Directors or the Executives do not remedy within the above period, any of the Audit Committee may report that there is such above mentioned transaction or action to the Securities and Exchange Commission and the Stock Exchange of Thailand.
8. To perform any other activities assigned by the Board of Directors, with the consent of the Audit Committee

1.4 Nomination and Remuneration Committee

As of February 18, 2014, the Board of Directors appointed the Nomination and Remuneration Committee, consisting of 3 members as follows.

Name	Position
1. Dr. Pichit Akrathit	Chairman of the Nomination and Remuneration Committee
2. Dr. Somsak Pratomsrimek	Nomination and Remuneration Committee
3. Dr. Kritsana Sukboonyasatit	Nomination and Remuneration Committee

Scope of Authorities and Responsibilities of the Nomination and Remuneration Committee

1. To consider structure, size and component of the board of directors of the Company to be appropriate to the organization and changing circumstances.
2. To consider principles on nomination of directors, chief executive officer as well as nominating and screening qualified persons to serve as directors or chief executive officer for approval by the board of directors.
3. To give opportunity to the minority shareholders with sufficient period of time to nominate a list of persons to be nominated as directors prior to the shareholders' meeting.
4. To have the succeeding plan for the chief executive officer and top management by constant review.
5. To consider strategy and policy on human resource to be in line with the business operation of the Company.
6. To propose rules and guideline for fixing the remuneration of directors, committee, senior management which are clear, fair and appropriate in accordance with their responsibility and propose them to the board of directors for consideration.
7. To improve the policy and structure on management of remuneration of the directors of the Company, the committee, top management to be consistent with the labor market condition at that time for further proposing it to the board of directors for consideration.
8. To determine the target and evaluate the performance of the chief executive officer for further review of the appropriateness for fixing the remuneration and to further propose it to the board of directors for consideration.

The Nomination and Remuneration Committee shall comprise at least 3 members and each of them shall have the 3-year term. After expiration of the term, it may be considered for renewal of the term.

1.5 Corporate Governance Committee

As of February 18, 2014, the Board of Directors appointed the Corporate Governance Committee, consisting of 4 members as follows.

Name	Position
1. Mr. Somsak Boonchoyruengchai	Chairman of the Corporate Governance Committee
2. Mr. Jakrit Chaisanit	Corporate Governance Committee
3. Mr. Arttavit Chalernsaphayakorn	Corporate Governance Committee
4. Dr. Somsak Pratomsrimek	Corporate Governance Committee

Scope of Authorities and Responsibilities of the Corporate Governance Committee

1. To consider, review and improve policy on corporate governance to be proposed to the board of directors for consideration and to prepare the good corporate governance in writing.
2. To consider, review and improve the code of conduct and to prepare it in writing.
3. To set and plan the policy on social corporate responsibility.
4. To act as representative of the Company in communicating and conducting activities regarding the corporate governance with the management, officers and outside organizations.
5. To follow up, review and improve the performance to be in accordance with the designated plan and to prepare quarterly summary report to the Corporate Governance Committee.

The Corporate Governance Committee shall comprise at least 3 members and each of them shall have the 3-year term. After expiration of the term, it may be considered for renewal of the term.

1.6 Risk Management Committee

As of February 18, 2014, the Board of Directors appointed the Risk Management Committee, consisting of following 3 members.

Name	Position
1. Mr. Surathian Chakthranont	Chairman of Risk Management Committee
2. Dr. Somsak Pratomsrimek	Risk Management Committee
3. Dr. Kritsana Sukboonyasatit	Risk Management Committee

Scope of Authorities and Responsibilities of Risk Management Committee

1. Study, review and evaluate risks as well as tendency which may affect organization as well as inside and outside risk of the Company
2. Set policy on risk management to be submitted to the Board of Directors
3. Review risk, follow up and evaluate sufficiency, efficiency and productivity of overall risk management
4. Give suggestions and consent to risk management of organization

Risk Management Committee consists of 3 directors. Each of them will have 3 year term but such term is renewable.

2. Executives

The Company's executives as of December 31, 2013 consist of 6 persons as follows:

Name	Position
1. Mr. Somyos Anantaprayoon	Chief Executive Officer
2. Mrs. Jareeporn Anantaprayoon	Managing Director and Acting Director of Business Development Department
3. Mr. Arttavit Chalernsaphayakorn	Chief Financial Officer
4. Mr. Jakrit Chaisanit	Director of Construction Management Department
5. Mr. Somsak Boonchoyruengchai	Director of Accounting Department
6. Mr. Thanapatr Anantaprayoon	Acting Director of Operating Solutions Department

Scope of authorities and duties of Chief Executive Officer

1. To supervise the Company's overall operation to be in accordance with the business objectives of the Company and those assigned from the Board of Directors;
2. To provide strategies and business plans to be proposed to the Board of Directors and implement to achieve the goal specified in the strategies and business plans approved by the Board of Directors;
3. To take actions and perform duties as assigned by the Board of Directors and as per the policies of the Board of Directors;
4. To give orders, issue regulations, make announcement and record in order to perform the work to be in accordance with the policies;
5. To approve and/or grant power for doing juristic acts binding the Company for normal transactions of the Company, including transactions the Chief Executive Officer is authorized from the Board of Directors to take action as well as any transactions not directly binding the Company's assets;

6. To coordinate with the executives and staff to perform in accordance with the policies and business direction given by the Board of Directors;
7. To seek for business opportunity on banking investment, securities, investment, business consultant, financial and accounting consultant, investment consultant, and new business to increase revenue to the Company and staff;
8. To consider taking the Company's rights and properties to create obligations with persons, companies, partnerships, shops or financial institutions for proposing to the Board of Director for approval;
9. To approve payment of expenditure for normal operation in the amount approved by the Board of Directors;
10. To approve investment in equity instruments and securities for the Company's account in the amount approved by the Board of Directors;
11. To approve in principle of investment for business expansion as well as joint investment with other business operator and propose to the Board of Directors for approval in the next meeting;
12. To approve payment for significant investment set forth in the annual budget or those approved in principle by the Board of Directors;
13. To take care of working of employees to be in accordance with the policies, regulations, and the corporate good governance;
14. To support development of employees' knowledge and capacity to enhance the organization's capability;
15. To appoint consultant necessary to the Company's operation;
16. To approve related transactions being on an arm-length basis such as sale and purchase goods at market price, service fees at the normal rate and giving credit terms similar to general customers, etc. under to the policies approved by the Board of Directors;
17. To appoint, transfer, or terminate employees in the level not requiring approval from the Executives Committee; and
18. To perform other work as assigned by the Board of Directors on a case by case basis. The Chief Executive Officer does not have authority to approve related transactions not being on an arm-length basis, transactions of acquisition and disposition of the Company's major assets, and/or the transactions with the Company and its subsidiaries in which the Chief Executive Officer or a person possibly conflict having interest and having conflict of interest in any nature, except for transactions being on an arm-length basis where the policies and conditions are provided and approval is granted in accordance with the policies and conditions approved by the Board of Directors and endorsed by the shareholders for entering into related transactions and transactions acquisition and disposition of major assets of the Company or its subsidiaries to be in accordance with the rules and regulations of the Stock Exchange of Thailand.

The Chief Executive Officer has authority to approve in specific cases or actions in the amount as follows:

- (a) Approval of investment fund in the amount of not exceeding Baht 210,000,000 per project
 - Approval on purchase of vacant land in the amount of not exceeding Baht 10,000,000 per time
 - Approval on hiring contractors for the objectives of constructing warehouses or factories in the amount of not exceeding Baht 200,000,000 per time
- (b) Approval on purchase of construction materials and others for constructing warehouses or factories in the amount of not exceeding Baht 50,000,000 per time
- (c) Approval of payment of contractors' remuneration and creditors of construction materials in the amount of not exceeding Baht 200,000,000 per time
- (d) Approval of loans to be expense on normal business operation, marketing, purchase, investment in assets in the amount of not exceeding Baht 200,000,000 per time

3 The Company's Secretary

The Company appointed Mr. Kasamsi Sakunchaisiriwit as the Company Secretary (Mr. Kasamsi Sakunchaisiriwit has appropriate qualifications, experience, knowledge, business understanding and laws. He is therefore capable of providing legal advice on duties and responsibilities of directors to Board of Directors).

Scope of authorities and duties of the Company Secretary

1. To provide preliminary suggestion to directors in respect of laws, rules and regulations
2. To provide advice on holding of shareholders' meeting in accordance with laws, regulations and guideline and prepare an invitation notice for shareholders' meeting
3. To record minutes of shareholders' meeting and directors' meeting and follow up compliance with shareholders' meeting and board of directors' meeting
4. To prepare and safe-keep the following documents:
 - (a) The register of director
 - (b) The invitation of meetings of the Board of Directors, minutes of meetings of the Board of Directors and the Company's annual report
 - (c) The invitation of meetings of shareholders and minutes of meetings of shareholders
5. To safe-keep reports of conflicts of interest reported by the directors or the executives
6. To procure disclosure of information and information memorandum to the public in accordance with laws and regulations
7. To perform as specified by of the Capital Market Supervisory Board

4. Remunerations

4.1 Remuneration to the Directors

In the fiscal year 2011, the Company paid the remuneration to the Directors, totaling 6 members for meeting allowance and annual compensation in the total amount of Baht 750,000.

In the fiscal year 2012 ended as of December 31, 2012, the Company paid the remuneration to the Directors, totaling 9 members for meeting allowance and annual compensation in the total amount of Baht 2,503,000.

In the fiscal year 2013 ended as of December 31, 2013, the Company paid the remuneration to the Directors, totaling 9 members for meeting allowance, annual compensation and remuneration in the total amount of Baht 10,375,000.

Set out below is the table of the remunerations paid by the Company to the Directors.

Name	Meeting Attendance in 2013	
	Board of Directors Meeting	Audit Committee Meeting
Mr. Somyos Anantaprayoon	10/10	
Mrs. Jareeporn Anantaprayoon	10/10	
Mr. Surathian Chakthranont	10/10	
Mr. Jakrit Chaisanit	9/10	
Mr. Narong Kritchanhai	10/10	
Mr. Somsak Boonchoyruengchai	10/10	
Dr. Pichit Akkrathit	10/10	10/10
Dr. Somsak Pratomsrimek	9/10	10/10
Dr. Kritsana Sukboonyasatit	8/10	9/10

Name	Fiscal Year 2011			Fiscal Year 2012			Fiscal Year 2013			
	Meeting Allowance for Director	Meeting Allowance for Audit Committee	Total Amount	Meeting Allowance for Director	Meeting Allowance for Audit Committee	Total Amount	Meeting Allowance for Director	Meeting Allowance for Audit Committee	Compensation	Total Amount
Mr. Somyos Anantaprayoon	100,000	-	100,000	280,000	-	280,000	370,000	-	930,750.00	1,300,750.00
Mrs. Jareeporn Anantaprayoon	100,000	-	100,000	220,000	-	220,000	270,000	-	796,156.25	1,066,156.25
Mr. Surathian Chakthranont	250,000	-	250,000	295,000	-	295,000	270,000	-	796,156.25	1,066,156.25
Mr. Jakrit Chaisanit	100,000	-	100,000	205,000	-	205,000	255,000	-	796,156.25	1,066,156.25
Mr. Narong Kritchanhai	100,000	-	100,000	245,000	-	245,000	270,000	-	796,156.25	1,066,156.25
Mr. Somsak Boonchoyruengchai	100,000	-	100,000	220,000	-	220,000	270,000	-	796,156.25	1,066,156.25
Dr. Pichit Akrathit	-	-	-	270,000	188,000	458,000	370,000	220,000	796,156.25	1,066,156.25
Dr. Somsak Pratomsrimek	-	-	-	195,000	120,000	315,000	255,000	150,000	796,156.25	1,066,156.25
Dr. Kritsana Sukboonyasatit	-	-	-	175,000	90,000	265,000	240,000	135,000	796,156.25	1,066,156.25
Grand Total	750,000	-	750,000	2,105,000	398,000	2,503,000	2,570,000	505,000	7,300,000.00	10,375,000.00

Remarks:

1. Mr. Somyos Anantaprayoon and Mrs. Jareeporn Anantaprayoon have been the Directors since the registration date of the Company's establishment. While Mr. Surathian Chakthranont, Mr. Jakrit Chaisanit, Narong Kritchanhai, and Mr. Somsak Boonchoyruengchai were additionally appointed and registered to be the Directors on November 22, 2011.
2. Dr. Pichit Akrathit, Dr. Somsak Pratomsrimek, and Dr. Kritsana Sukboonyasatit were appointed and registered to be the Directors on February 14, 2012.

The Annual General Meeting in 2012 held on April 20, 2013 resolved to approve the remuneration to the Board and committees as follows:

1. Remuneration of the Directors for the meeting allowance in the amount of not exceeding Baht 400,000 per person per year;
2. Remunerations of the Audit Committee (in addition to the remuneration of the Director) are as follows:
 - 2.1 The Chairman of the Audit Committee shall receive the meeting allowance in the amount of Baht 25,000 per meeting.
 - 2.2 The Audit Committee member shall receive the meeting allowance in the amount of Baht 15,000 per person per meeting.

4.2 Remuneration to the Executives

In 2010, 2011, and 2012, the Company paid the remuneration to the Executives as salary and bonus in the total amount of Baht 4.3 million, Baht 13.5 million, and Baht 24.1 million respectively.

Remuneration payment to the Executives is as follow:

Set out below is the table of the remunerations paid by the Company to the Executives.

	2011		2012		2013	
	Number	Remuneration (Baht Million)	Number	Remuneration (Baht Million)	Number	Remuneration (Baht Million)
Remuneration of Executives	6	13.5	6	24.1	6	30.1

4.3 Other Remunerations

- None -

5. Personnel

As of December 31, 2013, the Company has 53 officers.

WHA Corporation Public Company Limited	Number of Officers (persons)
Executive	6
Business Development Department	8
Construction Management Department	8
Finance and Account Department	10
Operating Solution Department	18
Legal Department	1
Secretary Department	2
Total	53

5.1 Change of number of officers during the past 7 year period (excluding executive)

As the Company has been substantially expanding for the past one year period, capable and potential personnel has been recruited. As of December 31, 2013, there are 47 officers in total (excluding executive). As of December 31, 2012, there are 25 officers in total (excluding executive).

5.2 Material labor dispute during the past 3 year period

-None

5.3 Remuneration of personnel (excluding executive)

Officers of the Company receive remuneration in form of, among others, salary, bonus, overtime wage, provident fund allowance, social security allowance and compensation fund allowance. Officers also receive other welfares, such as annual public holidays, maternity leave, ordination leave, medical allowance and funeral allowance.

Type of Remuneration	As of December 31, 2013
Total salary	13,339,474
Bonus	4,400,894
Provident fund allowance	770,038
Social security allowance	206,417
Compensation fund allowance	24,905
Overtime wage	130,971
Total	18,872,699

5.4 Policy on development of officers

Key concept of the Company is to be the learning organization and apply such knowledge to create work innovations. The Company has the policy to encourage all officers to develop themselves for capability, creativeness and being knowledgeable in order for their readiness in efficiently, completely, and fully performing their respective duty.

Personnel development plan is clearly set. There are two parts of training, an in-house training and a course to be conducted by outside organizers. HR Section will analyze the appropriateness and necessity for training of each of officers pursuant to their scope of work and position, as well as clearly specify their mission in respect of their works.

Development can be done by various means which will include theory, practice and on-the-job training. By this means, team lead and officers will jointly form an appropriate development plan.

Good Corporate Governance

The Company is aware of undertaking its business with responsibility and fairness and recognizes the importance of good corporate governance and management which will enhance its competitiveness in management by focusing on sustainable growth which will create a long-term value to its shareholders and all stakeholders. The good corporate governance will empower the Company to manage the business with transparency and auditability. The Company set the good corporate governance policy for directors, management and officers to use as the work guideline. The corporate governance of the Company will be reviewed annually and approved by the Board of Directors. The latest revision was made on February 18, 2014 which incorporated OECD Principles of Corporate Governance to the Company's guideline.

Corporate Governance Policy

The Good Corporate Governance Policy of the Company is divided into 7 categories as follows.

1. Rights of the Shareholders

The Company has well realized to safeguard the rights and benefits of the shareholders on receipt of the information on a full, timely and fair basis to be used for making their decision on all transactions. The Board of Directors therefore set the policy as follows.

- 1.1) The Company shall send a notice of shareholders' meeting together with sufficient data in supporting documents on various agendas with objectives, reasons and opinion of the Board of Directors on each of the agenda in order that the shareholders will have the opportunity to study the full information at least 30 days in advance. In case that the shareholders cannot attend the meeting by themselves, the Company allows the shareholders to appoint an independent director or any person as a proxy to attend the meeting by using the proxy form as enclosed in the notice. The shareholders can also download the proxy form from the Company's website.
- 1.2) To fairly facilitate all shareholders to attend the shareholders' meeting at the venue and time as appropriate.
- 1.3) In shareholders' meeting, agenda will be considered and voted in order as specified in the notice without change of material information and are open for shareholders on an equal basis to review the Company's business performance, to present their views and suggestions, and directors and relevant management will attend the shareholders' meeting for answering the questions raised in the meeting.
- 1.4) To increase channels for shareholders to access to information through website of the Company on which the information and details are uploaded. In particular, the notice for shareholders' meeting will be disseminated at least 30 days in advance so that the shareholders can conveniently and fully download information and agenda.
- 1.5) The Company has the policy that directors, top management and auditor will attend the shareholders' meeting to provide answers and acknowledge opinion from the shareholders.
- 1.6) Recording the minutes of shareholders' meeting will be made in full, on time and transparently. Material questions and opinion will be recorded in the minutes so that the shareholders will be able to review. In addition, the Company will upload the minutes of shareholders' meeting in the Company's website for shareholders' consideration. The Company will submit the minutes of shareholders' meeting to the Stock Exchange of Thailand within 14 days from the date of shareholders' meeting.

- 1.7) To facilitate shareholders to receive the dividends by transfer to bank account (in case of dividend payment) for convenience of shareholders in receipt of dividend on time and for prevention of cheque being damaged, lost or delayed.
- 1.8) The Company has policy to give an opportunity to shareholders to propose agenda and/or submit questions on the agenda in advance in order that the shareholders will gain ultimate benefits from the meeting as well as to fully preserve the rights of shareholders. This can be done via email or facsimile to the Company Secretary.
- 1.9) The Nomination and Remuneration Committee will consider scope of works, responsibility, completion of work and business performance as well as other factors including remuneration of directors of other companies in the same industry for determination of the remuneration of directors. The Nomination and Remuneration Committee will firstly consider the remuneration of the Board of Directors prior to submission to the Board of Directors for further approval.

The practice on giving an opportunity to the shareholders for proposing the agenda and questions prior to the meeting applies from the shareholders' meeting for year 2015 onwards.

2. The Equitable Treatment of Shareholders

The Company shall treat shareholders equally. Therefore, the Board of Directors has the following policy.

- 2.1) The Company shall send the invitation of meeting together with supporting information to the shareholders at least 30 days in advance in order to give an opportunity to the shareholders to fully study information prior to the shareholders' meeting date.
- 2.2) The voting right in the shareholders' meeting shall be in accordance with a number of shares held by shareholders. One share will have one vote. In addition, the Company allows the shareholders who attend the meeting after commencement of the meeting to vote for agenda being considered for agenda which are under consideration and has not been voted, and the vote of such shareholders will be included in the quorum.
- 2.3) With regard to the agenda on appointment of directors to replace directors who resign by rotation, the Company has policy to give an opportunity to the shareholders to vote each of directors in order that the shareholders will have the opportunity to truly select the directors. The Company will enclose sufficient details of directors for shareholders' consideration. The process on giving opportunity to the shareholders to participate in director nomination will commence from the shareholders' meeting for year 2015 onwards.
- 2.4) The Company will allow a shareholder who holds shares of not less than 0.05% of paid-up capital for not less than 12 months consecutively can propose agenda in the annual shareholders' meeting and nominate a qualified person to serve as a director via the email or facsimile to the Company Secretary. The process on giving opportunity to shareholders to propose the agenda will commence from the shareholders' meeting for year 2015 onwards.
- 2.5) The Company will set the preventive measures on insider trading of related persons which mean the Board of Directors, top management and officers in division which may be involved in the Company's information (including their spouse and minor child).
- 2.6) The Company will set the policy on conflict of interest on the basis that decision making of personnel at all levels will be made to the ultimate benefit of the Company and it shall be the duty of all personnel to avoid any financial involvement and/or relationships with third parties which may result in the Company's loss of benefit or cause the conflict of interest or prevent any effective performance of duty. The related persons or connected persons shall inform the Company of

relationship or connected transactions and shall not participate in decision making and shall have no authority to approve such transactions. The approval on such transactions shall be in accordance with principle and have no more special terms and conditions than those of ordinary case.

- 2.7) To facilitate the shareholders who cannot attend the meeting by themselves by allowing the shareholders to give a proxy to any person or permit at least 1 independent director to attend the meeting and notify the name of such independent director in the notice of meeting.
- 2.8) To treat shareholders equally, no matter whether they are major shareholders or minority shareholders, or they are Thai or foreigners.

3. Conflict of Interest

The Company realizes the importance on consideration of transactions which shall be made transparently to the ultimate benefit of the Company. Therefore, the Company shall prevent any transactions which may create any conflict of interest, connected transactions, or related transactions, material details are as follows.

- 3.1) The management and the officers shall strictly comply with the Code of Conduct to earn trust of all stakeholders and disclose the information for understanding to all officers of the Company.
- 3.2) Directors and the management shall inform the Company of relationships or connected transactions which may cause the potential conflict of interest.
- 3.3) Connected transactions shall be submitted to the Audit Committee for consideration prior to submission to the Board of Directors for further approval in accordance with the good corporate governance. Compliance with the rules prescribed by the SET and the Office of the SEC shall be monitored.

4. Role of Stakeholders

The Company well recognizes and acknowledges the rights of all stakeholders, whether they are insider stakeholders, i.e. shareholders, officers, or outsider stakeholders, i.e. customers, partners, creditors, competitors, public section or agencies as well as nearby communities as the Company earns the support from stakeholders which enhances the competitiveness and profitability and it is deemed as a long-term value to the Company. The Company set the following policy:

4.1) Policy on treatment to officers

The Company realizes that officers are key factors to achieve the Company's target. The Company has policy to treat all officers fairly in respect of opportunity, remuneration, appointment as well as development of potential. To this ends, the Company has the following practices:

- 1) To treat officers with politeness and respect by taking into account the individualism
- 2) To give officers the fair remuneration, set up provident fund for officers and provide welfare
- 3) To preserve the work environment with safety to life and assets of officers
- 4) To appoint, promote or demote, give bonus and penalize officers at good faith and on a basis of their knowledge, capability and appropriateness of such officers
- 5) To give extensive and constant opportunity in respect of knowledge management and competency to officers to develop the officers' capability to empower officer to their full potential with professionalism
- 6) To acknowledge views and suggestions which are based on officers' professional knowledge
- 7) To strictly comply with relevant laws and regulations governing officers

4.2) Policy and Treatment to Shareholders

The Company recognizes that the shareholders are the owner of business and the Company has the duty to enhance a long-term shareholders' value as follows:

- 1) to perform fiduciary duty and make decision in accordance with professional principles with due care and fairness to both of major and minority shareholders to the ultimate benefit of overall shareholders.
- 2) to constantly and fully present the report on the Company's status, business performance, financial status, accounting and other reports
- 3) to prohibit the exploitation of benefit to themselves or third parties by using of the Company's information which is not disclosed to the public or do any acts and things which may cause the conflict of interest with the Company

4.3) Policy and Treatment to Customers

The Company recognized the importance of customers and set the policy to treat customers as follows.

- 1) to serve customers with politeness, eagerness and readiness to provide service with sincerity and willingness and care, take care of customers as closed cousin, and provide services on timely, accurate and reliable basis
- 2) to keep confidential the customers' information and not to use for its own benefits or related persons unduly
- 3) to give accurate, sufficient and timely information to customers on services of the Company to customers without exaggerate advertisement which may mislead customers regarding qualities or conditions of the Company's services
- 4) to provide suggestions on the Company's services to the best benefit of customers.

4.4) Policy and Treatment to Partners and/or Creditors

The Company has the policy to officers to treat customers and/or creditors fairly and at good faith without taking advantage over competitors by taking into account the Company's ultimate benefit and mutual fair treatment to avoid situation which may cause the conflict of interest. Negotiation for settlement will be conducted on the basis of business relationship under the following practice:

- 1) not to claim or receive or pay any benefits in bad faith to partners and/or creditors
- 2) in case that there is any information that the claim, receipt or payment of any benefits was not made in good faith, details must be disclosed to partners and/or creditors and the problem shall be settled fairly and timely
- 3) to strictly comply with conditions as agreed upon. In case of non-compliance with any agreements, creditors shall be informed in advance to jointly find the solution.

4.5) Policy and Treatment to Competitors

The Company has the policy to treat competitors without breaching the confidentiality or knowing the confidentiality of competitors with fraud and set the following policy:

- 1) to follow the rules on competition
- 2) not to seek confidentiality of competitors by bad faith or inappropriate means.
- 3) not to destroy competitors' reputation by malicious accusation.

4.6) Policy and Treatment to Societies/Communities

The Company has the policy on undertaking of business which renders benefits to economy, society and adheres to the principle on being a good citizen. The Company fully complies with laws and participates in activities which will promote or enhance the quality of life of societies and communities. In addition, the Company has the policy to return profit to society by allocating budget from the Company's income to support activities which will benefit societies, communities

and environment as appropriate and it will proceed with this annually. In 2013, the Company donated money to support education, educational equipment, fitness equipment and other necessary things and gave lunches to children in the girl foster home in Saraburi. In addition, the Company held activities in its organization to support and cultivate consciousness of all level officers in sharing, such as activities to receive old calendars to support Foundation for the Blind in Thailand for bringing them to be used as the media for teaching to the blind and activity to give donation to temple.

4.7) Policy on Welfare and Healthcare to Officers

The Company recognizes the importance on preserving good work environment with safety to life and assets of officers by strictly complying with labor law, such as maintenance of buildings and office equipment in good condition and health, provision of necessary medical care services, setting rule on wearing of safety equipment on construction site as well as creating the awareness to all level officers on value and importance of constant workout. The Company arranges the healthcare welfare to officers as appropriate, such as sport activity on every Tuesday and Thursday, annual health check.

4.8) Environment Policy

The Company has the policy to support activities to promote quality, health and environment as well as work environment with safety to life and assets of officers. In addition, the Company realizes on giving knowledge and training to officers on environment and efficient use of resources, such as recycle of paper with one page used, recycle of files and campaign on electricity turn-off during lunch, using ladder instead of elevator, maintenance of equipment for readiness to use and for good safety and work environment and for enhancement of work efficiency of officers in organization.

4.9) Intellectual Property Policy

The Company has the clear policy not to infringe the intellectual properties, irrespective of copyright, patent, trademark, trade secret and other intellectual properties prescribed by law, such as infringement of computer software. All computer software must be investigated and downloaded by the information technology division to prevent illegal usage of software.

4.10) Policy on Legal Compliance and Human Rights

The Company has policy against any infringement of human rights in all respects to be consistent with the society under the rule of laws. Citizen has the freedom right under the law. The practice of the Company is as follows:

1. The Company respects and treats all stakeholders with fairness, on the principle of human dignity, without discrimination on origin, citizen, sex, age, skin color, religion, body condition, status, family and promotes monitoring of treatment in accordance with terms on human rights in the Company.
2. To act against any human trade, use of child labour with age under those prescribed by law and not to do any transactions with manufacturer or service provider who does as such.
3. To support and respect human right by reviewing and controlling the business transaction of the Company with third parties not to promote or support the violation of human right and not to violate the staff's right protected by law.

4.11) Policy on Fraud and Anti-Corruption

The Company expresses its intention to join the private sector on anti-corruption group which is held by joint effort of Thai Institute of Directors, Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association and The Thai Bankers' Association since January 30, 2014. The Board of Directors set the policy on anti-corruption as follows:

1. To set the appropriate check and balance structure among procurement division, accounting division, management division and audit division to prevent misuse of authorities.
2. To train officers on knowledge, policy and practice on anti-corruption of the Company.
3. To support and cooperate with public sector organization and regulatory authorities as well as all sectors in the Thai society with the aim to reduce corruption and enhancement of country development.
4. To prohibit director, executive and officers from any forms of direct or indirect corruption, i.e. receipt of gift, giving gift, wining and dining, donation and any other benefits to themselves from partners of the Company.

The Company has the channel for interested persons to inform, suggest or complain in case of corruption or any acts which is not in compliance with the Company's rules to the Board of Directors by sending a letter to the below address:

The Board of Directors

WHA Corporation Public Company Limited

1121 Moo 3 Theparak Road, Muang, Samut Prakan 10270

5. Disclosure of Information and Transparency

The Board of Directors has the policy to accurately, fully, sufficiently, constantly and timely disclose financial information memorandum and others on business and the Company's performance which reflect the financial condition and performance of the Company including the future business of the Company.

The Board of Directors has strong intention to supervise to strictly and transparently comply with laws, regulations and rules in relation to information disclosure and distribute the information via the Company's website, SET's disclosure media in order that shareholders and relevant persons will receive the information of the Company and will adjust it to be in line with the applicable guideline of SET and the Office of the SEC.

The Company procures staff responsible for communication with investors, shareholders as well as institutional investors and minority shareholders. The Company will regularly hold the meeting for analysis of business performance and disclose information of organization and financial information and general information to investors, securities analysts, credit rating agencies and relevant governmental authorities via various channels, such as reporting to SET, the Office of the SEC and website of the Company. Moreover, the Company recognizes the importance to regularly disclose the information in order that the shareholders continually receive information via the Company's website. The information thereof will be constantly updated, such as vision, mission, financial statements, public relation news, annual report, corporate structure, management, shareholding structure and major shareholders.

In addition, the Company realizes the importance of financial statements which truly reflect the financial status and performance of the Company on the basis that the accounting information must be correct, complete and sufficient per the generally accepted accounting principles. The Company will disclose information regarding each of directors as well as roles and duties of the Board of Directors and

the committees of the Company in the Annual Report (Form 56-2) and Annual Report (Form 56-1) and will disclose remuneration of directors and top executive in Annual Report (Form 56-2) and Form on Annual Information Disclosure (Form 56-1).

6. Responsibility of Board of Directors and Committees

6.1 Structure of Board of Directors

The Board of Directors has responsibilities to the shareholders on business undertaking, supervision of business to its goal and guideline to maximize the shareholders' value by taking into account benefits of all stakeholders.

As of December 31, 2013, the Board of Directors of the Company comprises 9 persons as follows.

- a. Directors who are executives at the number of 4 persons
- b. Directors who are not executives at the number of 5 persons
- c. Directors who also serve as members of audit committee at the number of 3 persons

Although the Chairman of the Company is the Chairman of the Executive Committee and Chief Executive Officer, the consideration on material issues will be screened by the Executive Committee and, if it exceeds the authority of the Executive Committee, it will be submitted to the Board of Directors. With regard to the structure of the Executive Committee, 4 out of 6 executive committee members are not related to Chairman of the Board, Chairman of Executive Committee and Chief Executive Officer. And, in the Board of Directors, 7 out of 9 directors are not related to the Chairman of the Board of Directors, Chairman of Executive Committee and Chief Executive Officer. The Company also has the audit committee's which comprises 3 independent directors, or one-thirds of all directors. The Company also provided for the scope of authorities of the Board of Directors, committees and Chief Executive Officer in writing to set the clear scope of works and responsibilities of Committees which reflects the transparency and due care in making decisions.

6.2) Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has the duty to perform in accordance with law, objectives, articles of association and resolution of shareholders' meeting by performing the fiduciary duty and duty of care to the benefit of shareholders and stakeholders in long term and short term to ensure that the Company's direction will be in the way which renders the ultimate benefit of shareholders and stakeholders. The Board of Directors will monitor to procure the preparation of vision, mission, target, policy, direction, strategic plan and annual budget of the Company. The Board of Directors will share opinions to understand the overall overview of the business prior to giving approval and shall follow up the management to meet target by adhering to guidelines as set forth by the SET and the Office of the SEC.

6.3) Committees

The Board of Directors set up the committees to perform the specific duties and to propose matters to the Board of Directors to consider or acknowledge and provided for the qualifications and scope of duties of committees as follows.

6.3.1) Executive Committee

Executive Committee consists of a group of persons of not less than 5 who are authorized by the Board of Directors to screen the business plan and budget the Company prior to submission to the Board of Directors and will coordinate with the management in

undertaking the ordinary course of business in accordance with business plan and budget the Company.

6.3.2) Audit Committee

Audit Committee consists of 3 independent directors. All of them have knowledge, understanding and experience, and one of them has knowledge and experience in accounting. The Audit Committee will ensure that the Company will have accurate and sufficient financial statements and have appropriate and efficient internal control system.

6.3.3) Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 3 persons with scope of authorities and responsibilities to nominate qualified persons to serve as directors and top executive for further submission to the Board of Directors or shareholders' meeting (as the case maybe) as well as propose principles and guideline to clearly, fairly and appropriately fix remuneration of directors, committee members and top executive

6.3.4) Corporate Governance Committee

Corporate Governance Committee consists of 4 persons with scope of works to review, revise corporate governance policy to be proposed to the Board of Directors for consideration. The corporate government policy will be in line with the guideline of the SET and the Office of the SEC.

6.3.5) Risk Management Committee

Risk Management Committee consists of 3 persons with scope of authorities to study, review and evaluate associated risks and trend which may affect organization as well as inside and outsider risks of the Company and set the risk management policy to propose to the Board of Directors.

6.3.6) Company Secretary

The Board of Directors appointed Mr. Kasamsi Sakunchaisiriwit as the Company Secretary with scope of works to assist in preparing agenda of meetings and preparing notice of meeting, to take care of holding the Board of Directors' meetings and shareholders' meetings and keep documents as required by law and to arrange directors and the Company to fully and transparently disclose information memorandum. The Company Secretary is a person whom the Board of Directors is of the opinion that he is qualified to serve as the Company Secretary.

6.4) Meeting of Board of Directors

Regular attendance of meetings of the Board of Directors is an important duty of the directors to acknowledge and participate in decision making on business undertaking of the Company. In each year, there will be at least 4 meetings of Board of Directors. At each meeting, the agenda will be clearly prepared in advance. A special meeting of Board of Directors may be held to consider urgent matters.

Top executives of the Company may attend the Board of Directors' meetings to give information which may be useful and directly take policy from the Board of Directors. The Company also has the policy that the non-executive directors will have a meeting at least once a year. It is intended that the non-executive directors have the opportunity to meet with one another to discuss issues of their interest without attendance by the executive or management.

In determining the agenda for Board of Directors, Executive Committee will consider issues which will be the agenda in the Board of Directors' meetings. All executive directors are able to propose any agenda and independently and freely give an opinion and the Company Secretary will prepare such issue to be the agenda of the Board of Directors' meetings and prepare notice of Board of Directors' meetings. The approval in the Board of Directors' meetings will be made by majority votes and one director has one vote. Interested director will not attend the meeting or refrain from voting on such agenda.

After the end of the meetings, the Company Secretary will prepare the minutes of the Board of Directors and submit it to the Chairman to sign and will propose it to next Board of Directors' meeting for certification. The directors may give their opinions on revision of the minutes of the Board of Directors' meetings in order that the details of the minutes will be accurate as much as possible.

The certified minutes of the meetings will be systematically kept as classified in electronic form for ease of searching.

6.5) Orientation of New Directors

In performing duty of director, the director must understand the nature of business of the Company. Therefore, in case of change of directorship, the Company will arrange the orientation for a new director to have him/her understand the nature and guideline on business operation as a whole and will give the material information memorandum and corporate governance guideline necessary for performance by director of the duty. The Company Secretary will coordinate for such orientation.

6.6) Policy on Restriction on Number of Companies and Number of Terms of Director

The Company has the policy for its directors to serve as director in other listed companies at no more than 5 companies without exception. All directors currently serve as director of no more than 5 listed companies.

Moreover, the Company has the policy that Chief Executive Officer shall not be a director in other companies in the same or similar type of business except related companies and/or subsidiaries to ensure that the Company will have no conflict of interest.

Independent directors can serve as directors of the Company for a period of no more than 9 consecutive years. The Board of Directors considers this policy is appropriate in respect of the performance by directors of duty as nomination of qualified directors is the time-consuming process.

6.7) Evaluation of Performance of Board of Directors

The Company provides for the annual self-evaluation of directors to jointly consider and conclude the performance for reviewing operation, problems and obstacles and seeking solutions. The Company set the guideline for evaluation of the Board of Directors as a whole pursuant to the evaluation guideline of the SET. The result of the evaluation will play an important role in developing the efficient performance of duty of the Board of Director. The evaluation form is divided into the following sections.

1. Satisfaction regarding the following:

- Result of performance of the Board of Directors as a whole,
- Result of business operation of the Company, and
- Proceeding with solving the problem by the management.

2. Understanding on (1) Role and Duty (2) Company's Business and (3) Company's Strategy
3. Good relationships between the Board of Directors and Management
4. Efficiency of Subsidiary and Committees
5. Sufficient and appropriate time allocation by the Board of Directors on consideration of various issues
 - Policy and direction of the Company
 - Business performance of the Company
 - Solution in case of non-achievement
6. Preparation by the Board of Directors to attend the meeting
7. Independence of the Board of Directors in expressing the opinion
8. Neutral opinion of the Board of Directors
9. Opportunity and support given by the Chairman to every director to independently express his opinion
10. Opinion of the Board of Directors on investors' confidence to the Board of Directors
11. Acceptability among officers on corporate governance practice of the Company

The Company Secretary will provide the evaluation form to directors at the end of each year and will collect the same and report the summary to the Board of Directors for further consideration and discussion annually.

6.6) Succession Plan

The Company recognizes the importance of succession plan. The Company, therefore, prepared the succession plan to cover significant positions by selecting qualified persons to serve in such positions and arranging the training for readiness to serve such positions in the future and ensure that the Company will have knowledgeable and capable executive to succeed such significant positions in the future.

6.9) Risk Management

The Company will assign Risk Management Committee to be in charge of setting up the working group which consists of executive of the Company to jointly discuss and regularly evaluate the risk in the organization for inside and outside risks and set risk management measures. Working group will monitor the risks as identified with support from various divisions and report the result to Risk Management Committee for acknowledgement. Risk Management Committee will, subsequently, evaluate the efficiency in respect of risk management and report it to the Board of Directors at least once a year to identify the weakness and to adjust the policy with more efficiency.

7. Supervision of Use of Insider Information

The Board of Directors recognizes the importance of good corporate governance and for transparency and prevention of conflict of interest arising from use of insider information of the Company which has not been disclosed to the public, the Company set following policy:

1. Give knowledge to directors, executive and persons with position of accounting manager or financing manager or higher position on the duty to prepare and submit the report on holding of securities, their spouse and minor children to the Office of the SEC under Section 59 and penalty under Section 275 of the Securities and Exchange Act B.E. 2535.

2. Arrange directors or persons with position of accounting manager or financing manager or higher position to prepare and submit every report on holding of securities through Company Secretary prior to filing with the Office of the SEC. The report shall be prepared and filed within 30 days from appointment date of directors, executive, or within 3 business days from the date on which securities is purchased, sold, transferred or received the transfer of such securities.
3. Arrange directors or persons with position of accounting manager or financing manager or higher position to acknowledge the material inside information which affects the change of securities price and refrain from sale and purchase of securities of the Company during the period prior to disclosure of financial statement or financial status of the Company until such information has been disclosed to the public. The Company will inform in writing directors, executive including persons with position of accounting manager or financing manager or higher position to refrain from sale and purchase of securities of the Company. Such informing shall be made at least 30 days in advance prior to disclosure of information to the public and shall wait for at least 24 hours after disclosure of information to the public. The disclosure of material information to other persons is prohibited.
4. Disciplinary action will apply in case of breach of duty on using of insider information for personal benefit. It may be done by issuance of warning letter, deduction of wage, temporary suspension of work without payment, or termination of employment to the extent permitted by law by taking into account the intention and seriousness of such violation.

Report on Holding of Securities of Company

The Company Secretary collects information on holding of securities of the Company by directors, executive, spouse and minor children to the Board of Directors on a quarterly basis.

Internal Controls

The Group of Companies realizes the importance of the continual provision of internal control system. Emphasis on internal control sufficient and appropriate to the business operation has been paid. This is to enhance the efficiency of the business operation and asset maintenance, to have accurate and reliable accounting system and financial reports, to comply with laws, regulations and rules relating to the business operation of the Group of Companies. The Board of Directors assigned the Audit Committee to review the evaluation result of internal control and risk evaluation every year and the compliance with the good corporate governance principle for their transparency and to prevent any use of the Company's internal information which is not yet disclosed to the public for their own benefits.

The Company appointed Dharmniti Auditing Co., Ltd. ("Dharmniti") to evaluate the sufficiency of the Group of Companies' internal control systems. Such evaluation is made from the fact arisen from interviewing and inquiring the Management, Department Manager and/or relevant employee according to the organization chart together with due diligence on documents and evidence as proper. This internal audit shall be compared with the internal control approach under COSO, which consisted of 1) Control Environment, 2) Risk Assessment, 3) Control Activity, 4) Information and Communication, and 5) Monitoring and Evaluation. Upon evaluating the internal control system of the Group of Companies in 2013, Dharmniti found that the internal control system had sufficient efficiency without significant error and presented its report to the Board of Directors of the Company wherein the Audit Committee attended such presentation. According to the report of the Audit Committee on the internal control system, the Audit Committee viewed that the Company's internal control system is sufficient and appropriate and the internal audit was independent and proper.



Corporate Social Responsibility

The Company recognizes the importance on environmental development together with economic and social development. The Company has set forth the policy to initial projects which will constantly benefit and promote sustainability to societies, communities and environment. The Company's policy on responsibility to society and environment can be divided into 4 respects.

- Education and development of youth
- Society and environment
- Religion and culture
- Public interest and emergency assistance

Education and Development of Youth

The Company believes that youth is the fundamental to the society. Excellent education and establishment of morality and ethics will cause sustainability to the communities and society. The Company initiated the project "WHA jointly cultivating morality for children and youth" with the purpose to encourage education to the communities and underprivileged youth. The Company allocates a part of its income for funding the education to schools in the communities, building libraries and donation of educational equipment to schools with lack of resources. It is the intention of the Company to proceed with the said project every year.

Society and Environment

The Company has the strong intention to be an organization which is responsible to environment and recognizes the effect of global warming. It has the policy to promote energy-saving products and technologies. Use of renewable energy and recycle energy will reduce the damage to natural resources. The Company also plays attention to a campaign which will encourage the consciousness of officers, customers and all stakeholders in preserving the energy.

In response to such intention, the Company focuses on design innovation of warehouses which is friendly to environment, such as warehouse which can use natural light to reduce the electricity of the building. The design of the warehouse is also made by taking into account the circulation of outward and inward air which will cool the indoor temperature of the building.

In addition, in 2013 the Company initiated the solar PV rooftop energy which will gradually be installed on roof of warehouses since 2014 onwards. This project will not only support the energy conservation under the green energy concept but also provide utmost benefit to the customers as the solar cell will function as the heat insulator for roof of warehouses. Accordingly, the customers will preserve the goods quality and save the energy.

The Company is in the process of conducting the feasibility and impact of measures on energy saving by change of T5 bulb and/or LED bulb as this new type of light bulb will save 2-3 times energy despite more cost.

Religion and Culture

The Company always recognizes that support of religion and good culture is of importance not less than other activities. To promote the sustainable development of organizations and communities, the Company has the policy to support activities which will support Buddhism and culture, such as performing meritorious deed on religion date and giving Kathin as well as providing support on budget to improve religious places.

Public Interest and Emergency Assistance

The Company recognizes all stakeholders. And, it is the Company's policy on giving assistance upon occurrence of emergency to organizations, whether it is the public or private section, as well as supporting manpower and finance to conduct the activities for public interest as appropriate.



Connected Transactions

1. Connected transactions of the Company and its subsidiaries with persons who may have conflict of interests in 2013

Person/Entity who may have conflict of interests	Relationship	Type of Connected Transaction	Transaction Amount (Baht Thousand) For the fiscal year ended of 31 Dec 2013	Necessity and Appropriateness of Transaction	Audit Committee's opinion
1. S&J Holding Co., Ltd.	- Having common major shareholders with the Company where: - Mr. Somyos Anantaprayoon holds shares in S&J Holding Co., Ltd of 52.50%. - Mrs. Jareporn Anantaprayoon holds shares in S&J Holding Co., Ltd of 42.50%. - Having common director with the Company, namely Mr. Somyos Anantaprayoon.	Office service fee charged to the Company and its subsidiaries.	8,042.41	The Company occupied the building area owned by S&J Holding Co., Ltd. to be used as an office under the 3-year service agreement commencing from January 1, 2012 to December 31, 2014. The service fee for July 2012 - December 2014 was at Baht 643,175 per month, exclusive of VAT, calculated from the service area of 2,572.7 sq.m. This service fee charged was equivalent to Baht 250 per sq.m., which was comparable to the rental rate in the area nearby.	It was deemed appropriate to enter into the transaction in order to support the Company business. The service fee charged in 2013 is comparable to the market rate.

Person/Entity who may have conflict of interests	Relationship	Type of Connected Transaction	Transaction Amount (Baht Thousand) For the fiscal year ended of 31 Dec 2013	Necessity and Appropriateness of Transaction	Audit Committee's opinion
		Car rental fee of the Company	571.38	- During the early years of operation where the Company had not yet generated operating profits, the Company leased a car from S&J Holding Co., Ltd. for use in its operation. However, at present, the Company purchases cars in its own name and in the future, there will be no additional car rental from S&J Holding Co., Ltd. - The Company entered into a car rental agreement with S&J Holding Co., Ltd. for the rental period of one year from September 1, 2012 to August 31, 2013 and extended the term for six months from September 1, 2013 to February 28, 2013 at a car rental rate of Baht 44,500 per month, excluding VAT. Such car rental was calculated based on the net book value plus a margin of 20% for the use of 5 year, computed to monthly rental.	- It was deemed appropriate to enter into the transaction in order to support the Company business and it was in accordance with the normal business practice. - The rate charged and its commercial terms and conditions were reasonable. - The rate charged was mutually agreed and was calculated from cost plus margin.

Person/Entity who may have conflict of interests	Relationship	Type of Connected Transaction	Transaction Amount (Baht Thousand) For the fiscal year ended of 31 Dec 2013		Necessity and Appropriateness of Transaction	Audit Committee's opinion
2. RL Counsel Co., Ltd.	- Mr. Narong Kritchanchai is the Company's director from 22 November 2011. - Mr. Narong Kritchanchai holds 33.3% shares in the Company (as of 31 December 2013), and is the authorized director of RL Counsel Co., Ltd.	- Legal fee of the Company and its subsidiaries - Accrued expenses	5,056.43	794.97	Due to numerous complicated legal works of the Company and its subsidiaries which require specialized lawyers, together with just a few legal personnel with limited experience and expertise, the Company and its subsidiaries have engaged external legal consultant to provide legal advice on various matters to the Company and its subsidiaries, as well as to review documents and agreements relating to their business operation. The legal fee charged was in the range of Baht 2,500 - 4,000 per hour (in 2013) which was not higher than the market rate.	- It was deemed appropriate to enter into the transaction in order to support the Company business and it complied with the normal business practice. - The fee charged and its commercial terms and conditions were reasonable. - The fee charged was comparable to and did not exceed the market rate.

2. Necessity and Rationality of the Connected Transactions

The Audit Committee's meeting no. 1/2014 held on February 18, 2014 has considered the connected transactions for the fiscal year ended December 31, 2013, together with the information interviewed from the management of the Company and its subsidiaries, persons and entities who may have conflict of interests for the fiscal year ended December 31, 2013, as well as the review of the auditor's notes to financial statements. It has viewed that the connected transactions of the Company and its subsidiaries with persons or entities who may have conflict of interests for the fiscal year ended on December 31, 2013 were reasonable and was for the benefit of the Company. In addition, such connected transactions were in accordance with the normal business terms and practices and were conducted as normal business operation of the Company where there was no transfer of benefit between the Company and persons who may have conflict of interests. They were also conducted in same manner as the normal person would have done with its counterparty in the same circumstance at an arm's length basis without influence from a party who might be a person having conflict of interests (Arm's Length Basis).

3. Policy and Procedure for Approval of the Connected Transactions

The board of directors no. 1/2012 held on May 25, 2012 has set the policy and procedure for entering into the connected transactions to ensure the transparency of the transactions between persons or juristic persons who may have the conflict of interests and to protect the benefits of the Company. The policy and procedure can be summarized as follows.

The connected transactions or related transactions of the Company and its subsidiaries were to be in compliance with the principle of the SEC Act and the notifications of the Capital Market Supervisory Board no. TorJor. 21/2555 re: Rules of Entering into Related Party Transactions and the notification of the Securities and Exchange Commission re: disclosure of information and duties of listed company concerning the connected transactions including other relevant regulation of the SEC and the SET as well as to be in compliance with the disclosure of the connected transactions in the auditor's notes in the financial statement audited by the Company's auditor and in the annual registration statement (56-1).

For the case of the connected transactions of the Company and its subsidiaries with person who has conflict of interests or may have a conflict of interest in the future, the Audit Committee shall give comment on the necessity for entering into the transaction and the appropriateness of transaction price by taking into account the conditions to be in compliance with the normal business operation in the industry and to compare with the third party's or the market price. If the Audit Committee does not have expertise to determine the potential connected transactions, the Company will arrange independent advisor or the Company's auditor to give comment on such connected transactions for decision making of the Board of Directors, the Audit Committee, or the shareholders, as the case may be. To such extent, the director who has a conflict of interest shall not have a right to vote on such transaction. The connected transactions shall be disclosed in the notes to the financial statements audited or reviewed by the Company's auditor.

4. Policy or Tendency for Connected Transaction in the Future

The Company may enter into connected transactions in the future as deemed appropriate by complying with the Securities and Exchange Commission laws, rules, notification, order or requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as accounting standards re: disclosure of information in relation to related persons or activities as prescribed by the Federation of Accounting Professions.

In the case where the transaction normally occurs and will continually occur in the future, the Company sets the criteria and guidelines to be in accordance with the normal business by referring to the appropriate, fair, reasonable and transparent prices and conditions, and then proposes to the Audit Committee to consider and approve such criteria and guidelines.

However, to enter into connected transactions, the Company will assign the Audit Committee to give comments on the appropriateness of such transactions. If the Audit Committee has no expertise on considering such connected transactions, the Company will arrange a person who have specialized knowledge and expertise such as independent auditor or asset appraiser to give comment on the connected transactions. Those comments of the Audit Committee or the experts will be considered by the Board of Directors or the shareholders, as the case may be, in order to ensure that such transaction will not be migration or transfer of benefit between the Company and the shareholders of the Company, but will be for the ultimate benefit of all shareholders.

Management Discussion and Analysis (MD&A)

Financial Ratio

For the year ended 31 December

		Consolidated Financial Statements		
		2013	2012	2011
Liquidity Ratio				
Current Ratio	times	1.32	1.44	0.63
Quick Ratio	times	0.41	0.47	0.02
Account Receivables Turnover	times	20.23	60.72	466.16
Account Receivables Days	days	18	6	1
Account Payables Turnover	times	0.26	0.23	0.14
Account Payables Days	days	1,370	1,599	2,561
Profitability Ratio				
Gross Profit Margin - Rental and Service	%	64.24%	64.99%	80.41%
Gross Profit Margin - Sales of Investment Properties	%	24.65%	10.60%	-
Total Gross Profit Margin	%	27.45%	19.63%	80.41%
Other Income Margin	%	1.17%	2.02%	3.26%
Net Profit Margin	%	20.41%	9.60%	32.33%
Return on Equity	%	41.57%	11.20%	13.37%
Efficiency Ratio				
Return on Assets	%	15.13%	3.15%	2.62%
Return on Fixed Assets	%	31.47%	8.92%	5.65%
Total Asset Turnover	times	0.74	0.33	0.08
Financial Ratio				
Debt to Equity Ratio	times	1.66	1.87	4.72
Interest Bearing Debt to Equity Ratio	times	1.25	1.46	3.25
Interest Coverage Ratio	times	2.93	0.71	2.59
Cash Basis ¹	times	0.49	0.37	0.07
Dividend Payout ²	%	70.91%	77.36%	-

¹ Cash flow from operation used to calculate Cash Basis includes proceeds from sales of investment properties

² Include stock dividend in calculation

Performance Overview

In the past 3 years, WHA Corporation Public Company Limited has achieved a significant growth and has continued to expand its business according to its strategic plan. In 2013, WHA obtained additional pre-leased area of 386,235 sq.m., resulting in the total leasable area of approximately 290,000 sq.m. and the total pre-leased area of 207,043 sq.m. at the end of 2013.

In 2013, WHA could secure new pre-leased area of up to 386,235 sq.m. which was beyond the initial annual target of 300,000 sq.m. In addition, WHA has some land held for future development of approximately 700 rais which could be transformed into leasable area of around 700,000 sq.m. They are located mainly on Bangna-Trad, Lardkrabang, Laemchabang, Panthong, Kabinburi, as well as in up-country such as Khonkaen, Surathani, and Lumpoon which are targeted to serve business expansion of WHA's clients. Including all the completed and leased area, pre-leased area, and leasable area that are sold to WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund ("WHAPF"), the total leasable area under management of WHA has reached 891,286 sq.m by the end of 2013.

Most of the projects were built tailored to the needs of clients; thus, the development and construction process would only take place upon the agreement between WHA and the clients. Moreover, WHA was able to increase the rental rate consistently after a certain period of time as stipulated in the contract. Most of the contracts were long-term contracts, and from the past, all clients have renewed the contracts once they expired. Nevertheless, WHA has been planning to increase more alternatives for other clients. WHA has, therefore, started a Warehouse Farm project which is a project that consists of both the Built-to-Suit warehouse and a general warehouse for the tenants who need a smaller scale of space to serve their immediate demand. WHA believes that its strategically chosen location will meet the logistics needs of all tenants.

In the 3rd quarter of 2013, WHA offered Baht-2,700-mn debentures in 3 tranches with a tenor of 3, 4, and 5 years, at the coupon rate of 4.24%, 4.55%, and 4.84%, respectively. As a result, the Company could lower its cost of debt compared to the previous MLR-based floating rate.

In 2013, moreover, WHA sold 2 batches of assets to WHAPF during WHAPF's 2nd and 3rd capital increase in January and November which generated the sale revenue of Baht 2,046.5 mn and Baht 4,538.5 mn, respectively. The sale proceeds have been used for some debt repayment as well as for the development of future projects.

Financial Performance

Financial performance of the Company for the year ended 2013 is as follows:

(Unit: Baht mn)	2013	2012	Increase (Decrease)	
Revenue				
Rental and service income	500.5	359.9	140.6	39.1%
Income from sales of investment properties	6,585.0	1,808.9	4,776.1	264.0%
Dividend and property management income	66.8	38.4	28.4	74.1%
Other revenues	16.7	6.3	10.4	166.4%
Total revenues	7,169.0	2,213.4	4,955.5	223.9%

Revenue

Total revenue for the year ended 2013 was Baht 7,169.0 mn, an increase of Baht 4,955.5 mn or 223.9% from 2012. The key factors are as follows:

1. Rental and Service Income stood at Baht 500.5 mn, up Baht 140.6 mn or 39.1% from last year. This resulted mainly from the growth of the leasable area as the Company has been developing warehouses, distribution centers, and factories continuously. By the end of 2013, the Company had total leasable area of 294,261 sq.m. which has grown from 256,434 sq.m. at the same time last year or from 186,904 sq.m. if not included the area of 69,530 sq.m. sold to WHAPF at the beginning of the year on 10 January 2013. Moreover, part of the increase in rental and service revenue came from the rental and service rate of some of the projects that had been escalated according to the terms of contract.
2. Income from Sales of Investment Properties to WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund ("WHAPF") in 2013 was equal to Baht 6,585.0 mn, grew by Baht 4,776.1 mn or 264.0% from the previous year as the Company divested the assets to WHAPF twice in January and November 2013 during WHAPF's 2nd and 3rd capital increase compared to just once in 2012. Nevertheless, the sales of assets to WHAPF in each year will depend on the amount of cash needed for the investment plan of the Company.

The sales of investment properties to WHAPF in 2013 was recorded as a true sale. In addition, such sales had no effect on future operation of the Company since the Company has been constantly developing projects for rent which can replace the assets sold to WHAPF, as can be evidenced from the continuing growth in the rental and service income. Moreover, the proceeds from asset sales was an important source of fund that the Company could use to finance future development of projects.

3. Dividend and Property Management Income was Baht 66.8 mn, comprising of dividend revenue of Baht 56.7 mn from holding 140.9 million units or 15% stake in WHAPF (as of 31 December 2013) and property management income of Baht 10.1 mn. The dividend revenue grew by Baht 24.4 mn from last year from additional investment in WHAPF of Baht 860.8 mn during WHAPF's 2nd and 3rd capital increase in January and November 2013 and the property management income was also up by Baht 4.0 mn from the increase in the size of the WHAPF.
4. Other revenues consisted of interest income, utilities income, management fee, and other miscellaneous incomes which totaled Baht 16.7 mn in 2013.

Cost and Gross Profit

1. Cost and Gross Profit from Rental and Service Income

(Unit: Baht mn)	2013	2012	Increase (Decrease)	
Rental and service income	500.5	359.9	140.6	39.1%
Cost of rental and service	179.0	126.0	53.0	42.1%
Gross profit	321.5	233.9	87.6	37.4%

Cost of rental and service are mainly composed of depreciation, land lease, project development cost, leasehold right amortization, insurance premium, maintenance cost, property and sign tax, electricity and water, and electricity and water installation cost.

The rental and service cost in 2013 amounted to Baht 179.0 mn, up by Baht 53.0 mn or 42.1% from the preceding year. This resulted mainly from the increase in the land lease payment and depreciation for the completed projects that has been handed over to the clients during the year. The increase was, however, in line with the growth in leasable area as well as the rental and service revenue of the Company.

According to Thai Financial Reporting Standards 5 (Revised 2012), the Company will reclassify investment properties that the Company has a solid plan to sell to WHAPF as Non-Current Assets Held for Sale under Current Assets and will discontinue the depreciation of such projects.

Gross profit margin from rental and service business stood at 64.2% which did not change much compared to the margin of 65.0% last year. These gross profit margins were still considered quite high since the warehouses, distribution centers, and factories of the Company are of high quality and standard and require very minimal maintenance cost.

2. Cost and Gross Profit from Sales of Investment Properties

(Unit: Baht mn)	2013	2012	Increase (Decrease)	
Income from sales of investment properties	6,585.0	1,808.9	4,776.1	264.0%
Cost of investment properties	4,961.8	1,617.1	3,344.7	206.8%
Gross profit	1,623.2	191.8	1,431.4	746.5%

Cost of investment properties are made up of the book value of warehouses, distribution centers, and factories to be sold, as well as a special business tax and other fees.

Gross profit margin from sales of investment properties in 2013 was 24.6%, increased from 10.6% in the previous year. The reason that the gross profit margin in 2012 was not quite high was due to the size of WHAPF which was still not very large at that time. Apart from that, there were also some other external factors such as the market condition that made investors require higher rate of return, which then resulted in the sale price to WHAPF not as lucrative as it should be.

In 2013, however, the gross profit margin from sales of investment properties went up to 24.6%, which could be separated into the margin from the sale during WHAPF's 2nd capital increase in January of 6.0% and from the sale during WHAPF's 3rd capital increase in November of 33.0%. Nevertheless, the margin from the sale of WHAPF's 2nd capital increase in January may not reflect the real margin which should be higher than what appears on the consolidated financial statements. The reason being that, in 2011, the Company went through a shareholding restructuring in order to prepare itself for a listing in the Stock Exchange of Thailand by acquiring Warehouse Asia Alliances Company Limited ("WAA") which resulted in WAA becoming the Company's subsidiary. According to the regulation, by obtaining a control over WAA, the Company was required to record WAA's assets that the Company acquired at fair value in WHA's consolidated financial statements. Later in January 2013, the Company sold assets to WHAPF which included that specific asset of WAA (that was recorded as fair value) at the price determined by a fair value as well. Therefore, from WHA's consolidated financial statements, it may look as if the Company had no profit from the sale of that WAA's asset where, in fact, WAA had generated real profit and cash flow from such sale that could be paid as dividend to WHA.

Nevertheless, the Company is not required to record investment properties at fair value in a normal course of business. Such incident is, therefore, unlikely to occur repeatedly in the future. Moreover, the size of WHAPF at present has become larger, together with more experiences and working team who has expertise and understanding in the mechanism of fund raising through WHAPF, which in all will allow the Company to achieve the best sale value possible from divesting assets to WHAPF for the benefit of the Company as a whole.

Expenses

(Unit: Baht mn)	2013	2012	Increase (Decrease)	
Administrative expenses	131.8	68.1	63.7	93.6%
Finance cost	182.9	149.3	33.6	22.5%

1. Administrative Expenses totaled Baht 131.8 mn, increased by Baht 63.7 mn or 93.6% from last year. This was due to a rise in employee and management related expenses which resulted from an increase in the number of personnel hired to support the Company expansion as well as expenses on shareholder meeting arrangement, advisory fee, and other marketing and promotion expenses which are consistent with the growth of the Company.
2. Finance Cost was at Baht 182.9 mn, up by Baht 33.6 mn or 22.5%, which is in line with the increase of Company's loan that was in turn due to more development of warehouses, distribution centers, and factories. The weighted-average cost of debt in 2013 was at 5.0% p.a. which went down from 5.5% p.a. last year since the Company issued debenture and bill of exchange which had lower interest rate than that of the loan from financial institutions and also used some of the bond proceeds to repay project loans with high interest rate.

Net Profit

(Unit: Baht mn)	2013	2012	Increase (Decrease)	
Net profit	1,463.5	212.4	1,251.0	589.0%
Net profit per share (Baht per share)	1.59	0.30	1.3	439.9%

Net Profit for the year ended 2013 and 2012 was Baht 1,463.5 mn and Baht 212.4 mn, an increase of Baht 1,251.0 mn or a growth rate of 589.0% and a net profit margin of 20.4%. The main driver came from the increase in the rental and service income which has gone up with the growth of rental and service area. Furthermore, the Company divested assets to WHAPF twice in 2013, resulting in a significant increase in revenue and net profit.

Financial Position

(Unit: Baht mn)	2013	2012	Increase (Decrease)	
Total assets	11,048.9	8,297.5	2,751.3	33.2%
Total liabilities	6,895.1	5,410.5	1,484.6	27.4%
Shareholders' Equity	4,153.8	2,887.1	1,266.7	43.9%

Assets

As of 31 December 2013, the Company had total assets of Baht 11,048.9 mn, consisted mainly of investment properties of Baht 6,167.2 mn or 55.8%, non-current assets held for sale of Baht 2,225.1 mn or 20.1%, and investments in available-for-sale of Baht 1,387.5 mn or 12.6% of the total assets.

Total assets of the Company grew by Baht 2,751.3 mn or 33.2% from the previous year. This change was primarily contributed by the following factors.

1. Cash and Cash Equivalents

Cash and Cash Equivalents was equal to Baht 319.8 mn, decreased by Baht 658.9 mn or 67.3%, resulted from a decline in the deposits at financial institutions of Baht 659.4 mn and an increase in cash and cheque on hand of Baht 0.5 mn, all of which were the working capital that the Company used in business operation.

2. Short-Term Investment

Short-term investment was at Baht 663.5 mn, up by Baht 546.8 mn or 468.7%. This was an investment in mutual fund SCBTMF which was classified as available-for-sale investments that may be sold if the Company need to raise operating capital. The Company had been buying and selling investment units during the year with the net buying of Baht 545.8 mn and there was an unrealized gain from such investments of Baht 1.0 mn.

3. Advance Payment for Investment

There was no advance payment for investment remaining at the end of 2013 after the Company completed the process of investment in WHAPF.

4. Advance for Construction

Advance for construction totaled Baht 63.2 mn, dropped by Baht 72.2 mn or 53.3%. Since many projects under construction had been going according to the schedule, the Company could amortize the advance for construction according to the construction progress.

5. Non-Current Assets Held for Sale

Non-current assets held for sale, included warehouses and factories which would be divested into WHAPF within a year. The non-current asset held for sale amounted to Baht 2,225.1 mn or a Baht 363.5 mn increase from last year. When assets were classified as non-current assets held for sale, the Company would stop recording their depreciation expenses. In 2013, the Company sold non-current assets held for sale to the WHAPF twice and, at year end, the non-current assets held for sale were composed of assets for projects on Bangna-Trad k.m.18 and k.m. 23 that the Company has planned to sell to WHAPF during WHAPF's 4th capital increase.

6. Investment in Available-for-Sale

Investment in available-for-sale was Baht 1,387.5 mn, increased by Baht 734.3 mn or 112.4%, as the Company made additional investment in WHAPF of Baht 860.8 mn and there was an unrealized loss of Baht 126.5 mn.

7. Investment Properties

Investment properties are made up of land, warehouses, factories, building improvement, utilities, and construction-in-progress that the Company has for rent and for sale to WHAPF. At the end of 2013, investment properties stood at Baht 6,167.2 mn, an increase of Baht 2,230.6 mn or 56.7% from last year. This increase came mainly from additional warehouses and factories under development and handed over to clients. During the year, there was an increase in a value of projects under construction of Baht 4,602.4 mn, projects that became completed of Baht 4,013.2 mn, and reclassification of investment properties as non-current assets held for sale of Baht 4,961.5 mn. In addition, the Company had been acquiring some more land worth Baht 2,641.7 mn on prime location such as on Bangna-Trad, Lardkrabang, Laemchabang, Panthong, Kabinburi, as well as in up-country such as Khonkaen, Surathani, and Lumpoon which were targeted to serve business expansion of the Company's clients and the growth of the Company.

8. Leasehold Right

Leasehold right amounted to Baht 64.0 mn, reduced by Baht 101.0 mn or 61.2%. This decrease was due to an amortization during the year of Baht 5.1 mn and an additional leasehold right for project on Klong Chonlaharn Pijit Road k.m. 5 that the Company just acquired of Baht 56.2 mn. Moreover, the Company reclassified the leasehold right of Baht 152.1 mn for projects on Bangna-Trad k.m. 18 and 19 that the Company had planned to sell to WHAPF as non-current assets held for sale. (The leasehold right for project on Bangna-Trad k.m. 19 was sold to WHAPF within 2013.)

9. Other Non-Current Assets

Other non-current assets was Baht 12.8 mn, declined by Baht 56.7 mn mainly from the absent of deposits for purchase of land of Baht 56.1 mn after the Company completed the transfer of many plots of land in 2013.

Liabilities

As of 31 December 2013, the Company reported total liabilities of Baht 6,895.1 mn, primarily made up of current portion of long-term borrowings from financial institutions, borrowings related directly to non-current assets held for sale, and long-term borrowings from financial institutions of Baht 2,298.9 mn or 33.3% of the total liabilities and trade and other payables of Baht 1,123.1 mn or 16.3% of the total liabilities.

The Company's total liabilities went up by Baht 1,484.6 mn or 27.4% from last year. A debt-to-equity ratio stood at 1.7 times whereas an interest bearing debt-to-equity ratio stood at 1.3 times ratio at the end of 2013. The key factors are as follows:

1. Borrowings from Financial Institutions

Borrowings from financial institutions, at the end of 2013, amounted to Baht 2,497.6 mn, declined by 1,709.7 mn or 40.6%, comprising of short-term loan of Baht 198.7 mn, borrowings related to non-current assets held for sale of Baht 710.0 mn, and long-term borrowings and current portion of long-term borrowings of Baht 1,588.9 mn. These were the funds that the Company used to finance project development as well as the land acquisition. The reason that borrowings went down in 2013 was due mainly to the change in long-term borrowings which the Company borrowed and repaid during the year with the net repayment of Baht 1,904.1 mn by using the proceeds gained from sale of investment properties to WHAPF to repaid loans for projects that had been sold as well as using some of the proceeds from issuing debenture and operating cash flow to repaid loans for completed projects. In addition to long-term borrowings, the Company had short-term borrowing in the form of bill of exchange of Baht 198.7 mn that the Company issued this year.

The development of warehouses, distribution centers, and factories of the Company is considered long-term investments. In the past, long-term borrowings, in the form of project loans, has been used as the main source of fund to finance such development while the cash flow from operation has been used as working capital of the Company.

The Company has to comply with the debt covenant with financial institutions which restricts the Company to maintain the debt-to-equity ratio of not more than 3.0 times and the interest bearing debt-to-equity ratio of not more than 2.5 times, as well as the bond covenant where the Company has to maintain the interest bearing debt-to-equity ratio of not more than 2.5 times.

2. Debenture

Debenture totaled Baht 2,695.3 mn, which in whole was the debenture that the Company issued to institutional and high-net-worth investors on 20 September 2013 in the amount of Baht 2,700 mn in 3 tranches with the tenor of 3 years, 4 years, and 5 years and the coupon rate of 4.24%, 4.55%, and 4.84%, respectively. The coupon payment will be made every 6 months commencing in March 2014. The proceeds from bond issuance will be used as a source of fund for future development of projects as well as for loan repayment of some existing projects.

3. Trade and Other Payables

Trade and other payables was Baht 1,123.1 mn at the end of 2013, increased by Baht 477.7 mn or 74.0% from last year. Trade and other receivables are made up mainly of construction payable which went up due to more development of projects.

Shareholders' Equity

As of 31 December 2013, the Company's shareholders' equity was at Baht 4,153.8 mn, an increase of Baht 1,266.7 mn or 43.9% from the previous year. The major change came from net profit from operation for the year 2013 of Baht 1,463.5 mn and a cash dividend payment in January 2013 at Baht 0.10 per share in a total amount of Baht 51.0 mn, together with the unrealized loss in the available-for-sale investments of Baht 100.4 mn. Moreover, the Company paid stock dividend of 102 million shares at a par value of Baht 1 per share in a ratio of 5:1 in April 2013, totaling Baht 113.3 mn, as well as an interim stock dividend for 2013 performance of 306 million shares at a par value of Baht 1 per share in a ratio of 2:1 in September 2013, totaling Baht 440.0 mn.

Liquidity and Cash Flow

For the year ended 2013

(Unit: Baht mn)	2013	2012	Increase (Decrease)
Net cash generated (used in) from operating activities	213.7	(89.8)	303.4
Net cash used in investing activities	(1,752.7)	(1,878.2)	125.6
Net cash from financing activities	884.4	2,920.1	(2,035.7)
Net increase (decrease) in cash and	(654.6)	952.1	(1,606.7)

1. Cash Flows from Operating Activities

Cash flows from operating activities was Baht 213.7 mn, increased by Baht 303.4 mn from last year. The key changes in cash flows operating activities along with the changes in assets and liabilities have already been mentioned in Financial Performance and Financial Position.

2. Cash Flows from Investing Activities

Cash Flows used in investing activities in 2013 totaled Baht 1,752.7 mn, declined by Baht 125.6 mn from the following key factors.

Key Factors Contributing to Cash Flow Increase

Proceeds from sales of investment properties to WHAPF grew by Baht 4,657.7 mn while cash received from dividend income rose by Baht 20.9 mn, compared to those of the previous year.

Key Factors Contributing to Cash Flow Decrease

Cash paid for leasehold right, land, and construction of warehouses, distribution centers and factories increased by Baht 4,152.4 mn since, in 2013, the Company had been developing more projects as well as leasing and acquiring more land. Most of the land are located on Bangna-Trad, Lardkrabang, Laemchabang, Panthong, Kabinburi, as well as in up-country such as Khonkaen, Surathani, and Lumpoon. In addition, there was an increase in cash paid for the purchase of building improvement and equipment of Baht 6.0 mn from last year which was in line with the expansion of the Company.

Cash paid for the investment in available-for-sale increased by Baht 243.0 mn, which was the cash paid for the purchase of WHAPF's investment units. Cash paid (net cash received) for short-term investments increased by Baht 426.7 mn, which was a means of cash management that the Company used to maximize the return on investment.

Cash paid for the investment in joint ventures of Baht 14.6 mn that showed up in 2013 from jointly investing in WHA KPN Alliance Company Limited, a joint venture established to develop premium warehouse, distribution center, and factory, as well as from partnering with Gunkul Engineering Public Company Limited to invest in a joint venture incorporated to produce and sell electricity generated from solar rooftop.

3. Cash Flows from Financing Activities

Cash flow from financing activities amounted to Baht 884.4 mn, dropped by Baht 2,035.7 mn from the following key factors.

Key Factors Contributing to Cash Flow Increase

Proceeds from bond issuance of Baht 2,700 mn less an underwriting fee of Baht 5.1 mn was left with the net cash received of Baht 2,694.9 mn from such issuance.

Cash received (net cash paid) from short-term borrowings increased by Baht 196.6 mn which was cash used as working capital of the Company.

Key Factors Contributing to Cash Flow Decrease

Cash paid (net cash received) for long-term borrowings increased by Baht 3,164.6 mn as, in 2013, the Company repaid a lot of long-term borrowings by using the proceeds gained from sales of investment properties to WHAPF as well as some from operation and bond issuance.

Cash paid for dividend was Baht 96.3 mn, which just appeared in 2013 from 3 dividend payments in January, April, and September. The dividend payment in April and September were stock dividend payment. The one made in September was an interim dividend payment for 2013 performance.

Report of the Board of Directors' Responsibility for Financial Statements

The Board of Directors of the Company provided for the preparation of the financial statements to represent the Company's financial status and performance in the year 2013 in accordance with the Public Company Act B.E. 2535.

The Board of Directors emphasized on its duties and responsibilities as the directors of a listed company on the Stock Exchange of Thailand to control the business in accordance with the good corporate governance. The Board of Directors was responsible for the financial statements to be accurate, complete, transparent and appropriate to maintain the Company's assets, prevent from fraud and abnormalities, as well as in accordance with generally accepted accounting principles for the interests of shareholders and investors in acknowledging correct and reasonable information of the Company's financial status and performance.

The Board of Directors views that the consolidated financial statements of WHA Corporation Public Company Limited and its subsidiaries for the year 2013 jointly reviewed by the Audit Committee in collaboration with the Management and the auditor, PricewaterhouseCoopers ABAS Limited, were presented in a complete and reliable in compliance with the generally accepted accounting principles and all governing rules and regulations, with appropriate and consistent accounting policies and adequate information disclosure.



(Mr. Somyos Anantaprayoon)
Chairman of the Board of Directors

AUDITOR'S REPORT

To the Shareholders of WHA Corporation Public Company Limited

I have audited the accompanying consolidated and company financial statements of WHA Corporation Public Company Limited and its subsidiaries and of WHA Corporation Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of WHA Corporation Public Company Limited and its subsidiaries and of WHA Corporation Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Ltd.

Bangkok
18 February 2014

WHA Corporation Public Company Limited
Statements of Financial Position
As at 31 December 2013

		Consolidated			Company		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
		Notes	Baht	Baht	Baht	Baht	Baht
Assets							
Current assets							
Cash and cash equivalents	8	319,822,524	978,730,150	29,327,635	298,692,401	971,419,277	24,078,306
Short-term investment	9	663,495,683	116,668,156	144,902	138,787	116,668,156	144,902
Trade and other receivables	10.1	48,252,871	20,688,689	10,297,819	66,532,998	176,326,226	10,093,220
Advance payment for investment	10.2	-	252,400,000	-	-	252,400,000	-
Short-term loan to related parties	35.3	-	-	-	-	74,394,004	-
Advance for construction		63,152,578	135,372,910	9,866,510	63,152,578	96,900,009	9,866,510
Other current assets	11	12,025,981	65,099,212	50,032,892	11,379,971	57,286,803	45,587,660
Non-current assets held for sale	12	2,225,070,960	1,861,574,593	1,522,360,716	2,225,070,960	247,603,869	531,920,822
Total current assets		3,331,820,597	3,430,533,710	1,622,030,474	2,664,967,695	1,992,998,344	621,691,420
Non-current assets							
Investment in available-for-sale	13	1,387,461,150	653,188,000	176,800,000	1,387,461,150	653,188,000	176,800,000
Investments in subsidiaries	14	-	-	-	898,276,917	898,276,917	898,276,917
Investments in joint ventures	14	13,021,557	-	-	14,279,293	-	-
Long-term loan to related parties		-	-	-	-	-	59,394,004
Investment properties (net)	15	6,167,212,947	3,936,608,433	3,127,363,447	6,167,212,947	3,754,492,436	1,567,443,379
Leasehold rights (net)	16	63,953,042	164,973,264	197,546,236	63,953,042	164,973,264	149,596,394
Deferred income from operating lease agreements (net)		19,819,925	16,506,074	3,708,810	19,819,925	16,506,074	3,708,810
Building improvement and equipment (net)	17	43,441,896	26,229,453	14,999,044	43,441,884	26,221,712	14,953,962
Deferred income tax assets (net)	22	9,339,527	-	-	9,542,177	-	-
Other non-current assets (net)	18	12,786,991	69,473,372	45,552,001	12,786,991	69,473,372	38,127,110
Total non-current assets		7,717,037,035	4,866,978,596	3,565,969,538	8,616,774,326	5,583,131,775	2,908,300,576
Total assets		11,048,857,632	8,297,512,306	5,188,000,012	11,281,742,021	7,576,130,119	3,529,991,996

WHA Corporation Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2013

	Notes	Consolidated			Company		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
		Baht	Baht	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term borrowing							
from a financial institution	19	198,688,257	4,320,592	7,041,747	198,688,257	-	-
Trade and other payables	20	1,123,148,689	645,399,326	749,097,705	1,084,994,956	555,409,397	690,974,721
Current portion of long-term borrowings							
- from financial institutions	19	87,000,000	981,128,652	594,078,801	87,000,000	981,128,652	525,739,504
- under finance lease agreements (net)	23	4,150,812	4,954,930	2,272,974	4,150,812	4,954,930	2,272,974
Short-term borrowings from related parties	35.4	-	-	15,375,000	554,000,000	214,225,000	-
Advance received from rental and service income		21,337,045	51,298,089	54,146,922	21,289,784	18,661,205	6,440,026
Income tax payable		241,728,373	7,488,555	5,416,566	98,366,209	4,374,861	-
Liabilities related directly to non-current assets held for sale	12	832,202,962	688,228,121	1,142,046,880	832,202,962	256,621,195	467,592,703
Other current liabilities	24.1	21,496,797	3,074,724	2,023,143	20,855,384	2,827,308	1,278,709
Total current liabilities		2,529,752,935	2,385,892,989	2,571,499,738	2,901,548,364	2,038,202,548	1,694,298,637
Non-current liabilities							
Long-term borrowings from financial institutions (net)	19	1,501,917,490	2,603,591,015	1,336,169,309	1,501,917,490	2,513,591,015	966,049,824
Debentures (net)	21	2,695,283,363	-	-	2,695,283,363	-	-
Liability under finance lease agreements (net)	23	4,454,971	1,802,823	3,941,448	4,454,971	1,802,823	3,941,448
Deposits from long-term lease agreement	25	151,284,564	252,277,622	232,159,603	151,284,564	245,905,622	183,573,626
Deferred income tax liabilities (net)	22	-	154,928,188	131,852,795	-	19,603,457	4,934,713
Employee benefit obligations	24.2	8,376,294	1,405,157	-	8,376,294	1,405,157	-
Other non-current liabilities	24.2	3,994,988	10,557,939	4,678,847	3,994,988	10,557,939	1,367,714
Total non-current liabilities		4,365,311,670	3,024,562,744	1,708,802,002	4,365,311,670	2,792,866,013	1,159,867,325
Total liabilities		6,895,064,605	5,410,455,733	4,280,301,740	7,266,860,034	4,831,068,561	2,854,165,962

WHA Corporation Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2013

	Notes	Consolidated			Company		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
		Baht	Baht	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)							
Shareholders' equity							
Share capital	26						
Authorised share capital							
917,998,474 ordinary shares of par							
Baht 1 each		<u>917,998,474</u>			<u>917,998,474</u>		
510,000,000 ordinary shares of par							
Baht 1 each			<u>510,000,000</u>			<u>510,000,000</u>	
38,059,996 ordinary shares of par							
Baht 10 each				<u>380,599,960</u>			<u>380,599,960</u>
Issued and paid-up share capital							
917,992,494 ordinary shares of par							
Baht 1 each		917,992,494	-	-	917,992,494	-	-
510,000,000 ordinary shares of par							
Baht 1 each		-	510,000,000	-	-	510,000,000	-
38,059,996 ordinary shares of par							
Baht 10 each		-	-	380,599,960	-	-	380,599,960
Capital surplus from additional acquisition							
of subsidiaries by share swap		172,861,100	172,861,100	172,861,100	202,175,962	202,175,962	202,175,962
Share premium on ordinary shares	26	1,548,743,732	1,548,743,732	-	1,548,743,732	1,548,743,732	-
Retained earnings							
Appropriated - Legal reserve	27.1	42,000,000	-	-	42,000,000	-	-
Unappropriated		1,478,347,942	561,213,877	348,797,212	1,310,932,638	389,904,000	87,610,112
Other components of equity	28	<u>(6,152,241)</u>	<u>94,237,864</u>	<u>5,440,000</u>	<u>(6,962,839)</u>	<u>94,237,864</u>	<u>5,440,000</u>
Equity attributable to owners of the parent		<u>4,153,793,027</u>	<u>2,887,056,573</u>	<u>907,698,272</u>	<u>4,014,881,987</u>	<u>2,745,061,558</u>	<u>675,826,034</u>
Non-controlling interests		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>4,153,793,027</u>	<u>2,887,056,573</u>	<u>907,698,272</u>	<u>4,014,881,987</u>	<u>2,745,061,558</u>	<u>675,826,034</u>
Total liabilities and shareholders' equity		<u>11,048,857,632</u>	<u>8,297,512,306</u>	<u>5,188,000,012</u>	<u>11,281,742,021</u>	<u>7,576,130,119</u>	<u>3,529,991,996</u>

WHA Corporation Public Company Limited
Statements of Comprehensive income
For the year ended 31 December 2013

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Rental and service income	12, 15	500,496,474	359,926,480	465,609,208	216,866,870
Income from sales of investment properties		6,584,951,433	1,808,853,629	3,591,900,805	874,428,972
Cost of rental and service		(178,989,386)	(125,999,991)	(177,264,930)	(100,138,859)
Cost of investment properties		(4,961,775,351)	(1,617,097,087)	(2,383,204,619)	(689,036,070)
Gross profit		1,944,683,170	425,683,031	1,497,040,464	302,120,913
Other income	29	83,521,216	44,653,840	452,373,981	206,033,510
Administrative expenses		(131,759,063)	(68,064,711)	(127,358,835)	(66,135,178)
Finance costs	30	(182,867,515)	(149,300,933)	(190,642,932)	(120,447,991)
Share of loss of joint ventures		(1,257,736)	-	-	-
Profit before income tax expense		1,712,320,072	252,971,227	1,631,412,678	321,571,254
Income tax expense	32	(248,861,663)	(40,554,562)	(164,059,696)	(19,277,366)
Net profit for the year		1,463,458,409	212,416,665	1,467,352,982	302,293,888
Other comprehensive income (expense):					
Gain (losses) on re-measuring available-for-sale investments - net of tax		(100,390,105)	88,797,864	(101,200,703)	88,797,864
Other comprehensive income (expense) for the year - net of tax		(100,390,105)	88,797,864	(101,200,703)	88,797,864
Total comprehensive income for the year		1,363,068,304	301,214,529	1,366,152,279	391,091,752
Profit attributable to:					
Owners of the parent		1,463,458,409	212,416,665	1,467,352,982	302,293,888
Non-controlling interests		-	-	-	-
Net profit for the year		1,463,458,409	212,416,665	1,467,352,982	302,293,888
Total comprehensive income attributable to:					
Owners of the parent		1,363,068,304	301,214,529	1,366,152,279	391,091,752
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		1,363,068,304	301,214,529	1,366,152,279	391,091,752
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share (Baht)	33	1.59	0.30	1.60	0.42

For the year ended 31 December 2013

94,237,864

WHA Corporation Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the year ended 31 December 2013

Consolidated (Baht)									
Owners of the parent							Other components of equity		
	Authorised, issued and fully paid-up share capital	Premium on share capital	Capital surplus from share swap	Appropriated - legal reserve	Retained earnings	Unappropriated	Total owners of the parent	Other comprehensive income - Gain (loss) on re-measuring available-for-sale investments	Total
Opening balance as at 1 January 2013 (previously reported)	510,000,000	1,548,743,732	172,861,100	-	692,582,600	(131,368,723)	3,041,984,762	117,797,330	3,041,984,762
Adjustment for adopting new accounting policy	-	-	-	-	-	-	(154,928,189)	(23,559,466)	(154,928,189)
Opening balance as at 1 January 2013 (after adjustment)	510,000,000	1,548,743,732	172,861,100	-	561,213,877	-	2,887,056,573	94,237,864	2,887,056,573
Change in equity for the year 2013									
Legal reserve	27.1	-	-	42,000,000	(42,000,000)	-	-	-	-
Total comprehensive income (expense) for the year		-	-	-	1,463,458,409	(100,390,105)	1,363,068,304	(100,390,105)	1,363,068,304
Issuance ordinary shares of stock dividend	26, 27.2	407,992,494	-	-	(407,992,494)	-	-	-	-
Dividend paid	27.2	-	-	-	(96,331,850)	(96,331,850)	(96,331,850)	-	(96,331,850)
Closing balance as at 31 December 2013		917,992,494	1,548,743,732	172,861,100	42,000,000	1,478,347,942	4,153,793,027	(6,152,241)	4,153,793,027

WHA Corporation Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the year ended 31 December 2013

Company (Baht)									
		Other components of equity				Other comprehensive income			
				</					

WHA Corporation Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the year ended 31 December 2013

	Company (Baht)									
	Notes	Authorised, issued and fully paid-up share capital	Premium on share capital	Capital surplus from share swap	Retained earnings		Unappropriated	Other components of equity		
					Appropriated - legal reserve			Other comprehensive income - Gain (loss) on re-measuring available-for-sale investments	Total	
Opening balance as at 1 January 2013 (previously reported)		510,000,000	1,548,743,732	202,175,962	-	385,947,991		117,797,330	2,764,665,015	
Adjustment for adopting new accounting policy	4	-	-	-	-	3,956,009		(23,559,466)	(19,603,457)	
Opening balance as at 1 January 2013 (after adjustment)		510,000,000	1,548,743,732	202,175,962	-	389,904,000		94,237,864	2,745,061,558	
Change in equity for the year 2013										
Legal reserve	27.1	-	-	-	42,000,000	(42,000,000)		-	-	
Total comprehensive income (expense) for the year		-	-	-	-	1,467,352,982		(101,200,703)	1,366,152,279	
Issuance ordinary shares of stock dividend	26, 27.2	407,992,494	-	-	-	(407,992,494)		-	-	
Dividend paid	27.2	-	-	-	-	(96,331,850)		-	(96,331,850)	
Closing balance as at 31 December 2013		917,992,494	1,548,743,732	202,175,962	42,000,000	1,310,932,638		(6,962,839)	4,014,881,987	

WHA Corporation Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2013

	Notes	Consolidated		Company	
		2013	2012	2013	2012
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		1,712,320,072	252,971,227	1,631,412,678	321,571,254
Adjustments for:					
Depreciation expenses					
- Investment properties	15	125,758,382	94,021,324	125,758,382	72,342,863
- Building improvement and equipment	17	6,548,864	4,080,549	6,541,135	4,050,373
Amortisation	16	5,136,079	6,489,262	5,136,079	5,375,194
Gain from disposal of investment property		(1,623,176,082)	(191,756,541)	(1,208,696,186)	(185,392,902)
(Gain) loss from disposal of building improvement and equipment		2,463,758	(11,243)	2,463,758	(3,108)
Gain from sale of short-term investment	29	(4,214,109)	(1,659,909)	(3,870,459)	(1,659,909)
Deferred income from operating lease agreements		(14,897,322)	(24,534,428)	(14,897,322)	(13,222,773)
Employee benefit obligations	24.2	6,971,137	1,405,157	6,971,137	1,405,157
Interest income	29	(7,754,315)	(2,367,076)	(7,761,493)	(7,101,438)
Dividend income	29	(56,721,600)	(32,280,178)	(406,721,573)	(189,450,168)
Finance costs - interest expense	30	182,867,515	149,300,933	190,642,932	120,447,991
Share of loss of joint ventures		1,257,736	-	-	-
Loss from termination of joint ventures	14.2	149,084	-	149,084	-
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):					
Trade and other receivables		(28,879,841)	(12,488,987)	(54,638,853)	(6,364,342)
Other current assets		53,073,231	(12,224,380)	45,906,832	(11,699,143)
Other non-current assets		(6,680,634)	(7,022,557)	(6,479,457)	(7,718,762)
Trade and other payables		173,067,411	(22,623,996)	141,619,322	(14,750,892)
Advance received from rental and service income		(29,961,044)	(2,848,833)	2,628,579	12,221,179
Other current liabilities		18,422,073	1,098,507	18,028,076	1,548,600
Deposits from long-term lease agreement		(43,882,049)	(52,567,051)	11,075,928	41,536,506
Other non-current liabilities		953,899	9,190,225	953,899	9,190,225
Cash flows generated from operating activities		472,822,245	156,172,005	486,222,478	152,325,905
Interest received		9,239,597	881,794	15,193,207	819,364
Finance costs - interest expense		(164,308,287)	(221,909,100)	(152,892,531)	(152,277,027)
Income tax paid		(104,100,826)	(24,910,050)	(44,724,682)	(14,001,537)
Net cash generated (used in) from operating activities		213,652,729	(89,765,351)	303,798,472	(13,133,295)

WHA Corporation Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2013

		Consolidated		Company	
		2013	2012	2013	2012
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Cash paid for purchase of short-term investments	9	(4,340,000,000)	(1,660,000,000)	(3,454,000,000)	(1,660,000,000)
Proceeds from sale of short-term investments		3,798,400,002	1,545,145,985	3,574,400,001	1,545,145,985
Purchase of investment in available-for-sale	10.2, 13	(608,374,200)	(365,400,000)	(608,374,200)	(365,400,000)
Purchase of building improvement and equipment		(17,730,266)	(11,685,192)	(17,730,266)	(11,685,192)
Proceeds from disposals of building improvement and equipment		-	51,095	-	35,795
Purchase of investment property		(6,856,875,581)	(2,740,007,812)	(6,134,067,356)	(2,613,699,312)
Deposits for purchase of land	18, 36.2	-	(56,074,019)	-	(56,074,019)
Capitalised interest for investment properties		(56,431,555)	(37,771,956)	(52,497,334)	(36,726,168)
(Loans to) proceeds from related parties	35.3	-	-	74,394,004	(15,000,000)
Proceeds from disposals of investment property (net tax)		6,342,451,050	1,684,793,167	3,463,778,532	709,307,543
Cash paid for acquisition of leasehold rights	16	(56,243,364)	(20,752,064)	(56,243,364)	(20,752,064)
Cash paid for acquisition of investment in joint ventures		(14,598,000)	-	(14,598,000)	-
Cash advance paid for investment	10.2	-	(252,400,000)	-	(252,400,000)
Proceeds from dividends received		56,721,600	35,863,578	563,891,563	35,863,578
Net cash used in investing activities		(1,752,680,314)	(1,878,237,218)	(2,661,046,420)	(2,741,383,854)
Cash flows from financing activities					
Proceeds from short-term borrowings	19	2,202,831,743	-	2,202,831,743	-
Proceeds from long-term borrowings	19	2,541,821,169	2,782,386,420	2,231,821,169	2,692,386,420
Payments on short-term borrowings	19	(2,006,193,925)	-	(2,006,193,925)	-
Payments on long-term borrowings	19	(4,445,928,867)	(1,521,906,666)	(3,675,623,346)	(879,774,785)
Proceeds from increase in share capital					
- Ordinary shares issued	26	-	129,400,040	-	129,400,040
- Share premium	26	-	1,585,150,490	-	1,585,150,490
Cash paid for initial public offering process	26	-	(36,406,758)	-	(36,406,758)
Finance lease principal payments	23	(6,646,769)	(3,122,287)	(6,646,769)	(3,122,287)
Proceed from long-term borrowings from related parties	35.4	-	140,000,000	1,277,000,000	387,000,000
Payment from long-term borrowings from related parties	35.4	-	(155,375,000)	(937,225,000)	(172,775,000)
Proceeds from debentures	21	2,700,000,000	-	2,700,000,000	-
Underwriting fee for debentures	21	(5,110,950)	-	(5,110,950)	-
Dividend paid	27.2	(96,331,850)	-	(96,331,850)	-
Net cash from financing activities		884,440,551	2,920,126,239	1,684,521,072	3,701,858,120
Net increase (decrease) in cash and cash equivalents		(654,587,034)	952,123,670	(672,726,876)	947,340,971
Cash and cash equivalents - beginning balance		974,409,558	22,285,888	971,419,277	24,078,306
Cash and cash equivalents - ending balance		319,822,524	974,409,558	298,692,401	971,419,277

WHA Corporation Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2013

		Consolidated		Company	
		2013	2012	2013	2012
	Notes	Baht	Baht	Baht	Baht
Cash and cash equivalents at the ending of the year comprise					
Cash and cash equivalents		319,822,524	978,730,150	298,692,401	971,419,277
<u>Less</u> Bank overdrafts		-	(4,320,592)	-	-
Total cash and cash equivalents - ending balance		319,822,524	974,409,558	298,692,401	971,419,277
Non-cash transaction					
Addition of investment properties					
- Trade accounts payable		819,164,815	542,944,836	803,784,535	450,756,016
Addition of assets from financial lease	23	8,494,799	3,665,619	8,494,799	3,665,619
Issuance ordinary shares of stock dividend	26, 27.2	407,992,494	-	407,992,494	-

WHA Corporation Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

1 General information

WHA Corporation Public Company Limited (“the Company”) was registered as a limited company and resident in Thailand on 25 September 2007. On 23 April 2012 the Company has registered the conversion to Public Company Limited and has registered to change its name from “WHA Corporation Company Limited” to “WHA Corporation Public Company Limited” with the Ministry of Commerce. The address of the Company’s registered office is as follows:

1121 Moo.3 Theparak Road, Theparak, A.Mueang Samut Prakarn, Samut Prakarn.

The principal business operations of the Company and its subsidiaries (“the Group”) are providing rental for factory, warehouse and other properties and selling of investment property.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes the Company and its subsidiaries are referred to as the Group.

These consolidated and company financial statements were authorised by the Board of Directors on 18 February 2014.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards and interpretations and amendments to new accounting standards and new financial reporting standards

New accounting standards, new financial reporting standards and amendments to accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the Group are:

TAS 12	Income taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses to be recognised for current and deferred tax. New accounting policy of income taxes is provided in Note 2.26 and the significant impacts to the Group are described in Note 4.

TAS 21 (Revised 2009) requires the Group to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Group assessed and concluded that Thai Baht is the Group's functional currency. As a consequence, applying TAS 21 has no impact to assets, liabilities and retained earnings. New accounting policy is described in Note 2.4.

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. New accounting policy is described in Note 2.27. The impact to the Group in applying TFRS 8 is only on a disclosure.

Effective for the periods beginning on or after 1 January 2014

TAS 1 (Revised 2012)	Presentation of financial statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related party disclosures
TAS 28 (Revised 2012)	Investments in associates
TAS 31 (Revised 2012)	Interest in joint ventures
TAS 34 (Revised 2012)	Interim financial reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based payment
TFRS 3 (Revised 2012)	Business combinations
TFRS 5 (Revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (Revised 2012)	Operating segments

New accounting standards and new financial reporting standards mentioned above which are relevant to the Group are as follows:

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. The Group's management assessed that the revised standard has no impact to the Group's operation.

WHA Corporation Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)**2.2 New accounting standards, new financial reporting standards and interpretations and amendments to new accounting standards and new financial reporting standards (Cont'd)**Effective for the periods beginning on or after 1 January 2014 (Cont'd)

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 18 (revised 2012) removes the appendix to TAS 18. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2011. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 36 (revised 2012) clarify that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. The Group's management assessed that the revised standard has no impact to the Group's operation.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. The Group's management assessed that the revised standard has no impact to the Group's operation.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards and interpretations and amendments to new accounting standards and new financial reporting standards (Cont'd)

Effective for the periods beginning on or after 1 January 2014 (Cont'd)

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. The Group's management assessed that the revised standard has no impact to the Group's operation.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. The Group's management assessed that the revised standard has no impact to the Group's operation.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. The Group's management assessed that the revised standard has no impact to the Group's operation.

Interpretations of financial reporting standards and accounting standards effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under IAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

Interpretations of financial reporting standards and accounting standards mentioned above which relevant to the Group are as follows:

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. The Group's management assessed that the revised standard has no impact to the Group's operation.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. The Group's management assessed that the revised standard has no impact to the Group's operation.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. The Group's management assessed that the revised standard has no impact to the Group's operation.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. The Group's management assessed that the revised standard has no impact to the Group's operation.

WHA Corporation Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards and interpretations and amendments to new accounting standards and new financial reporting standards (Cont'd)

Interpretations of financial reporting standards and accounting standards effective for the periods beginning on or after 1 January 2014 (Cont'd)

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 "Leases". The accounting shall reflect the substance of the arrangement. The Group's management assessed that the revised standard has no impact to the Group's operation.

New accounting standard which is effective for the periods beginning on or after 1 January 2016 and is not relevant to the Group is:

TFRS 4	Insurance Contracts
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2.3 Investments in subsidiaries and investments in joint ventures

(a) Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The Company uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries and investments in joint ventures (Cont'd)

(b) Transactions with non-controlling interests

The Company treats transactions with non-controlling interests as transactions with equity owners of the Company. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Company ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities.

(c) Joint Ventures

Joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the ventures.

Investment in joint ventures are accounted for using the equity method and cost method in the consolidated and company financial statements, respectively.

A list of the Group's principal joint ventures and the effects of acquisitions and disposals of joint ventures are shown in Note 14.2.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

WHA Corporation Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)**2.5 Cash and cash equivalents**

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with of cash flows, banks, other short-term highly liquid investments with maturities of three months or less from date of acquisition and are not used as collateral and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowing in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the amount per contract and original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expense.

2.7 Non-current assets held for sale

Non-current assets are classified as non-current assets held for sales and presented as current assets if their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. A non-current asset held for sales is not depreciated while it is classified as held for sale. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

The Group will classify investment properties and related leasehold rights as non-current assets held for sale once the criteria above are met. In addition, the Group will also classify other assets related to non-current asset held for sales which will be disposed when non-current assets held for sales are sold.

Other assets which relate to non-current assets held for sale comprise deferred income from operating lease agreements and other non-current assets.

2.8 Investment

The Group classified investments other than investments in subsidiaries and investments in joint ventures into available-for-sale investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available for sale investments are recognised in equity.

2 Accounting policies (Cont'd)

2.8 Investment (Cont'd)

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses (if any).

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and Warehouse	30 Years
Building improvement	20 Years
Utilities systems	10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.10 Capitalisation of borrowing costs

Borrowing costs to finance the construction of property and equipment are capitalised during the period of time that is required to complete and prepare the property for its intended use as part of cost of the asset. The borrowing costs include interest on short-term and long-term borrowings.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is a weighted average interest rate applicable to the Group's outstanding borrowings during the year. Where funds are borrowed specifically for the acquisition, construction or production of property and equipment, the amount of borrowing costs eligible for capitalisation on that asset is determined at the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investments of those borrowings.

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2 Accounting policies (Cont'd)

2.11 Leasehold rights

Expenditure on acquired leasehold right is capitalised and amortised using the straight line method over the lease period, generally over 20 to 30 years.

2.12 Building improvement and equipment

Building improvement and equipment are stated at cost less any accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on building improvement and equipment is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building improvement	10 and 20 Years
Office equipment	5 Years
Vehicles	5 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.14).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net gains or losses' in profit or loss.

2.13 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 3 years.

2 Accounting policies (Cont'd)

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Deferred income from operating lease agreements

Deferred income from the operating lease agreement is incurred from the recognition of rental and service income by adjusting rental and service agreement rates to straight-line recognition over the term of the rental and service agreement.

The Group will stop using the straight-line method to recognise rental and service income once the investment property and related assets are classified as non-current assets held for sale.

2.16 Long-term leases

Long-term leases - where a Group company is the lessee

Operating leases

Long-term leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Long-term leases - where a Group Company is the lessor

Operating leases

Assets leased out under operating leases are included in investment properties in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

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2 Accounting policies (Cont'd)**2.17 Borrowings**

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in statement of comprehensive income over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.18 Employee benefits

The Group recognises a liability and an expense for bonuses and expected benefit. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The Group's employee benefits comprise of typically defined benefit plans. An amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period and adjusted with unrecognised past-service costs. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to profit or loss.

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2.19 Provisions - general

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions exclude the provisions for employee benefits. The accounting policy for employee benefit is mentioned in note 2.18 Employee benefits.

2 Accounting policies (Cont'd)

2.20 Liabilities from finance lease

Leases of assets which substantially transfer all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the profit or loss over the lease period. The assets acquired under finance lease contracts is depreciated over the shorter period of the useful life of the asset or the lease term.

2.21 Share Capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.22 Financial assets and financial liabilities

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investment, trade and other accounts receivable, short-term to related parties and investment in available-for-sale. Financial liabilities carried on the statement of financial position include bank overdrafts and short-term borrowing from a financial institution, trade and other accounts payable, short-term borrowing from related parties, long-term borrowing from financial institutions, liabilities under finance lease agreements, certain parts of current liabilities, and debenture. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.23 Revenue recognition

Revenue from sale of investment property comprises the fair value for consideration received or receivable which does not include sales within the Group for the consolidated financial statements (if any). Revenue from sale of investment property is recognised when significant risks and reward of ownership are transferred to the buyer.

Rental income and service income from operating lease agreements are recognised by using the straight-line method over the rental and service term agreement.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

Dividend income is recognised when the right to receive payment is established.

2.24 Finance costs

Finance costs comprise interest expense from bank loans, debentures, related parties, liabilities under finance lease contracts, and amortisation of bonds issue fee.

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

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2 Accounting policies (Cont'd)**2.26 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

The Group's principle business operations are providing rental for factory, warehouse, and other properties and sale of investment property in the same geographic area which is in Thailand. There has been presented segment information by business only.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including cash flow from interest rate risk and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. They evaluate and hedge financial risks, provide principles for overall risk management, as well as related policies covering specific areas.

3.1.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, Company treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.1.2 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that rental and services are provided to customers with an appropriate credit history. Deposits are limited to high credit quality financial institutions.

3.1.3 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. However, the Group has entered into long-term borrowing agreements with financial institutions bearing floating interest rates. The Group has not entered into interest rate swap contract covering the interest rate risk for such borrowings. The Group also issued debentures with fixed interest rates. For those debentures, the Group has entered into an interest rate swap contract to swap fixed interest rates for floating interest rates for some debenture balances (Note 21) in order to reduce finance costs. The management believe that effect of interest rate fluctuation on long-term borrowing agreements with financial institutions and interest rate swap contract will not materially affect the Group.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2013 and 2012 are summarised as follows:

	Consolidated					
	2013 (Baht)					
	Mark to market	Fixed interest rate remaining period before maturity date or repricing rate less than 1 year	Fixed interest rate 1-3 years	Without interest	Total	Interest rate (%) Float rate Fixed rate
Financial assets						
Cash and cash equivalents	-	68,792,146	-	251,030,378	319,822,524	-
Short-term investment	-	-	-	663,495,683	663,495,683	-
Trade and other accounts receivable	-	-	-	48,252,871	48,252,871	-
Investment in available-for-sale	-	-	-	1,387,461,150	1,387,461,150	-
Total financial assets	-	68,792,146	-	2,350,240,082	2,419,032,228	-
Financial liabilities						
Bank overdrafts and short-term borrowing from a financial institution	-	198,688,257	-	-	198,688,257	-
Current portion of long-term borrowings from financial institutions	87,000,000	-	-	-	87,000,000	MLR-2.00 to MLR
Current portion of liability under finance lease agreements (net)	-	4,150,812	-	-	4,150,812	-
Trade and other payables	-	-	-	1,123,148,689	1,123,148,689	-
Long-term borrowings from financial institutions (net)	1,501,917,490	-	-	-	1,501,917,490	MLR-2.375 to MLR
Liability under finance lease agreements (net)	-	-	4,454,971	-	4,454,971	-
Liabilities related directly to non-current assets held for sale	832,202,962	-	-	-	832,202,962	MLR-1.50 to MLR
Debentures (net)	-	-	2,695,283,363	-	2,695,283,363	-
Total financial liabilities	2,421,120,452	202,839,069	2,699,738,334	1,123,148,689	6,446,846,544	-

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3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2013 and 2012 are summarised as follows: (Cont'd)

	Consolidated						
	2012 (Baht)						
	Mark to market	Fixed interest rate remaining period before maturity date or repricing rate		Without interest	Total	Interest rate (%)	
		less than 1 year	1-3 years			Float rate	Fixed rate
Financial assets							
Cash and cash equivalents	-	-	978,256,894	473,256	978,730,150	-	0.75 - 2.20
Short-term investment	-	-	-	116,668,156	116,668,156	-	-
Trade and other accounts receivable	-	-	-	20,688,689	20,688,689	-	-
Investment in available-for-sale	-	-	-	653,188,000	653,188,000	-	-
Total financial assets	-	-	978,256,894	791,018,101	1,769,274,995	-	-
Financial liabilities							
Bank overdrafts and short-term borrowing from a financial institution	4,320,592	-	-	-	4,320,592	-	7.49
Current portion of long-term borrowings from financial institutions	101,518,652	879,610,000	-	-	981,128,652	MLR -1.75 to MLR	3.20 - 3.25
Current portion of liability under finance lease agreements (net)	-	4,954,930	-	-	4,954,930	-	5.04
Trade and other payables	-	-	-	645,399,326	645,399,326	-	-
Long-term borrowings from financial institutions (net)	2,603,591,015	-	-	-	2,603,591,015	MLR -1.50 to MLR	-
Liability under finance lease agreements (net)	-	-	1,802,823	-	1,802,823	-	5.04
Liabilities related directly to non-current assets held for sale	688,228,121	-	-	-	688,228,121	MLR -1.75 to MLR	-
Total financial liabilities	3,397,658,380	884,564,930	1,802,823	645,399,326	4,929,425,459	-	-

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3 Financial risk management (Cont'd)

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instrument, which comprises interest rate swap agreements. Such instrument is not recognised in the financial statements on inception.

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 34.

3.3 Fair value estimation

The fair values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group/Company for similar financial instruments.

Information on the fair values of borrowings is included in Note 19.

4 The impact of adoption of new accounting policy

Since 1 January 2013, the Group has adopted the Thai Accounting Standard 12 Income taxes that are effective in Thailand for the periods beginning on or after 1 January 2013 onward.

The Group has adopted these standards by applying retrospective adjustments. The effects of the changes to the Company's statement of financial position as at 31 December 2012 and 1 January 2012 and statement of comprehensive income for the year ended 31 December 2012 are as follows:

	Consolidated		
	As previously reported Baht	Increase (decrease) Baht	After adjustment Baht
Retained earnings - unappropriated as at 1 January 2012	479,290,007	(130,492,795)	348,797,212
Statement of financial position as at 31 December 2012			
- Deferred income tax liabilities	-	154,928,188	154,928,188
- Gain on measurement on available-for-sale investments (net)	117,797,330	(23,559,466)	94,237,864
Statement of comprehensive income for the year ended 31 December 2012			
- Income tax	39,678,634	875,928	40,554,562
- Profit for the year	213,292,593	(875,928)	212,416,665
- Gain (loss) on re-measuring available-for-sale investments	110,997,330	(22,199,466)	88,797,864
- Total comprehensive income for the year	324,289,923	(23,075,394)	301,214,529
- Basic earnings per share	0.23	-	0.23
Retained earnings - unappropriated as at 1 January 2013	692,582,600	(131,368,723)	561,213,877

4 Changes in accounting policy and its impact (Cont'd)

	Company		
	As previously reported Baht	Increase (decrease) Baht	After adjustment Baht
Retained earnings - unappropriated as at 1 January 2012	91,184,825	(3,574,713)	87,610,112
Statement of financial position as at 31 December 2012			
- Deferred income tax liabilities	-	19,603,457	19,603,457
- Gain on measurement on available-for-sale investments (net)	117,797,330	(23,559,466)	94,237,864
Statement of comprehensive income for the year ended 31 December 2012			
- Income tax	26,808,088	(7,530,722)	19,277,366
- Profit for the year	294,763,166	7,530,722	302,293,888
- Gain (loss) on re-measuring available-for-sale investments	110,997,330	(22,199,466)	88,797,864
- Total comprehensive income for the year	405,760,496	14,668,744	391,091,752
- Basic earnings per share	0.32	0.01	0.33
Retained earnings - unappropriated as at 1 January 2013	385,947,991	3,956,009	389,904,000

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit obligations.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 24.2.

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

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7 Segment information

Financial information by business segment for the years ended 31 December 2013 and 2012 comprise the following:

	Consolidated (Baht)					
	Rental of warehouse and service providing business		Sale of investment property		Total	
	2013	2012	2013	2012	2013	2012
Revenues from operations	500,496,474	359,926,480	6,584,951,433	1,808,853,629	7,085,447,907	2,168,780,109
Cost	(178,989,386)	(125,999,991)	(4,961,775,351)	(1,617,097,087)	(5,140,764,737)	(1,743,097,078)
Revenues from segment	321,507,088	233,926,489	1,623,176,082	191,756,542	1,944,683,170	425,683,031
Other income					83,521,216	44,653,840
Administrative expenses					(131,759,063)	(68,064,711)
Finance costs					(182,867,515)	(149,300,933)
Gain (loss) on investment in joint ventures					(1,257,736)	-
Profit before income tax expense					1,712,320,072	252,971,227
Income tax expense					(248,861,663)	(40,554,562)
Net profit for the year					1,463,458,409	212,416,665

	Consolidated (Baht)					
	Rental of warehouse and service providing business		Sale of investment property		Total	
	2013	2012	2013	2012	2013	2012
Segment assets	6,263,018,292	4,187,561,143	2,225,070,960	1,861,574,593	8,488,089,252	6,049,135,736
Unallocated assets	-	-	-	-	2,560,768,380	2,248,376,570
Consolidated total assets					11,048,857,632	8,297,512,306
Segment liabilities	3,240,461,763	2,432,245,004	832,202,962	688,228,121	4,072,664,725	3,120,473,125
Unallocated liabilities	-	-	-	-	2,822,399,880	2,289,982,608
Consolidated total liabilities					6,895,064,605	5,410,455,733
Depreciation and amortisation	116,604,677	80,647,929	9,153,705	13,373,395	125,758,382	94,021,324
Unallocated depreciation	-	-	-	-	6,548,864	4,080,549
Unallocated amortisation	-	-	-	-	5,136,079	6,489,262
Consolidated total depreciation and amortisation					137,443,325	104,591,135

8 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash	149,524	51,225	143,315	37,730
Cheque on hand	765,333	375,514	765,333	-
Deposits at financial institutions				
- saving accounts	68,790,990	98,646,894	47,713,593	91,741,547
- current accounts	250,115,521	46,517	250,069,004	30,000
- 3-month time deposits	1,156	879,610,000	1,156	879,610,000
Total	319,822,524	978,730,150	298,692,401	971,419,277

8 Cash and cash equivalents (Cont'd)

As at 31 December 2013 and 2012, the interest rates for deposits at financial institutions were as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	% per annum	% per annum	% per annum	% per annum
Deposits at financial institutions				
- saving accounts	0.50 - 0.60	0.75 - 1.40	0.50 - 0.60	0.75
-3-month time deposits	2.00 - 2.20	2.00 - 2.20	2.00 - 2.20	2.00 - 2.20

9 Short-term investment

Short-term investment as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Unit trust-saving bond which are classified as available-for-sale investment	662,482,263	116,658,826	138,614	116,658,826
<u>Add</u> Unrealised gain on fair value of available-for-sale investment	1,013,420	9,330	173	9,330
Total	663,495,683	116,668,156	138,787	116,668,156

Short-term investment for the year ended 31 December 2013 and 2012 have the following movement:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Beginning balance	116,668,156	144,902	116,668,156	144,902
Purchase unit trust-saving bond during the year	4,340,000,000	1,660,000,000	3,454,000,000	1,660,000,000
Sale of unit trust-saving bond during the year	(3,794,185,893)	(1,543,486,076)	(3,570,529,542)	(1,543,486,076)
Unrealised gain on fair value of available-for-sale investment	1,013,420	9,330	173	9,330
Ending balance	663,495,683	116,668,156	138,787	116,668,156

As at 31 December 2013, the Group has short-term investment amounting to Baht 663,495,683 (2012 : Baht 116,668,156) represents local mutual fund units at banks classified as available-for-sale investments which may be sold if the Company need to raise operating capital.

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10 Trade and other receivables and advance payment for investment

10.1 Trade and other receivables

Trade and other receivables as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Trade accounts receivable				
- Other companies	31,146,963	2,198,143	30,170,655	1,850,923
Accounts receivable on deposit	7,326,296	8,802,994	7,326,296	2,207,974
Other receivables				
- Related companies	230,000	-	19,830,500	-
- Dividend receivable	-	-	-	157,169,990
- Prepaid insurance and expense	1,806,121	2,961,155	1,806,121	2,582,579
- Advance payment - others	2,741,368	2,430,884	2,409,928	2,272,815
- Advance payment - joint ventures	1,992,061	-	1,992,061	-
- Interest receivable	-	1,485,282	-	7,431,714
- Refundable deposits	2,295,724	1,519,300	2,293,724	1,519,300
- Others	714,338	1,290,931	703,713	1,290,931
Total trade and other receivables	<u>48,252,871</u>	<u>20,688,689</u>	<u>66,532,998</u>	<u>176,326,226</u>

Trade accounts receivable - other companies were classified by aging as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Accounts receivable within due for payment	11,002,037	2,198,143	10,025,729	1,850,923
Aging of accounts receivable overdue for payment 1-10 months	20,144,926	-	20,144,926	-
Total trade accounts receivable - other companies	<u>31,146,963</u>	<u>2,198,143</u>	<u>30,170,655</u>	<u>1,850,923</u>

As at 31 December 2013, the Group had trade accounts receivable - other companies of Baht 20,144,926 that were overdue for payment. However, management believes that such receivables are fully collectible as the Company has collected deposits for rental and service that cover this receivable balance.

10.2 Advance payment for investment

Advance payment for investment as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Advance payment for investment in WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund	-	252,400,000	-	252,400,000
Total	<u>-</u>	<u>252,400,000</u>	<u>-</u>	<u>252,400,000</u>

As at 31 December 2012, the Company had an advance payment for subscription of unit in the WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund amounting to Baht 252,400,000 in 25,240,000 units. Such units constitute the issuance of new units at a par value Baht 10. The first trade of such units occurred on 14 January 2013 (Note 13).

11 Other current assets

Other current assets as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Prepaid corporate income tax	-	37,710,813	-	37,710,813
VAT refundable	539,887	26,316,113	-	17,717,193
Suspense VAT	8,956,245	1,072,286	8,850,122	1,858,797
Receivable from interest rate swap contract (Note 21)	2,529,849	-	2,529,849	-
Total	12,025,981	65,099,212	11,379,971	57,286,803

12 Non-current assets held for sale

On 27 December 2013, the Group presented their intention to sell investment properties to WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund (“the Fund”). The sale plan is expected to complete within one year. The Group has reclassified the investment properties and related leasehold rights under WHA Corporation Public Company Limited to be non-current assets held for sale. As at 31 December 2013, these assets totalled Baht 2,216.61 million and Baht 2,216.61 million, which was recorded in the consolidated and company financial statements, respectively.

On 15 March 2013 (2012 : on 6 July 2012 and on 30 September 2012), the Group presented their intention to sell investment properties to the Fund. The sale plan was expected to complete within one year. During the year, the Group reclassified the investment properties and related leasehold rights under WHA Corporation Public Company Limited, Warehouse Asia Alliance Company Limited and WHA Alliance Co., Ltd. to be non-current assets held for sale amounting to Baht 2,896.98 million and Baht 2,026.46 million (2012 : Baht 1,832.68 million and Baht 247.60 million) in the consolidated and company financial statements, respectively. The Group sold the investment properties on 29 November 2013 and 20 December 2013 for Baht 4,585.88 million and Baht 3,174.01 million, for consolidated and company financial statements, respectively.

On 25 May 2012, Board of Director meeting no. 1/2012 approved the Company to sell investment property to WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund (the “Fund”). The investment property comprised factory building including land of Healthcare project located in Bang Cha-Loang, Bangplee (Bangplee Yai), Samutprakan and factory building and land of Kao 3 project located in Bang Hua-Lor, Muang Chonburi, Chonburi. Total amount of two projects was Baht 2,080.00 million. In processing sale of investment property transaction, the Company offered the total selling price for assets of the Company and the subsidiary together to meet the condition which was accepted by the Fund. On 10 January 2013, the Group sold those investment properties to the Fund.

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12 Non-current assets held for sale (Cont'd)

Group of non-current assets held for sale and liabilities related directly to non-current assets held for sale as at 31 December 2013 and 2012 are as follows:

		Consolidated		Company	
	Notes	2013 Baht	2012 Baht	2013 Baht	2012 Baht
<u>Non-current assets held for sale</u>					
Investment properties	15	2,140,527,134	1,785,845,474	2,140,527,134	247,603,869
Leasehold rights	16	76,077,431	46,835,774	76,077,431	-
		2,216,604,565	1,832,681,248	2,216,604,565	247,603,869
Other related assets:					
- Deferred income from operating lease agreement		6,003,372	22,164,659	6,003,372	-
- Other non-current assets		2,463,023	6,728,686	2,463,023	-
Total		2,225,070,960	1,861,574,593	2,225,070,960	247,603,869
<u>Liabilities related directly to non-current assets held for sale</u>					
Current portion of long-term borrowings	19	710,000,000	618,305,521	710,000,000	248,000,000
Interest payable		510,616	12,858,113	510,616	142,685
Deposits from long-term lease agreement	25	114,175,496	57,064,487	114,175,496	8,478,510
Deferred expenses from operating lease agreement		7,516,850	-	7,516,850	-
Total		832,202,962	688,228,121	832,202,962	256,621,195

Details of income generated from the non-current assets held for sale which are presented in comprehensive income statement for the year ended 31 December 2013 and 2012 are as follows:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Rental income and service income after reclassification to non-current assets held for sale	127,624,068	69,763,907	103,462,624	8,478,510

13 Investment in available-for-sale

Investment in available-for-sale as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Unit trusts of WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund				
Beginning balance	653,188,000	176,800,000	653,188,000	176,800,000
Add Purchase during the year	860,774,200	365,400,000	860,774,200	365,400,000
Gain (loss) from change in revaluation of investment	(126,501,050)	110,988,000	(126,501,050)	110,988,000
Total	<u>1,387,461,150</u>	<u>653,188,000</u>	<u>1,387,461,150</u>	<u>653,188,000</u>

In 2013, the WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund increased its capital. The Group purchased newly issued units in order to maintain the Company's unit-holding in the Fund at the proportion of 15%. The Group's own capital, loans from financial institutions and proceeds from the issuing of bonds (if any) have been applied to such unit subscription.

14 Investments in subsidiaries and investments in joint ventures

14.1 The change in book value of investments in subsidiaries and investments in joint ventures for the year ended 31 December 2013 and 2012 can be analysed as follows:

Subsidiaries

	Company	
	2013	2012
	Baht	Baht
Book value at the beginning of the year	898,276,917	898,276,917
Book value at the end of the year	<u>898,276,917</u>	<u>898,276,917</u>

Joint ventures

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
At 1 January	-	-	-	-
Acquisitions	14,598,000	-	14,598,000	-
Share of loss after tax	(1,257,736)	-	-	-
Disposals	(318,707)	-	(318,707)	-
At 31 December	<u>13,021,557</u>	<u>-</u>	<u>14,279,293</u>	<u>-</u>

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14 Investments in subsidiaries and investments in joint ventures (Cont'd)

14.2 Details of investments in subsidiaries and investments in joint ventures resident in Thailand as at 31 December 2013 and 2012 are as follows:

Subsidiaries

	Nature of business	Percentage of holding		Paid-up share capital (total)		Company	
		2013	2012	2013	2012	Cost method	
		%	%	Baht	Baht	2013 Baht	2012 Baht
Warehouse Asia Alliance Co., Ltd.	Providing rental factories, Warehouses, and other properties	100	100	310,000,000	310,000,000	566,876,956	566,876,956
WHA Alliance Co., Ltd.	Providing rental factories, Warehouses, and other properties	100	100	260,000,000	260,000,000	331,399,961	331,399,961
						<u>898,276,917</u>	<u>898,276,917</u>

As at 31 December 2012, the Company had secured the borrowings by mortgage 26,970,000 held shares of Warehouse Asia Alliance Company Limited and 23,400,000 held shares of WHA Alliance Company Limited (Note 19). During 2013, the Company totally released the shares mortgage.

Joint ventures

In August and September 2013, WHA Corporation Public Company Limited joined Gunkul Engineering Public Company Limited to establish 11 companies for producing and distributing electricity by solar photovoltaic rooftop. The Company invested in shares capital of each company which represents 74.99% of total shares with 25% paid up shares. Subsequently, on 26 December 2013, five of the joint venture companies has increased its registered capital to be prepared for investing in generating electricity from solar photovoltaic rooftop. As at 31 December 2013, total investment is Baht 14,116,868.

On 30 August 2013 and 17 September 2013, WHA Corporation Public Company Limited joined SPCG Capital Company Limited to establish 17 companies to produce and distribute electricity using solar photovoltaic rooftop. The Company invested in 7,499 shares from 10,000 total shares capital at par value of Baht 10 per share, which represents 74.99% of the total shares with 25% paid up shares of Baht 18,747.50 each, totalling Baht 318,708. Subsequently, on 24, 25 and 27 December 2013, WHA Corporation Public Company Limited terminated the joint venture companies with SPCG Capital Company Limited as well as closing the joint venture companies due to a limited time to proceed with producing electricity for sale as specified. As such, WHA Corporation Public Company Limited and SPCG Capital Co., Limited find it appropriate to not continue the joint venture companies. On termination, the Company disposed of its investment in the joint ventures amounting to Baht 318,708 and absorbed a loss of Baht 149,084, and Baht 149,084 which was recorded in the consolidated and company financial statement, respectively. The Company has other receivables of Baht 169,624 which will be received as a return on investment from to the joint ventures as previously made.

On 16 October 2013, WHA Corporation Public Company Limited joined KPN Group to establish WHA KPN Alliance Co., Ltd. to operate a premium warehouse and distribution centre project with 10,000 shares at par value Baht 100 per share, totalling registered shares of Baht 1,000,000. The Company invested in WHA KPN Alliance Co., Ltd. in the amount of 6,497 shares, which represents 64.97% of total shares with 25% paid up shares of Baht 162,425.

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14 Investments in subsidiaries and investments in joint ventures (Cont'd)

14.2 Details of investments in subsidiaries and investments in joint ventures resident in Thailand as at 31 December 2013 and 2012 are as follows: (Cont'd)

The jointly controlled entities as at 31 December 2013 are:

No.	Companies name	Business	Percentage of holding		Registered capital			Paid-up share capital (total)			Company	
			2013 %	2012 %	Establishment Baht	Increase Baht	Total Baht	2013 Baht	2012 Baht	2013 Baht	2012 Baht	
1	WHA Gunkul Green Solar Roof 1 Co., Ltd.	producing and distributing of electricity by solar photovoltaic rooftop	74.99	-	1,000,000	10,500,000	11,500,000	2,875,000	-	2,155,963	-	
2	WHA Gunkul Green Solar Roof 2 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	1,000,000	-	1,000,000	250,000	-	187,475	-	
3	WHA Gunkul Green Solar Roof 3 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	1,000,000	13,500,000	14,500,000	3,625,000	-	2,718,388	-	
4	WHA Gunkul Green Solar Roof 4 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	1,000,000	-	1,000,000	250,000	-	187,475	-	
5	WHA Gunkul Green Solar Roof 5 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	1,000,000	-	1,000,000	250,000	-	187,475	-	
6	WHA Gunkul Green Solar Roof 6 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	1,000,000	13,500,000	14,500,000	3,625,000	-	2,718,388	-	

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14 Investments in subsidiaries and investments in joint ventures (Cont'd)

14.2 Details of investments in subsidiaries and investments in joint ventures resident in Thailand as at 31 December 2013 and 2012 are as follows: (Cont'd)

The jointly controlled entities as at 31 December 2013 are as follows: (Cont'd)

No.	Companies name	Business	Percentage of holding		Registered capital			Paid-up share capital (total)			Company Cost method	
			2013 %	2012 %	Establishment Baht	Increase Baht	Total Baht	2013 Baht	2012 Baht	2013 Baht	2012 Baht	2012 Baht
7	WHA Gunkul Green Solar Roof 8 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	100,000	-	100,000	25,000	-	18,747	-	-
8	WHA Gunkul Green Solar Roof 9 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	100,000	-	100,000	25,000	-	18,747	-	-
9	WHA Gunkul Green Solar Roof 10 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	100,000	15,400,000	15,500,000	3,875,000	-	2,905,863	-	-
10	WHA Gunkul Green Solar Roof 16 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	100,000	-	100,000	25,000	-	18,747	-	-
11	WHA Gunkul Green Solar Roof 17 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	74.99	-	100,000	15,900,000	16,000,000	4,000,000	-	2,999,600	-	-
12	WHA KPN Alliance Co., Ltd.	operating a premium warehouse and distribution centre project	64.97	-	1,000,000	-	1,000,000	250,000	-	162,425	-	-
Total										14,279,293		

As at 31 December 2013, the joint ventures have not been in operation. Management have assessed that the disclosure of assets, liabilities, revenue, and expenses of the joint ventures have no impact to the disclosure in Group's note to the financial statements.

There are no contingent liabilities relating to the Group's interests in the joint ventures.

15 Investment properties (net)

	Consolidated			
	Land Baht	Building, building improvement, and utilities system Baht	Construction in progress Baht	Total Baht
As at 1 January 2012				
Cost	547,665,977	1,955,953,643	815,227,005	3,318,846,625
<u>Less</u> Accumulated depreciation	-	(191,483,178)	-	(191,483,178)
Net book amount	<u>547,665,977</u>	<u>1,764,470,465</u>	<u>815,227,005</u>	<u>3,127,363,447</u>
For the year ended 31 December 2012				
Opening net book amount	547,665,977	1,764,470,465	815,227,005	3,127,363,447
Additions	585,700,291	5,432,084	2,060,207,453	2,651,339,828
Capitalised interest for investment properties	-	-	37,771,956	37,771,956
Transferred during the year	-	2,408,123,702	(2,408,123,702)	-
Depreciation	-	(94,021,324)	-	(94,021,324)
Transferred out to non-current assets held for sale (Note 12)	<u>(382,424,476)</u>	<u>(1,403,420,998)</u>	<u>-</u>	<u>(1,785,845,474)</u>
Closing net book amount	<u>750,941,792</u>	<u>2,680,583,929</u>	<u>505,082,712</u>	<u>3,936,608,433</u>
As at 31 December 2012				
Cost	750,941,792	2,764,875,175	505,082,712	4,020,899,679
<u>Less</u> Accumulated depreciation	-	(84,291,246)	-	(84,291,246)
Net book amount	<u>750,941,792</u>	<u>2,680,583,929</u>	<u>505,082,712</u>	<u>3,936,608,433</u>
For the year ended 31 December 2013				
Opening net book amount	750,941,792	2,680,583,929	505,082,712	3,936,608,433
Additions	2,641,696,664	17,308,144	4,602,385,103	7,261,389,911
Capitalised interest for investment properties	-	-	56,431,555	56,431,555
Transferred during the year	-	4,013,247,010	(4,013,247,010)	-
Transferred out to non-current assets held for sale (Note 12)	<u>(610,907,846)</u>	<u>(4,350,550,724)</u>	<u>-</u>	<u>(4,961,458,570)</u>
Depreciation	-	(125,758,382)	-	(125,758,382)
Closing net book amount	<u>2,781,730,610</u>	<u>2,234,829,977</u>	<u>1,150,652,360</u>	<u>6,167,212,947</u>
As at 31 December 2013				
Cost	2,781,730,610	2,326,322,676	1,150,652,360	6,258,705,646
<u>Less</u> Accumulated depreciation	-	(91,492,699)	-	(91,492,699)
Net book amount	<u>2,781,730,610</u>	<u>2,234,829,977</u>	<u>1,150,652,360</u>	<u>6,167,212,947</u>

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15 Investment properties (net) (Cont'd)

	Company			
	Land	Building, building	Construction	Total
	Baht	improvement,	in progress	Baht
		and utilities system	Baht	
		Baht		
As at 1 January 2012				
Cost	165,241,500	598,923,257	815,227,005	1,579,391,762
<u>Less</u> Accumulated depreciation	-	(11,948,383)	-	(11,948,383)
Net book amount	<u>165,241,500</u>	<u>586,974,874</u>	<u>815,227,005</u>	<u>1,567,443,379</u>
For the year ended				
31 December 2012				
Opening net book amount	165,241,500	586,974,874	815,227,005	1,567,443,379
Additions	457,750,291	5,432,084	2,007,087,246	2,470,269,621
Capitalised interest for investment properties	-	-	36,726,168	36,726,168
Transferred during the year	-	2,408,123,702	(2,408,123,702)	-
Depreciation	-	(72,342,863)	-	(72,342,863)
Transferred out to non-current assets held for sale (Note 12)	-	(247,603,869)	-	(247,603,869)
Closing net book amount	<u>622,991,791</u>	<u>2,680,583,928</u>	<u>450,916,717</u>	<u>3,754,492,436</u>
As at 31 December 2012				
Cost	622,991,791	2,764,875,173	450,916,717	3,838,783,681
<u>Less</u> Accumulated depreciation	-	(84,291,245)	-	(84,291,245)
Net book amount	<u>622,991,791</u>	<u>2,680,583,928</u>	<u>450,916,717</u>	<u>3,754,492,436</u>
For the year ended				
31 December 2013				
Opening net book amount	622,991,791	2,680,583,928	450,916,717	3,754,492,436
Additions	2,606,738,828	17,308,144	3,952,870,353	6,576,917,325
Capitalised interest for investment properties	-	-	52,497,334	52,497,334
Transferred during the year	-	3,305,632,044	(3,305,632,044)	-
Transferred out to non-current assets held for sale (Note 12)	(448,000,009)	(3,642,935,757)	-	(4,090,935,766)
Depreciation	-	(125,758,382)	-	(125,758,382)
Closing net book amount	<u>2,781,730,610</u>	<u>2,234,829,977</u>	<u>1,150,652,360</u>	<u>6,167,212,947</u>
As at 31 December 2013				
Cost	2,781,730,610	2,326,322,676	1,150,652,360	6,258,705,646
<u>Less</u> Accumulated depreciation	-	(91,492,699)	-	(91,492,699)
Net book amount	<u>2,781,730,610</u>	<u>2,234,829,977</u>	<u>1,150,652,360</u>	<u>6,167,212,947</u>

15 Investment properties (net) (Cont'd)

The Group and the Company mortgaged land, building, and warehouse as securities for facilities of bank overdraft and a long-term borrowing (Note 19).

Fair values of the Group's investment properties as at 31 December 2013 and 2012 were assessed by independent professionally qualified valuers, Bangkok Property Appraisal Co., Ltd. and Knight Frank Chartered (Thailand) Co., Ltd, who hold a recognised relevant professional qualification and have recent experience in the locations and type of the investment properties assessed, using cost method and income method. Land and buildings of under construction projects were not valued since these assets have been under construction.

As at 31 December 2013, fair values of investment properties in the consolidated and company financial statements assessed is Baht 361 million (with net book value of Baht 166 million). The assets that were not assessed comprised of land and buildings under construction projects included in the consolidated and company financial statements amounting to Baht 6,001 million.

As at 31 December 2012, fair values of investment properties in the consolidated and company financial statements assessed is Baht 3,535 million (with net book value of Baht 2,956 million). The assets that were not assessed included in the consolidated and company financial statements, amounting to Baht 981 million and Baht 798 million, respectively.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Rental income and service income	372,872,406	290,162,573	362,146,584	208,388,360
Direct operating expense arise from investment property that generated rental income for the year	158,970,816	101,623,150	157,430,937	100,122,862
Direct operating expense arise from investment property that did not generate rental income for the period	-	-	-	-

16 Leasehold rights (net)

Leasehold rights for the year ended 31 December 2013 and 2012 have the following movement:

	Consolidated	Company
	Baht	Baht
As at 1 January 2012		
Cost	209,395,905	150,933,635
<u>Less</u> Accumulated amortisation	(11,849,669)	(1,337,241)
Net book amount	<u>197,546,236</u>	<u>149,596,394</u>
For the year ended 31 December 2012		
Opening net book amount	197,546,236	149,596,394
Additions	20,752,064	20,752,064
Amortisation	(6,489,262)	(5,375,194)
Transfer to non-current assets held for sale (Note 12)	(46,835,774)	-
Closing net book amount	<u>164,973,264</u>	<u>164,973,264</u>
As at 31 December 2012		
Cost	171,685,699	171,685,699
<u>Less</u> Accumulated amortisation	(6,712,435)	(6,712,435)
Net book amount	<u>164,973,264</u>	<u>164,973,264</u>

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16 Leasehold rights (net) (Cont'd)

Leasehold rights for the year ended 31 December 2013 and 2012 have the following movement: (Cont'd)

	<u>Consolidated</u> <u>Baht</u>	<u>Company</u> <u>Baht</u>
As at 1 January 2013		
Cost	171,685,699	171,685,699
<u>Less</u> Accumulated amortisation	<u>(6,712,435)</u>	<u>(6,712,435)</u>
Net book amount	<u>164,973,264</u>	<u>164,973,264</u>
For the year ended 31 December 2013		
Opening net book amount	164,973,264	164,973,264
Additions	56,243,364	56,243,364
Amortisation	(5,136,079)	(5,136,079)
Transfer to non-current assets held for sale (Note 12)	<u>(152,127,507)</u>	<u>(152,127,507)</u>
Closing net book amount	<u>63,953,042</u>	<u>63,953,042</u>
As at 31 December 2013		
Cost	65,943,606	65,943,606
<u>Less</u> Accumulated amortisation	<u>(1,990,564)</u>	<u>(1,990,564)</u>
Net book amount	<u>63,953,042</u>	<u>63,953,042</u>

As at 31 December 2013 and 2012, leasehold rights represent leasehold rights in relation to investment property. Leasehold rights have been mortgaged as collateral for facilities of bank overdraft and long-term borrowing (Note 19).

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17 Building improvement and equipment (net)

Building improvement and equipment for the year ended 31 December 2013 and 2012 have the following movement:

	Consolidated				
	Building improvement Baht	Office equipment Baht	Vehicle Baht	Building improvement in construction Baht	Total Baht
As at 1 January 2012					
Cost	3,295,075	4,594,987	9,601,154	-	17,491,216
<u>Less</u> Accumulated depreciation	(96,595)	(934,485)	(1,461,092)	-	(2,492,172)
Net book amount	<u>3,198,480</u>	<u>3,660,502</u>	<u>8,140,062</u>	<u>-</u>	<u>14,999,044</u>
For the year ended 31 December 2012					
Opening net book amount	3,198,480	3,660,502	8,140,062	-	14,999,044
Additions	739,579	3,254,654	4,627,800	6,728,777	15,350,810
Disposal - cost	-	(259,613)	-	-	(259,613)
- accumulated depreciation	-	219,761	-	-	219,761
Transferred during the year	6,728,777	-	-	(6,728,777)	-
Depreciation	(401,768)	(1,222,990)	(2,455,791)	-	(4,080,549)
Closing net book amount	<u>10,265,068</u>	<u>5,652,314</u>	<u>10,312,071</u>	<u>-</u>	<u>26,229,453</u>
As at 31 December 2012					
Cost	10,763,431	7,590,028	14,228,954	-	32,582,413
<u>Less</u> Accumulated depreciation	(498,363)	(1,937,714)	(3,916,883)	-	(6,352,960)
Net book amount	<u>10,265,068</u>	<u>5,652,314</u>	<u>10,312,071</u>	<u>-</u>	<u>26,229,453</u>
For the year ended 31 December 2013					
Opening net book amount	10,265,068	5,652,314	10,312,071	-	26,229,453
Additions	322,776	3,407,258	20,570,286	1,924,745	26,225,065
Disposal - cost	-	-	(3,869,500)	-	(3,869,500)
- accumulated depreciation	-	-	1,405,742	-	1,405,742
Transferred during the year	1,924,745	-	-	(1,924,745)	-
Depreciation	(589,360)	(1,841,629)	(4,117,875)	-	(6,548,864)
Closing net book amount	<u>11,923,229</u>	<u>7,217,943</u>	<u>24,300,724</u>	<u>-</u>	<u>43,441,896</u>
As at 31 December 2013					
Cost	13,010,952	10,997,286	30,929,740	-	54,937,978
<u>Less</u> Accumulated depreciation	(1,087,723)	(3,779,343)	(6,629,016)	-	(11,496,082)
Net book amount	<u>11,923,229</u>	<u>7,217,943</u>	<u>24,300,724</u>	<u>-</u>	<u>43,441,896</u>

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17 Building improvement and equipment (net) (Cont'd)

	Company				Total Baht
	Building improvement Baht	Office equipment Baht	Vehicle Baht	Building improvement in construction Baht	
As at 1 January 2012					
Cost	3,295,075	4,260,492	9,601,154	-	17,156,721
Less Accumulated depreciation	(96,595)	(645,072)	(1,461,092)	-	(2,202,759)
Net book amount	3,198,480	3,615,420	8,140,062	-	14,953,962
For the year ended 31 December 2012					
Opening net book amount	3,198,480	3,615,420	8,140,062	-	14,953,962
Additions	739,579	3,254,654	4,627,800	6,728,777	15,350,810
Disposal - cost	-	(52,775)	-	-	(52,775)
- accumulated depreciation	-	20,088	-	-	20,088
Transferred during the year	6,728,777	-	-	(6,728,777)	-
Depreciation	(401,768)	(1,192,814)	(2,455,791)	-	(4,050,373)
Closing net book amount	10,265,068	5,644,573	10,312,071	-	26,221,712
As at 31 December 2012					
Cost	10,763,431	7,462,371	14,228,954	-	32,454,756
Less Accumulated depreciation	(498,363)	(1,817,798)	(3,916,883)	-	(6,233,044)
Net book amount	10,265,068	5,644,573	10,312,071	-	26,221,712
For the year ended 31 December 2013					
Opening net book amount	10,265,068	5,644,573	10,312,071	-	26,221,712
Additions	322,776	3,407,258	20,570,286	1,924,745	26,225,065
Disposal - cost	-	-	(3,869,500)	-	(3,869,500)
- accumulated depreciation	-	-	1,405,742	-	1,405,742
Transferred during the year	1,924,745	-	-	(1,924,745)	-
Depreciation	(589,360)	(1,833,900)	(4,117,875)	-	(6,541,135)
Closing net book amount	11,923,229	7,217,931	24,300,724	-	43,441,884
As at 31 December 2013					
Cost	13,010,952	10,869,629	30,929,740	-	54,810,321
Less Accumulated depreciation	(1,087,723)	(3,651,698)	(6,629,016)	-	(11,368,437)
Net book amount	11,923,229	7,217,931	24,300,724	-	43,441,884

Leased assets included above, where the Group and the Company is a lessee under a finance lease of vehicle comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cost - capitalised finance leases	20,726,221	13,725,435	20,726,221	13,725,435
Less Accumulated depreciation	(6,060,276)	(3,778,381)	(6,060,276)	(3,778,381)
Net book amount	14,665,945	9,947,054	14,665,945	9,947,054

18 Other non-current assets (net)

Other non-current assets as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Deposits for purchase of land (Note 36.2)	-	56,074,019	-	56,074,019
Deferred transfer fee - leasehold right (net)	5,047,307	9,927,167	5,047,307	9,927,167
Intangible assets - computer software (net)	754,613	610,218	754,613	610,218
Others	6,985,071	2,861,968	6,985,071	2,861,968
	<u>12,786,991</u>	<u>69,473,372</u>	<u>12,786,991</u>	<u>69,473,372</u>

19 Borrowings

Borrowings as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Current				
Bank overdrafts	-	4,320,592	-	-
Short-term borrowings from financial institutions	198,688,257	-	198,688,257	-
Current portion of long-term borrowings from financial institutions	<u>87,000,000</u>	<u>981,128,652</u>	<u>87,000,000</u>	<u>981,128,652</u>
Total current borrowings	<u>285,688,257</u>	<u>985,449,244</u>	<u>285,688,257</u>	<u>981,128,652</u>
Liabilities related directly to non-current assets held for sale				
Current portion of long-term borrowings (Note 12)	<u>710,000,000</u>	<u>618,305,521</u>	<u>710,000,000</u>	<u>248,000,000</u>
Non-current				
Long-term borrowings from financial institutions (net)	<u>1,501,917,490</u>	<u>2,603,591,015</u>	<u>1,501,917,490</u>	<u>2,513,591,015</u>
Total non-current borrowings	<u>1,501,917,490</u>	<u>2,603,591,015</u>	<u>1,501,917,490</u>	<u>2,513,591,015</u>
Total	<u>2,497,605,747</u>	<u>4,207,345,780</u>	<u>2,497,605,747</u>	<u>3,742,719,667</u>

As at 31 December 2013, the Company had unsecured short-term borrowing from a financial institution in form of a non-interest-bearing bill of exchange of Baht 198,688,257 (2012 : nil) with maturity in 3 months from the start date of the agreement. The bill of exchange was rolled over from an older bill of exchange that matured on 12 December 2013. The face value of the bill of exchange was Baht 200 million and the discount on face value, which was deducted as cash, was Baht 1,662,772. The discount on the bill of exchange will be amortised from the receipt date of the debt-securities until maturity. The bill of exchange will mature in March 2014.

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19 Borrowings (Cont'd)

As at 31 December 2013, the Company has secured borrowings from many financial institutions in Thailand in a total amount of Baht 2,298,917,490 (2012 : Baht 3,742,719,667). The borrowings from financial institutions have maturity within 2 years to 12 years as from the date of the execution of the agreement with interest rate between MLR - 2.375% and MLR - 1.50% (2012 : MLR - 1.50% and MLR) and repayment for principal and interest within specified period in agreement. The borrowings are secured over the following:

- secured by mortgage the Company's building and warehouse (Note 15).
- secured by mortgage leasehold rights (Note 16).
- secured by the Company's authorised directors.
- secured by mortgage 8,890,000 shares of WHA Corporation Company Limited. During 2012, the Company totally retired the share mortgage.
- secured by mortgage 26,970,000 held shares of Warehouse Asia Alliance Company Limited and 23,400,000 held shares of WHA Alliance Company Limited (Note 14). During 2013, the Company totally released the share mortgage.
- Transferred collection rights of rental warehouse agreement under long-term lease agreement to liabilities under borrowing from financial institution.

The Group is under the debt covenant criteria over the loan agreement which requires the Group to maintain the financial ratio, proportion of management shareholder and other requirement in accordance with each loan agreement.

The movements in the borrowings can be analysed as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Beginning balance	4,207,345,780	2,949,587,181	3,742,719,667	1,930,108,032
Proceeds from - short-term borrowings	2,202,831,743	-	2,202,831,743	-
- long-term borrowings	2,541,821,169	2,782,386,420	2,231,821,169	2,692,386,420
Amortisation of discount	2,050,439	-	2,050,439	-
Payments on bank overdrafts	(4,320,592)	(2,721,155)	-	-
Payments on - short-term borrowings	(2,006,193,925)	-	(2,006,193,925)	-
- long-term borrowings	(4,445,928,867)	(1,521,906,666)	(3,675,623,346)	(879,774,785)
Ending balance	<u>2,497,605,747</u>	<u>4,207,345,780</u>	<u>2,497,605,747</u>	<u>3,742,719,667</u>

The Group's interest rate risks from borrowings are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Borrowings:				
- at fixed rates	198,688,257	879,610,000	198,688,257	879,610,000
- at floating rates	2,298,917,490	3,327,735,780	2,298,917,490	2,863,109,667
Total borrowings	<u>2,497,605,747</u>	<u>4,207,345,780</u>	<u>2,497,605,747</u>	<u>3,742,719,667</u>

19 Borrowings (Cont'd)

The exposure of the Group and the Company's borrowings to interest rate changes and the contractual re-pricing dates at the statement of financial position dates are as follows:

	Consolidated				
	6 months or less Baht	6 - 12 months Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Total borrowings as at 31 December 2013	36,500,000	760,500,000	1,295,218,800	206,698,690	2,298,917,490
Total borrowings as at 31 December 2012	1,182,589,289	50,859,955	1,653,973,305	1,319,923,231	4,207,345,780

	Company				
	6 months or less Baht	6 - 12 months Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Total borrowings as at 31 December 2013	36,500,000	760,500,000	1,295,218,800	206,698,690	2,298,917,490
Total borrowings as at 31 December 2012	1,178,268,697	50,859,955	1,193,667,784	1,319,923,231	3,742,719,667

The effective interest rates at the statement of financial position date were as follows:

	Consolidated		Company	
	2013 %	2012 %	2013 %	2012 %
- Bank overdrafts	-	7.49	-	-
- Borrowings from financial institutions	4.65 - 5.56	5.27	4.65 - 5.56	5.26

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated		Company	
	2013		2013	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
Bank overdrafts	-	-	-	-
Borrowings from financial institutions	2,497,605,747	2,498,843,228	2,497,605,747	2,498,843,228
	<u>2,497,605,747</u>	<u>2,498,843,228</u>	<u>2,497,605,747</u>	<u>2,498,843,228</u>

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the company at the statement of financial position date. The carrying amounts of short-term borrowings and bank overdrafts approximate their fair values.

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19 Borrowings (Cont'd)

As a result of borrowings in Thai currency, the carrying amounts of borrowings approximate their fair value.

Maturity of borrowings from financial institutions:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Within 1 year	995,688,257	1,229,128,652	995,688,257	1,229,128,652
Between 2 years and 5 years	1,295,218,800	1,653,973,305	1,295,218,800	1,193,667,784
Over 5 years	206,698,690	1,319,923,231	206,698,690	1,319,923,231
	<u>2,497,605,747</u>	<u>4,203,025,188</u>	<u>2,497,605,747</u>	<u>3,742,719,667</u>

Borrowing facilities

The Group and the Company have the following undrawn committed borrowing facilities:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Floating rate - Expiring within 1 year	1,727,301,310	1,859,144,282	1,727,301,310	1,549,144,282
Floating rate - Expiring more than 1 year	-	183,000,000	-	183,000,000
	<u>1,727,301,310</u>	<u>2,042,144,282</u>	<u>1,727,301,310</u>	<u>1,732,144,282</u>

The facilities expiring within one year are annual facilities subject to review at various dates during years.

20 Trade and other payables

Trade and other payables as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Trade accounts payable	819,164,815	542,944,836	803,784,535	450,756,016
Retention under construction	240,794,842	65,669,892	208,948,410	65,669,892
Accrued interest expenses	34,776,187	6,314,214	46,160,127	11,222,409
Accrued expenses	22,032,781	7,984,731	19,995,054	7,082,672
Other accounts payable- others	6,097,296	5,775,559	5,746,330	3,968,314
- related parties	-	16,600,000	88,128	16,600,000
Others	282,768	110,094	272,372	110,094
Total trade and other payables	<u>1,123,148,689</u>	<u>645,399,326</u>	<u>1,084,994,956</u>	<u>555,409,397</u>

21 Debentures (net)

Debentures and prepaid underwriting fee for debentures of the period ended 31 December 2013 have the following movement:

	Consolidated and Company 2013 Baht
Debenture - par value	2,700,000,000
<u>Less</u> Underwriting fee for debenture	<u>(4,716,637)</u>
Debenture (net)	2,695,283,363
Transfer to current portion of debenture (net)	-
Total	<u>2,695,283,363</u>
Deferred underwriting fee for debenture	5,110,950
<u>Less</u> Amortised underwriting fee during the period	<u>(394,313)</u>
Total	<u>4,716,637</u>

At the annual shareholders' meeting for the year 2013 held on 17 April 2013, the shareholders unanimously approved the issuance and offering of debentures not exceeding Baht 3,200 million, all types of debenture, maturity not exceeding 15 years, specified or unspecified names of the holders, subordinated or unsubordinated, secured or unsecured and with or without representatives of the debenture holders.

On 20 September 2013, the Company issued and offered debentures, in named certificate, unsecured, unsubordinated, without a debenture holders' representative and without early redemption for 3 sets of Baht 2,700 million to investors based on the announcement made by The Securities and Exchange Commission. The proceeds from the issuance of debentures will be spent to repay the existing debts which help reducing the Company financial costs and to utilize as the Company's working capital for development of the existing and new projects and for business expansion. The debentures have a par value of Baht 1,000 per unit and interest is paid every 6 months. The repayment of principal is due on the maturity date. The other significant terms are as following:

No.	No. of units	Amount (Million Baht)	Fixed Interest rate for the entire term of debenture (% per annum)	Term of debenture	Maturity date
1	1,630,000	1,630	4.24	3 years from the issuing date	20 September 2016
2	500,000	500	4.55	4 years from the issuing date	20 September 2017
3	570,000	570	4.84	5 years from the issuing date	20 September 2018

The rights and obligations of the debenture issuer stipulate covenants relating to certain matters which requires the Company to maintain financial ratios, and other restrictions that would have negative material impacts on the ability to meet the debenture's obligation.

The fair values are based on discounted cash flows using government bond yields with a similar term to maturity to the debentures as at the statement of financial position date. Fair value of debentures as at 31 December 2013 was Baht 2,732,087,083 in both the consolidated and company financial statements.

The Company has entered into an interest-swap agreement with one commercial bank residing in Thailand. The purpose is to swap the interest rate of the debenture No.1 amount of Baht 1,630 million, which has fixed-rate interest at 4.24% per annum through the debenture life, to the rate at MLR - 3.06% per annum (Note 34). The agreement mentioned was effective from 20 September 2013 (the debenture issuance date). As at 31 December 2013, the Company has recorded the effects from the agreement as receivable from interest rate swap contract amount of Baht 2.53 million (Note 11).

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22 Deferred income tax assets (liabilities)

Deferred income tax assets (liabilities) as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Deferred income tax assets:				
Deferred income tax asset to be utilised within 12 months	6,717,343	4,052,624	6,717,343	-
Deferred income tax asset to be utilised after more than 12 months	6,876,872	6,514,650	7,079,522	6,514,650
Total deferred income tax assets	13,594,215	10,567,274	13,796,865	6,514,650
Deferred income tax liabilities:				
Deferred income tax liabilities to be utilised within 12 months	(1,483,650)	(139,946,478)	(1,483,650)	(569,123)
Deferred income tax liabilities to be utilised after more than 12 months	(2,771,038)	(25,548,984)	(2,771,038)	(25,548,984)
Total deferred income tax liabilities	(4,254,688)	(165,495,462)	(4,254,688)	(26,118,107)
Deferred income tax assets (liabilities) (net)	9,339,527	(154,928,188)	9,542,177	(19,603,457)

The movement of deferred income tax assets for the year ended 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Beginning balance	(154,928,188)	(131,852,795)	(19,603,457)	(4,934,713)
(Increase)/decrease to profit or loss (Note 32)	139,170,189	(875,927)	3,845,458	7,530,722
(Increase)/ decrease to the shareholders' equity	25,097,526	(22,199,466)	25,300,176	(22,199,466)
Ending balance	9,339,527	(154,928,188)	9,542,177	(19,603,457)

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22 Deferred income tax assets (liabilities) (Cont'd)

The movement of deferred income taxes for the year ended 31 December 2013 and 2012 comprise the following:
(Cont'd)

	Company			
	1 January 2013 Baht	(Increase)/ decrease to the statement of income Baht	(Increase)/ decrease to the shareholders' equity Baht	31 December 2013 Baht
Deferred income tax assets:				
Deposit from operating lease agreement (lease term more than 3 years)	4,158,181	4,170,376	-	8,328,557
Deferred expense from long-term lease agreement	2,111,588	190,780	-	2,302,368
Employee benefits obligation	244,881	1,180,349	-	1,425,230
(Gain)/loss from re-measurement of available-for-sale investment	-	-	1,740,710	1,740,710
	<u>6,514,650</u>	<u>5,541,505</u>	<u>1,740,710</u>	<u>13,796,865</u>
Deferred income tax liabilities:				
Depreciation of non-current assets held for sale deducted for tax basis	(569,123)	569,123	-	-
(Gain)/loss from re-measurement of available-for-sale investment	(23,559,466)	-	23,559,466	-
Deferred income from operating lease agreement	(1,989,518)	(1,321,843)	-	(3,311,361)
Bond issuance fee	-	(943,327)	-	(943,327)
	<u>(26,118,107)</u>	<u>(1,696,047)</u>	<u>23,559,466</u>	<u>(4,254,688)</u>
Deferred income tax assets (liabilities) (net)	<u>(19,603,457)</u>	<u>3,845,458</u>	<u>25,300,176</u>	<u>9,542,177</u>

	Company			
	1 January 2012 Baht	(Increase)/ decrease to the statement of income Baht	(Increase)/ decrease to the shareholders' equity Baht	31 December 2012 Baht
Deferred income tax assets:				
Deposit from operating lease agreement (lease term more than 3 years)	1,661,264	2,496,917	-	4,158,181
Deferred expense from long-term lease agreement	273,543	1,838,045	-	2,111,588
Employee benefits obligation	-	244,881	-	244,881
Tax loss carry forward	266,284	(266,284)	-	-
	<u>2,201,091</u>	<u>4,313,559</u>	<u>-</u>	<u>6,514,650</u>
Deferred income tax liabilities:				
Depreciation of non-current assets held for sale deducted for tax basis	(4,082,332)	3,513,209	-	(569,123)
Gain from re-measurement of available-for-sale investment	(1,360,000)	-	(22,199,466)	(23,559,466)
Deferred income from operating lease agreement	(1,693,472)	(296,046)	-	(1,989,518)
	<u>(7,135,804)</u>	<u>3,217,163</u>	<u>(22,199,466)</u>	<u>(26,118,107)</u>
Deferred income tax assets (liabilities) (net)	<u>(4,934,713)</u>	<u>7,530,722</u>	<u>(22,199,466)</u>	<u>(19,603,457)</u>

23 Liability under finance lease agreements

Liability under finance lease agreements as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Liability under finance lease agreement	9,724,521	7,027,338	9,724,521	7,027,338
<u>Less</u> Deferred interest expense	<u>(1,118,738)</u>	<u>(269,585)</u>	<u>(1,118,738)</u>	<u>(269,585)</u>
Liability under finance lease agreement (net)	8,605,783	6,757,753	8,605,783	6,757,753
<u>Less</u> Current portion	<u>(4,150,812)</u>	<u>(4,954,930)</u>	<u>(4,150,812)</u>	<u>(4,954,930)</u>
Liability under finance lease agreement (net)	<u>4,454,971</u>	<u>1,802,823</u>	<u>4,454,971</u>	<u>1,802,823</u>

The movement in the liability under finance lease agreements can be analysed as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Beginning balance	6,757,753	6,214,422	6,757,753	6,214,422
Additional finance lease	8,494,799	3,665,618	8,494,799	3,665,618
Finance lease principal payments	<u>(6,646,769)</u>	<u>(3,122,287)</u>	<u>(6,646,769)</u>	<u>(3,122,287)</u>
Ending balance	<u>8,605,783</u>	<u>6,757,753</u>	<u>8,605,783</u>	<u>6,757,753</u>

Finance lease liability - minimum lease payments:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Not later than one year	4,650,780	5,026,768	4,650,780	5,026,768
Later than 1 year but not later than 5 years	5,073,741	2,000,570	5,073,741	2,000,570
Total	<u>9,724,521</u>	<u>7,027,338</u>	<u>9,724,521</u>	<u>7,027,338</u>

To secure the liability under finance lease agreements, the finance lease agreement will be terminated if the company defaults.

The carrying amounts of liability under finance lease agreements approximate their fair value.

24 Other current liabilities and other non-current liabilities

24.1 Other current liabilities

Other current liabilities as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Withholding tax payable	10,212,160	2,635,182	9,640,383	2,633,501
VAT payable	7,354,605	-	7,354,605	-
Withholding tax payable from dividend payment	2,564,123	-	2,564,123	-
Undue output VAT	1,318,076	419,142	1,248,440	173,407
Social security tax payable	47,833	20,400	47,833	20,400
Total	<u>21,496,797</u>	<u>3,074,724</u>	<u>20,855,384</u>	<u>2,827,308</u>

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24 Other current liabilities and other non-current liabilities (Cont'd)

24.2 Other non-current liabilities

Other non-current liabilities as at 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Deferred operating lease expenses	3,994,988	10,557,939	3,994,988	10,557,939
Employee benefit obligations	8,376,294	1,405,157	8,376,294	1,405,157
Total	12,371,282	11,963,096	12,371,282	11,963,096

The movement of employee benefit obligations for the years ended 31 December 2013 and 2012 comprise the following:

	Consolidated and Company	
	2013	2012
	Baht	Baht
Opening balance for the year	1,405,157	-
<u>Add</u> Current service cost and Actuarial losses	6,691,593	1,405,157
Interest cost	279,544	-
<u>Less</u> Repayment during the year	-	-
Closing balance for the year	8,376,294	1,405,157

Of the total charge, Baht 6,971,137 (2012: Baht 1,405,157) was included in administrative expense.

24.2 Other non-current liabilities

The principal actuarial assumptions used were as follows:

	Consolidated and Company	
	2013	2012
Discount rates	4.12%	1.94% - 4.98%
Future salary incremental rates	6.00%	2.00% - 8.00%
Staff turnover rates	0.00% - 8.00%	4.00% - 73.00%
Retirement age	60 years old	60 years old

25 Deposits from long-term lease agreement

The movements in the deposits from long-term lease agreement can be analysed as follows:

	Consolidated	Company
	2013	2012
	Baht	Baht
Beginning balance	252,277,622	245,905,622
Additions deposit during the year	231,955,414	212,714,282
Refunds deposit during the year	(34,771,795)	(34,771,795)
Transferred out to non-current assets held for sale		
- Sold during the year	(184,001,181)	(158,388,049)
- Outstanding at the year ended (Note 12)	(114,175,496)	(114,175,496)
Ending balance	151,284,564	151,284,564

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26 Share capital and change of par value

	Registered shares	Issued and paid-up shares	Registered capital Baht	Issued and paid-up Baht	Share premium Baht
As at 31 December 2010	17,000,000	17,000,000	170,000,000	170,000,000	-
Issue of shares	21,059,996	21,059,996	210,599,960	210,599,960	-
As at 31 December 2011	38,059,996	38,059,996	380,599,960	380,599,960	-
Change of par value from Baht 10 to Baht 1	380,599,960	380,599,960	380,599,960	380,599,960	-
Issue of shares	129,400,040	129,400,040	129,400,040	129,400,040	-
Share premium	-	-	-	-	1,548,743,732
As at 31 December 2012	510,000,000	510,000,000	510,000,000	510,000,000	1,548,743,732
Issue of shares during the quarter 2	102,000,000	101,998,983	102,000,000	101,998,983	-
As at 30 June 2013	612,000,000	611,998,983	612,000,000	611,998,983	1,548,743,732
Reducing unissued registered shares during the quarter 3	(1,017)	-	(1,017)	-	-
Issue of shares during the quarter 3	305,999,491	305,993,511	305,999,491	305,993,511	-
As at 30 September 2013	917,998,474	917,992,494	917,998,474	917,992,494	1,548,743,732
Issue of shares during the quarter 4	-	-	-	-	-
As at 31 December 2013	917,998,474	917,992,494	917,998,474	917,992,494	1,548,743,732

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At the annual shareholders' meeting for the year 2013 held on 17 April 2013, the shareholders unanimously approved a Baht 102,000,000 increase in registered share capital at a par value of Baht 1 per share for 102,000,000 shares. This increase from Baht 510,000,000 to Baht 612,000,000, to cover the stock dividend payment to shareholders at 5 existing shares to 1 dividend stock on the existing 510,000,000 shares. At the closing date on 26 April 2013, ordinary shares paid out as stock dividends totalled 101,998,983 shares, equivalent to Baht 101,998,983. The capital increase was registered with the Ministry of Commerce on 30 April 2013.

At the extraordinary shareholder's meeting 1/2013 held on 27 August 2013, the shareholders unanimously approved the following:

- A reduction in unissued registered shares of Baht 1,017 by reducing registered shares by 1,017 shares. These unissued registered shares were surplus from stock dividends declared at the annual shareholders' meeting for the year 2013. After reducing the registered shares, the Company will maintain issued registered shares and paid-up shares of Baht 611,998,983. The capital reduction was registered with the Ministry of Commerce on 10 September 2013.
- Additional Baht 305,999,491 increase in registered share capital at a par value of Baht 1 per share for 305,999,491 shares. This increase from Baht 611,998,983 (registered share capital after reducing the unissued registered shares of Baht 1,017) to Baht 917,998,474 to support the stock dividend payment to shareholders at the rate of Baht 0.50 per share. At the closing date on 5 September 2013, ordinary shares paid out as stock dividends totalled 305,993,511 shares, equivalent to Baht 305,993,511. The capital increase was registered with the Ministry of Commerce on 10 September 2013.

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26 Share capital and change of par value (Cont'd)

For the year ended 31 December 2012

At the annual shareholders' meeting for the year 2012 held on 20 April 2012, the shareholders unanimously approved.

- The change of a par value from Baht 10 each to Baht 1 each by splitting the existing 38,059,996 ordinary shares into 380,599,960 ordinary shares.
- Authorised for increase in share capital of Baht 129,400,040 from Baht 380,599,960 to Baht 510,000,000 by the issuance of additional new 129,400,040 ordinary shares with a par value of Baht 1 each.

The Company subsequently registered change of a par value and capital increase with the Ministry of Commerce on 23 April 2012.

According to letter from the Stock Exchange of Thailand (SET) at Bor.Jor. 541/2555 dated 6 November 2012, the SET's Board of Governors approved WHA Corporation Public Company Limited for first trading of 510,000,000 ordinary shares at par value of Baht 1 per share, totalling Baht 510,000,000 in the Stock Exchange of Thailand (SET) from 8 November 2012 onwards and classified in Property & Construction industry under sector Property Development under named "WHA". The 510,000,000 ordinary shares comprises:

- Original 380,599,960 ordinary shares prior to IPO, at par value of Baht 1 per share.
- Additional 129,400,040 ordinary shares increase for IPO, at par value of Baht 1 per share. These shares selling to the public at Baht 13.25 per share and were traded in the Stock Exchange of Thailand with totally trading volume amounting to Baht 1,714.55 million

In addition, expenses incurred from IPO of Baht 36.41 million was recognised net from share premium.

27 Dividend payment and legal reserve

27.1 Legal reserve

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Beginning balance	-	-	-	-
Additions during the quarter 1	6,400,000	-	6,400,000	-
As at 31 March 2013	6,400,000	-	6,400,000	-
Additions during the quarter 2	8,600,000	-	8,600,000	-
As at 30 June 2013	15,000,000	-	15,000,000	-
Additions during the quarter 3	27,000,000	-	27,000,000	-
As at 30 September 2013	42,000,000	-	42,000,000	-
Additions during the quarter 4	-	-	-	-
Ending balance	42,000,000	-	42,000,000	-

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend. Legal reserve has to be approved by Annual General Meeting of Shareholders.

As at 31 December 2013 and 2012, consolidated unappropriated retained earnings include legal reserve of a subsidiary of Baht 9,400,000 and 6,000,000 respectively.

27 Dividend payment and legal reserve (Cont'd)

27.2 Dividend payment

WHA Corporation Public Company Limited - parent company

At 4 January 2013, meeting the Board of Director approved the dividend payment derived from business operating profit since 1 January 2012 to 30 September 2012 at Baht 0.10 per share, totalling Baht 51,000,000 and approved an appropriation for legal reserve amounting to Baht 6,400,000 (31 December 2012 : Nil). The Company paid the declared dividend on 1 February 2013, amounting to Baht 50,999,300.

At the annual shareholders' meeting for the year 2013 held on 17 April 2013, the shareholders unanimously approved;

- Dividend payment from the net profit of 2012 of Baht 113,333,333 divided into cash dividend and stock dividend as follows:
 1. Payment in the form of ordinary shares in an amount not exceeding 102,000,000 shares at a par value of Baht 1 per share to the shareholders at the ratio of 5 existing shares to 1 dividend stock (the Company has a total of 510,000,000 existing shares) by increase the registered capital from Baht 510,000,000 to Baht 612,000,000 totalling of Baht 102,000,000 or Baht 0.20 per share. If any shareholder holds a remaining indivisible share after such allocation, a dividend of Baht 0.20 per share shall be paid in cash.
 2. Payment in the form of cash dividend at the rate of Baht 0.0222222222 per share (the Company has a total of 510,000,000 existing shares), or a total of Baht 11,333,333.

The payment of dividends under 1 and 2 shall be at the rate of Baht 0.2222222222 per share, which is equivalent to an amount not exceeding Baht 113,333,333. The Company paid the stock dividend to the shareholders on 2 May 2013 with 101,998,983 shares at a par value of Baht 1 per share and paid the cash dividend to the shareholders in April and May 2013 amounting to Baht 11,333,236.

- An additional appropriation for legal reserve of Baht 8,600,000, totalling Baht 15,000,000 as at 30 June 2013.

At the extraordinary shareholders' meeting 1/2013 held on 27 August 2013, the shareholders unanimously approved;

- Interim dividend payment from the net profit of the period from 1 January 2013 to 31 March 2013 of Baht 339,999,435 divided into stock dividend and cash dividend as follows:
 1. Payment in the form of ordinary shares in an amount not exceeding 305,999,491 shares at a par value of Baht 1 per share to the shareholders at the ratio of 2 existing shares to 1 dividend stock (the Company has a total of 611,998,983 shares) by increase the registered capital from Baht 611,998,983 (registered shares after reducing the unissued registered shares of Baht 1,017) to Baht 917,998,474 totaling an amount not exceeding Baht 305,999,491 or Baht 0.50 per share. If any shareholder holds a remaining indivisible share after such allocation, a dividend of Baht 0.50 per share shall be paid in cash.
 2. Payment in the form of cash dividend at the rate of Baht 0.055555555555 per share (the Company has a total of 611,998,983 existing shares) or a total of Baht 33,999,944.

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27 Dividend payment and legal reserve (Cont'd)

27.2 Dividend payment (Cont'd)

WHA Corporation Public Company Limited - parent company (Cont'd)

The payment of dividends under 1 and 2 shall be at the rate of Baht 0.555555555555 per share, which is equivalent to an amount not exceeding Baht 339,999,435. The Company paid the stock dividend to the shareholders on 18 September 2013 with 305,993,511 shares at a par value of Baht 1 per share and paid the cash dividend to the shareholders in September 2013 amounting to Baht 33,999,944.

- An additional appropriation for legal reserve of Baht 27,000,000, totalling Baht 42,000,000 as at 30 September 2013.

For the year ended 31 December 2013, the Company paid the dividend in form of stock dividend totalling of Baht 407,992,494 and in form of a cash dividend totalling of Baht 96,331,850.

Warehouse Asia Alliance Co., Ltd. - a subsidiary

At the Extraordinary Shareholders' Meeting on 26 February 2013, the shareholders approved the dividend payment derived from business operating profit since 1 January 2013 to 31 January 2013 at Baht 11.29 per share, totalling Baht 350,000,000 and approved an appropriation for legal reserve amounting to Baht 3,400,000, totaling to Baht 9,400,000 (31 December 2012 : Baht 6,000,000). The Company paid the full amount of the declared dividend Baht 175,000,000 on 15 March 2013 and Baht 175,000,000 on 19 March 2013.

28 Other components of equity

	Consolidated Baht	Company Baht
As at 31 December 2011	5,440,000	5,440,000
Revaluation of investment in available-for-sale	88,797,864	88,797,864
As at 31 December 2012	94,237,864	94,237,864
Revaluation of investment in available-for-sale	(100,390,105)	(101,200,703)
As at 31 December 2013	(6,152,241)	(6,962,839)

29 Other income

Other income for the years ended 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Dividend income from Warehouse Asia Alliance Company Limited (Note 27.2)	-	-	349,999,973	157,169,990
Dividend income from property fund	56,721,600	32,280,178	56,721,600	32,280,178
Management income from related companies	230,000	-	19,558,000	-
Management income from property fund	10,089,226	6,101,913	10,089,226	6,101,913
Interest income	7,754,315	2,367,076	7,761,493	7,101,438
Gain from sale of short-term investment	4,214,109	1,659,909	3,870,459	1,659,909
Others	4,511,966	2,244,764	4,373,230	1,720,082
Total	83,521,216	44,653,840	452,373,981	206,033,510

30 Finance costs

Finance costs for the years ended 31 December 2013 and 2012 comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Bank borrowings	158,545,293	147,256,477	150,394,161	113,256,058
Debentures	23,402,708	-	23,402,708	-
Borrowing from related parties (Note 35.1)	-	1,631,815	15,926,549	6,779,292
Finance lease	525,201	412,641	525,201	412,641
Amortisation of bonds issue fee	394,313	-	394,313	-
Total finance costs	182,867,515	149,300,933	190,642,932	120,447,991

31 Expenses by nature

The following expenditure items for the years ended 31 December 2013 and 2012, classified by nature, have been charged in profit before finance costs and income tax:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Salary and employee benefit expense	66,103,851	31,967,306	66,103,851	31,967,216
Depreciation				
- Investment properties (Note 15)	125,758,382	94,021,324	125,758,382	72,342,863
- Building improvement and equipment (Note 17)	6,548,864	4,080,549	6,541,135	4,050,373
Amortisation	5,724,119	6,489,262	5,724,119	5,375,194
Rental expense for land	19,120,489	12,433,528	18,206,063	11,235,721
Consulting expense	11,544,068	2,853,380	11,498,187	2,834,455
Bank fee	312,329	60,163	291,806	51,828
Total	235,112,102	151,905,512	234,123,543	127,857,650

32 Income tax expense

Reconciliation of income tax expenses for the year ended 31 December 2013 and 2012 comprises:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Current income tax on taxable profit for the year	388,031,852	39,678,634	167,905,154	26,808,088
Origination and reversal of temporary differences	(139,170,189)	875,928	(3,845,458)	(7,530,722)
Total income tax	248,861,663	40,554,562	164,059,696	19,277,366

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32 Income tax expense (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Profit before income tax expense	1,712,320,072	252,971,227	1,631,412,678	321,571,254
Profit from promoted activities which exempt from payment of corporate income tax (100%)	(410,976,499)	(86,007,503)	(410,976,499)	(86,007,503)
Share of net (profit)/loss from investments - equity method	1,257,735	-	-	-
	1,302,601,308	166,963,724	1,220,436,179	235,563,751
Tax calculated at a tax rate of 20% (2012 : 23%)	260,520,262	38,401,657	244,087,236	54,179,663
Income not subject to tax	(13,832,416)	(4,832,813)	(81,938,362)	(40,981,910)
Expenses not deductible for tax purpose	2,173,817	16,465,543	1,910,822	14,376,484
Deductible expenses for tax purposes	-	(8,419,638)	-	(8,392,498)
Re-measurement of deferred tax-change in tax rate	-	(669,308)	-	486,506
Re-measurement of deferred tax-change from derived BOI promotion	-	(390,879)	-	(390,879)
Income tax expense	<u>248,861,663</u>	<u>40,554,562</u>	<u>164,059,696</u>	<u>19,277,366</u>

During the year, as a result of the change in corporation tax rate from 30% to 23% for the year beginning on or after 1 January 2012 and 20% for the 2 years beginning on or after 1 January 2013, the relevant deferred tax balances have been re-measured. Deferred tax reverse for the year ended 31 December 2013 has been measured using the effective rate that will apply for the period 20% (For the year ended 31 December 2012: 23%).

33 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the company by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Company	
	2013	2012	2013	2012
Net profit attributable to ordinary shareholders of the company (Baht)	1,463,458,409	212,416,665	1,467,352,982	302,293,888
Weighted average number of ordinary shares outstanding (shares)	917,998,474	719,445,184	917,998,474	719,445,184
Basic earnings per share (Baht per share)	1.59	0.30	1.60	0.42

There are no potential dilutive ordinary shares in issue during the report date, so dilutive EPS figure is presented in equal to basic earnings per share.

33 Earnings per share (Cont'd)

The weighted average number of ordinary shares outstanding for the year ended 31 December 2013 included a stock dividend at the ratio of 5 existing shares to 1 dividend stock, which was unanimously approved at the annual shareholders' meeting for the year 2013 held on 17 April 2013 and a reduction of registered share capital and a stock dividend at the ratio of 2 existing shares to 1 dividend stock, which was unanimously approved at the extraordinary shareholders' meeting 1/2013 held on 27 August 2013 as registered with the Ministry of Commerce on 30 April 2013 and 10 September 2013, respectively (Note 26) to comply with the Thai Accounting Standard 33 Earnings per Share.

Earnings per share and weighted average number of ordinary shares outstanding for the year ended 31 December 2012 have been restated due to the stock dividend and reduction of registered share capital as described above and a change of a par value from Baht 10 each to Baht 1 each as registered with the Ministry of Commerce on 23 April 2012 (Note 26).

34 Financial instrument

A financial instrument is any contract that gave rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group has no policy to speculate or trade in off-balance sheet derivative financial instruments.

Outstanding balance of financial instruments that recorded in the statements of financial position as at 31 December 2013 is as follows:

Derivative financial instruments	Consolidated		Company	
	Assets Baht	Liabilities Baht	Assets Baht	Liabilities Baht
At 31 December 2013				
Interest rate swaps	2,529,849	-	2,529,849	-

The Group entered into the interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of Debenture (Note 21) by changing from fixed interest rate to floating interest rate under the interest rate swap contract. Under the interest rate swap contracts, the Group agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts.

As at 31 December 2013, the notional principal from the contract was amounting to Baht 1,630 million, the fixed interest rate was at 4.24% and the floating interest rate was Minimum Loan Rate (MLR) -3.06%.

Interest rate swap contracts are due for exchange of the differences in interest amount every six months, which would be ended on 20 September 2016.

Net fair values of derivative financial instruments

The net fair values of derivative financial instruments at the statement of financial position date and designated for cash flow hedges were:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Contracts with positive fair values:				
Interest rate swaps	4,198,946	-	4,198,946	-

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35 Related-parties transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and related parties that are transacted with are as follows:

	<u>Nature of relationship</u>
Warehouse Asia Alliance Co., Ltd.	Subsidiary
WHA Alliance Co., Ltd.	Subsidiary
S&J Holding Co., Ltd.	Related company which has common directors

The Company shares are held by WHA Holding Co., Ltd. and the Anataprayoon Family in proportion of 62.73%. The remaining 32.27% of the shares are widely held.

The joint-invested companies as mentioned in note 14.2, are related companies with common directors and jointly held shares.

The following transactions were carried out with related parties:

35.1 Revenues and expenses

During the year ended 31 December 2013 and 2012, the Company had significant business transactions with subsidiaries and related companies, which can be summarised as follows:

	<u>Consolidated</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
Warehouse Asia Alliance Co., Ltd.				
- Interest income	-	-	137,578	4,796,791
- Management fee	-	-	140,000	360,000
- Dividend income	-	-	349,999,973	-
- Interest expense	-	-	11,263,420	-
WHA Alliance Co., Ltd.				
- Management fee	-	-	360,000	160,000
- Project management fee	-	-	18,828,000	-
- Interest expense	-	-	4,663,129	5,328,607
- Compensation for loss from sale of investment properties	-	-	-	87,000,000
Interest expense - related parties	-	1,631,815	-	6,779,292
Office rental expense - related parties	8,042,406	6,335,218	8,042,406	6,335,218
Vehicle rental	571,380	-	571,380	-
Joint ventures - management fee	230,000	-	230,000	-

35 Related-parties transactions (Cont'd)

35.2 Outstanding balance

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Warehouse Asia Alliance Co., Ltd.				
- Dividend receivable	-	-	-	157,169,990
- Interest receivable	-	-	-	5,946,432
- Accrued interest expense	-	-	11,263,420	-
WHA Alliance Co., Ltd.				
- Accounts receivable	-	-	19,688,628	-
- Accrued interest expense	-	-	120,521	5,328,606
Joint ventures				
- Advance payment	-	-	1,992,061	-
- Other receivables	230,000	-	230,000	-

35.3 Loan to related parties

Warehouse Asia Alliance Co., Ltd. (subsidiary)

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Beginning balance	-	-	74,394,004	59,394,004
Addition during the year	-	-	-	15,000,000
Deduction during the year	-	-	74,394,004	-
Ending balance	-	-	-	74,394,004

As at 31 December 2012, the Company had an unsecured loan to a subsidiary in term of promissory note of Baht 74,394,004 with interest rate at 6.75% per annum and due at call. On 10 January 2013, the Company received a loan repayment from the subsidiary for the full amount.

35.4 Short-term borrowing from related parties

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Beginning balance	-	15,375,000	214,225,000	-
Additions loans during the year	-	140,000,000	1,277,000,000	387,000,000
Loans repayment during the year	-	(155,375,000)	(937,225,000)	(172,775,000)
Ending balance	-	-	554,000,000	214,225,000

As at 31 December 2013, the Company had borrowing from its subsidiaries in the form of promissory note of Baht 160,000,000 and Baht 394,000,000 with interest rate at 2.65% per annum and 2.55% per annum, respectively (2012 : the Company had borrowing from its subsidiaries in term of promissory note of Baht 124,225,000 and Baht 90,000,000 with interest rate at 5.60% per annum and 2.65% per annum, respectively), and due at call. The borrowing was unsecured.

The short-term borrowings from related parties facilities have been arranged to help finance the proposed expansion of the Group and the Company activities.

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35 Related-parties transactions (Cont'd)

35.4 Short-term borrowing from related parties (Cont'd)

As at 31 December 2013 and 2012, the Company had borrowing from its subsidiaries in the form of promissory notes which due at call. The borrowing was unsecured as follows;

	Company			
	Interest rate	2013 Baht	Interest rate	2012 Baht
Promissory note	-	-	5.60%	90,000,000
Promissory note	2.65%	160,000,000	2.65%	124,225,000
Promissory note	2.55%	394,000,000	-	-
		<u>554,000,000</u>		<u>214,225,000</u>

35.5 Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is shown below:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Salaries and other short-term employee benefits	36,509,239	25,478,000	36,509,239	25,478,000
Post-employment benefits	6,790,441	1,384,697	6,790,441	1,384,697
Total	<u>43,299,680</u>	<u>26,862,697</u>	<u>43,299,680</u>	<u>26,862,697</u>

35.6 Investments

Detail of investments in subsidiaries and investments in joint ventures are presented in Note 14.

36 Commitments

As at 31 December 2013 and 2012, the Group had commitments and contingent liabilities including contracts comprise the following:

36.1 Capital commitment at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Warehouse construction agreement	<u>433,726,984</u>	<u>823,059,044</u>	<u>433,726,984</u>	<u>823,059,044</u>

36 Commitments (Cont'd)

36.2 Operating lease commitments - where the Group is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

The Group has leasehold rights for land under non-cancellable operating lease agreements. The lease terms are between 28 and 30 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Not later than 1 year	17,030,340	18,324,540	16,280,340	17,574,540
Later than 1 year but not later than 5 years	71,551,489	75,952,706	68,251,489	72,802,706
Later than 5 years	552,237,496	585,398,738	531,537,496	563,798,738
	<u>640,819,325</u>	<u>679,675,984</u>	<u>616,069,325</u>	<u>654,175,984</u>

As at 31 December 2012, the Group has deposits for land of the future projects amounting to Baht 56,074,019 (2013 : Nil) (Note 18).

37 Benefits from the Board of Investment of Thailand (BOI)

The Company received the following promotional privileges from the Board of Investment

BOI certificate No.	Date of approval	Activities	Income first derived date	Privilege expired date	Significant privilege *					
					1	2	3	4	5	6
1822(2)/2553	15 July 2010	Building factories and warehouses	16 March 2011	15 March 2019	-	✓	✓	✓	✓	✓
2815(2)/2555	22 August 2012	Building factories and warehouses	1 September 2012	31 August 2019	✓	-	✓	-	-	-

* Significant privileges consist of:

- 1) Tax exemption on the profit that the Group gains (no more than 100% of the finance cost that is not included in land cost and working capital that have 7 years of useful life). If the Group has loss from the operation, BOI allows the Group to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Group can also choose to deduct the loss in one year or multiple years combine.
- 2) Tax exemption on the profit that the Group gains (no more than 100% of the finance cost that is not included in land cost and working capital that have 8 years of useful life). If the Group has loss from the operation, BOI allows the Group to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Group can also choose to deduct the loss in one year or multiple years combine.
- 3) The Group does not need to include dividend received from a BOI-promoted entity to calculate the income tax expense during the exemption period.

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37 Benefits from the Board of Investment of Thailand (BOI) (Cont'd)

- 4) Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as mentioned in 1 above.
- 5) Two times deduction on travel, electricity, and water supply cost within 10 years starting from the date that the Group receives its first profit from the operation.
- 6) Deduction on investment cost (25% of investment cost that is not included in the normal depreciation rate).

On 26 December 2013 the Board of Investment of Thailand approved promotion for the building factories and warehouses activities located in Hemaraj Saraburi Industrial Land Co., Ltd for the Company. The Company received the significant privileges as follows :

- Tax exemption on the profit that the Group gains (no more than 100% of the finance cost that is not included in land cost and working capital that have 7 years of useful life). If the Group has loss from the operation, BOI allows the Group to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Group can also choose to deduct the loss in one year or multiple years combine.
- The Group does not need to include dividend received from a BOI-promoted entity to calculate the income tax expense during the exemption period.

However, as at 31 December 2013, the BOI certificate is in the process of issuance by the Board of Investment.

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

Rental income and service income for promoted and non-promoted activities for the years ended 31 December 2013 and 2012 can be classified as follows:

	Company					
	2013 (Baht)			2012 (Baht)		
	Promoted activity	Non-promoted activity	Total	Promoted activity	Non-promoted activity	Total
Income from sales of investment properties	1,950,919,252	1,640,981,553	3,591,900,805	262,428,972	612,000,000	874,428,972
Rental and service income	73,102,709	392,506,499	465,609,208	44,758,708	172,108,162	216,866,870
Other income	2,113,666	450,260,315	452,373,981	591,021	205,442,489	206,033,510
	<u>2,026,135,627</u>	<u>2,483,748,367</u>	<u>4,509,883,994</u>	<u>307,778,701</u>	<u>989,550,651</u>	<u>1,297,329,352</u>

38 Subsequent events

- On 2 January 2014, WHA KPN Alliance Co., Ltd. registered a capital increase from Baht 1 million to be Baht 768 million, increasing the registered capital by the amount of Baht 767 million by issuing 7,670,000 new shares at the par value of Baht 100 each. The shareholding proportions of the Company and KPN Group still remains the same as mentioned in Note 14.
- At the Board of Directors meeting No. 10/2013 on 12 December 2013, unanimously approved the issue and offer of bills of exchange of Baht 1,000 million, with a maturity not exceeding 9 months. The purpose of the loan is for use as the Company's working capital. The offer period for bill of exchange is from 8 January 2014 to 7 January 2015. The face value of the bill of exchange is not lower than Baht 10 million and will be sold at a discount.
- On 10 February 2014, the Company submitted filing to offer additional debentures (Note 21), in named certificate, unsecured, unsubordinated, without a debenture holders' representative and without early redemption for 1 set of Baht 500 million. The debentures will mature in 3 years from the issuing date with a fixed interest rate at 4.01% for the entire term of debentures. The debentures have a par value of Baht 1,000 per unit. The Company will issue and offer the debentures on 26 February 2014.

The Audit Fee Paid to the Auditor

The audit fee, the fiscal year ended of December 31, 2013

Item	Company Name	Auditor	Audit Fee	Miscellaneous Expenses
Property Development Business				
1	WHA Corporation PCL.	PricewaterhouseCoopers ABAS Co., Ltd.	1,365,000.00	76,386.00
2	WHA Alliance Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	325,000.00	8,450.00
3	Warehouse Asia Alliance Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	260,000.00	8,751.00
4	WHA KPN Alliance Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	25,000.00	25,000.00
Solar PV Rooftop Business				
1	WHA Gunkul Green Solar Roof 1 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	70,000.00	
2	WHA Gunkul Green Solar Roof 2 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	25,000.00	
3	WHA Gunkul Green Solar Roof 3 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	70,000.00	
4	WHA Gunkul Green Solar Roof 4 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	25,000.00	
5	WHA Gunkul Green Solar Roof 5 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	25,000.00	
6	WHA Gunkul Green Solar Roof 6 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	70,000.00	
7	WHA Gunkul Green Solar Roof 8 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	25,000.00	
8	WHA Gunkul Green Solar Roof 9 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	25,000.00	
9	WHA Gunkul Green Solar Roof 10 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	25,000.00	
10	WHA Gunkul Green Solar Roof 16 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	25,000.00	
11	WHA Gunkul Green Solar Roof 17 Co., Ltd.	PricewaterhouseCoopers ABAS Co., Ltd.	70,000.00	

Other Fees

WHA Corporation PCL. paid the fees to PricewaterhouseCoopers ABAS Ltd. for the review of tax exemption privileges form submitted to the Board of Investment (BOI) in order to obtain benefit on the corporate income tax exemption for the fiscal year ended of December 31, 2013 at the amount of Baht 120,000.



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