



บริษัท ดับบลิวเอชเอ ยูทิลิตี้ส์ แอนด์ พาวเวอร์ จำกัด (มหาชน)
WHA Utilities and Power Public Company Limited



รายงานประจำปี | ANNUAL REPORT
2559 | 2016

Your Ultimate Solution Partner in
Utilities & Power
with Environmental Care



DEFINITION AND ABBREVIATION

Group of the Company or WHAUP Group	: WHA Utilities and Power Public Company Limited and its subsidiaries	WHA Gunkul 10	: WHA Gunkul 10 Green Solar Roof Company Limited
WHA	: WHA Corporation Public Company Limited	WHA Gunkul 16	: WHA Gunkul 16 Green Solar Roof Company Limited
WHA Group	: WHA Corporation Public Company Limited, subsidiaries and associated companies	WHA Gunkul 17	: WHA Gunkul 17 Green Solar Roof Company Limited
HRD or Hemaraj	: Hemaraj Land and Development Public Company Limited	HCIE	: Hemaraj Chonburi Industrial Estate
Hemaraj Group	: Hemaraj Land and Development Public Company Limited, subsidiaries and associated companies	HCIE2	: Hemaraj Chonburi 2 Industrial Estate
WHAWT	: WHA Water Company Limited (previously named Hemaraj Water Company Limited)	HEIE	: Hemaraj Eastern Industrial Estate (Map Ta Phut)
WHAEG	: WHA Energy Company Limited (previously named Hemaraj Energy Company Limited)	ESIE	: Eastern Seaboard Industrial Estate (Rayong)
WHAET	: WHA Energy 2 Company Limited (previously named Hemaraj Energy 2 Company Limited)	HESIE	: Hemaraj Eastern Seaboard Industrial Estate
Gheco-I	: GHECO-One Company Limited	HESIE2	: Hemaraj Eastern Seaboard 2 Industrial Estate
HHT	: Houay Ho Thai Company Limited	HESIE3	: Hemaraj Eastern Seaboard 3 Industrial Estate
HHP	: Houay Ho Power Company Limited (a company incorporated in Lao People's Democratic Republic)	HESIE4	: Hemaraj Eastern Seaboard 4 Industrial Estate
Glow IPP or GIPP	: Glow IPP Company Limited	HR 36	: Hemaraj Rayong 36 Industrial Estate
GHW	: Glow Hemaraj Wind Company Limited	HRIL	: Hemaraj Rayong Industrial Land
BGWhA-1	: B.Grimm Power (WHA) 1 Company Limited (previously named Bowin Clean Energy Company Limited)	HSIL	: Hemaraj Saraburi Industrial Land
Gulf JP NLL or GJP NLL	: Gulf JP NLL Company Limited	HLP 1	: Hemaraj Logistic Park 1
GTS 1	: Gulf TS 1 Company Limited	Utilities business	: Water business and providing related utilities service e.g. gas distribution business or waste management business
GTS 2	: Gulf TS 2 Company Limited	Water business	: Distribution of raw water, production and distribution of industrial water and wastewater treatment business
GTS 3	: Gulf TS 3 Company Limited	Power business	: Generation and distribution of electricity business
GTS 4	: Gulf TS 4 Company Limited	COD	: Commercial Operation Date
GVTP	: Gulf VTP Company Limited	SCOD	: Scheduled Commercial Operation Date
Gulf Solar	: Gulf Solar Company Limited	MW	: Megawatt
Gulf Solar BV	: Gulf Solar BV Company Limited	TPH	: Ton per hour
Gulf Solar TS 1	: Gulf Solar TS 1 Company Limited	RT	: Ton of Refrigeration
Gulf Solar TS 2	: Gulf Solar TS 2 Company Limited	IPP	: Independent Power Producer
Gulf Solar KKS	: Gulf Solar KKS Company Limited	SPP	: Small Power Producer
ESCE	: Eastern Seaboard Clean Energy Company Limited	VSPP	: Very Small Power Producer
CCE	: Chonburi Clean Energy Company Limited	IEAT	: Industrial Estate Authority of Thailand
RCE	: Rayong Clean Energy Company Limited	ERC	: Energy Regulatory Commission
WHA Gunkul 1	: WHA Gunkul 1 Green Solar Roof Company Limited	NEPO	: National Energy Policy Office
WHA Gunkul 2	: WHA Gunkul 2 Green Solar Roof Company Limited	EGAT	: Electricity Generating Authority of Thailand
WHA Gunkul 3	: WHA Gunkul 3 Green Solar Roof Company Limited	PEA	: Provincial Electric Authority
WHA Gunkul 4	: WHA Gunkul 4 Green Solar Roof Company Limited	MEA	: Metropolitan Electric Authority
WHA Gunkul 5	: WHA Gunkul 5 Green Solar Roof Company Limited	PWA	: Provincial Waterworks Authority
WHA Gunkul 6	: WHA Gunkul 6 Green Solar Roof Company Limited	MWA	: Metropolitan Waterworks Authority
WHA Gunkul 8	: WHA Gunkul 8 Green Solar Roof Company Limited	Office of the SEC	: Office of the Securities and Exchange Commission of Thailand
WHA Gunkul 9	: WHA Gunkul 9 Green Solar Roof Company Limited	SET	: Stock Exchange of Thailand
		BOI	: Board of Investment of Thailand
		EBITDA	: Earnings before interest, taxes, depreciation and amortization
		CAGR	: Cumulative Annual Growth Rate
		Glow Group	: Glow Energy Public Company Limited, subsidiaries and associated companies
		Gulf Group	: Gulf Energy development Company Limited, subsidiaries and associated companies
		B.Grimm Power Group	: B.Grimm Power Company Limited, subsidiaries and associated companies
		Gunkul Group	: Gunkul Engineering Public Company Limited, subsidiaries and associated companies

Your Ultimate Solution Partner in Utilities & Power with Environmental Care

Vision

To be Asia's leader in utilities and power businesses providing total solutions to partners with good corporate governance as well as environmentally and socially friendly operations.

Missions

1. To develop world class utilities and power solutions fitting customers' needs.
2. To vertically integrate solutions in utilities and power businesses and expand related market segment in Thailand and Asia, in particular.
3. To continuously develop human resources competencies as well as to promote working environment for career progression and health.
4. To nurture an innovative culture in the organization.
5. To add value to communities and the environment with good corporate governance and sustainable development strategies.

Goals

The Company aims to be a leader in integrated utility and power businesses and to operate in compliance with the principles of good corporate governance with responsibility for the community, society and the environment. It also plans to expand its customer base in the segments of utilities and power services, both domestically and in the South East Asia countries particularly Cambodia, Laos, Myanmar and Vietnam (the CLMV countries) and expand to related businesses in order to widen its range of products and services..

Strategies

- Developing utilities and power businesses that have predictable growing revenue and superior profit opportunities in order to optimize shareholders' value.
- Leveraging complementary management expertise, customer relationship, infrastructure and environmental competence to expand opportunities in utilities and power businesses.
- Utilizing sound human and financial resources selectively for competing investment opportunities.
- Contributing positively to neighbors, society and stakeholders with sustainable programs in education, community and environment.

Concept :

- ... Leading Management
- ... Leading Product
- ... Leading Technology
- We Are “The Champions”
- We Are “WHA Utilities and Power”

Leader in **Utilities** Services Provider in Thailand Industrial Estate
and Active **Power** Investor with Strategic Partnership Power Companies



UTILITIES

Approx

94 mm m³/year

350

Operational Equity MW



POWER

Financial Highlight

Balance Sheet

(THB million)

Balance Sheet	Consolidated financial statements for the year ended		
	December 31, 2014 (Restated)	December 31, 2015 (Restated)	December 31, 2016
Total Assets	1,903.89	11,592.66	18,652.10
Total liabilities	1,094.76	1,492.48	11,232.62
Equity	809.13	10,100.18	7,419.48

Note: Balance sheet is shown according to the accounting standard.

Profit and Loss

(THB million)

Profit and Loss	Pro forma financial information for the year ended December 31,		
	2014	2015	2016
Revenue from sales and services	1,448.88	1,552.30	1,600.27
Cost of sales and services	(1,082.93)	(1,068.25)	(1,061.24)
Gross profit ^{1/}	303.31	340.49	385.08
Share of profit from investments in associates and joint ventures	1,571.97	1,212.66	962.45
Net profit	1,562.29	1,220.69	967.91
Earnings per share (Baht/share) ^{2/}	2.44	1.91	1.51

Notes: Above information is based on the pro forma consolidated financial information

^{1/} Gross profit was calculated based on revenue from sales and services (excluding other income from water business) after deducting cost of sales and services.

^{2/} Earning per share was calculated based on the total number of shares before the Offering which was 640 million shares.

Financial Ratio

Financial Ratios	For the year ended December 31, 2016
Return on equity	13.05%
Return on assets	5.19%
Debt/equity ratio	1.51x
Interest-bearing debt/equity ratio	1.40x

Note: The above information is derived from the statement of comprehensive income based on the pro forma financial information and the statement of financial position according to the accounting standard. No calculation has been made for the years 2014 - 2015 since the Company has not prepared the pro forma consolidated financial information relating to retrospective statement of financial position for that period. The statement of financial position prepared based on the accounting standard for the years 2014 - 2015 does not reflect the current financial structure of the Company.

Message from the Board of Directors

WHA Utilities and Power Public Company Limited (the Company or WHAUP), a subsidiary of WHA Corporation Public Company Limited, was established in 2008 for operating and investing in Utilities and Power business. In 2016, to prepare for the Company's initial public offering and the listing on the Stock Exchange of Thailand (SET), the WHA Group and the Hemaraj Group have transferred their entire utility business and power business to the Company. This is in accordance to the WHA Group's vision to establish WHAUP as the flagship of the group for the integrated utilities and power business. The initial public offering will raise the fund to support the business expansion and being listed in the SET, WHAUP will be able to access into additional sources of fund in order to support future growth.

WHAUP has a clear vision to be an Asia's leading utilities and power company in providing total solutions to partners with good corporate governance, social responsibilities as well as environmental care. The Company has already set the goals, missions, policies, and working procedures align with our vision.

WHAUP currently provides fully integrated utilities services in Hemaraj's industrial estates and industrial lands, including raw water, process water, clarified water, wastewater treatment. WHAUP plans to invest in other utilities including waste-to-energy, public utilities projects and other related utility products in order to offer wider range of products and services in response to customers' demands and expand its customer base.

WHAUP has long been involved in the energy sector through its investment in various type of projects with strategic partnership with Gulf Group, Glow Group, B. Grim Power Group and Gunkul Group for both in Thailand and in the region. Our investments in power plants which are already in operation, representing a total capacity of 350 megawatts as of 2016, based on our shareholding percentage. We have also invested in other six SPP projects that are currently under construction with the scheduled commercial operation date (SCOD) from May 2017 to January 2019, representing 190 megawatt of our equity investment. WHAUP's project in the pipeline include alternative power projects such as solar energy project on rooftop of WHA Group factories and built-to-suit warehouses and also waste to energy project.

In addition, WHAUP plans to expand its utilities and power business, both domestically and in the South East Asia countries particularly Cambodia, Laos, Myanmar and Vietnam (the CLMV countries) to capture the opportunities from those countries with fast growing economy as well as higher demand for utilities and power comparing to other countries in ASEAN.

On behalf of the Board of Directors and Management team of WHA Utilities and Power Public Company Limited, I would like to extend my gratitude to all our shareholders, business partners and all stakeholders who always have trust in the company and support our dedication to ensure the continuation of growth and success.

The Company is ready to grow sustainably with good corporate governance as well as social responsibilities and environmental care in pursuit of our business slogan,

"Your Ultimate Solution Partner in Utilities and Power with Environmental Care".




Dr. Somyos Anantaprayoon

Chairman of the Board of Directors

22 February 2017

Message from Chief Executive Officer



Mr. Wisate Chungwatana

Chief Executive Officer

22 February 2017

WHA Utilities and Power Public Company Limited is a provider of the fully integrated utilities services, including distribution of raw water, production and distribution of industrial water and providing wastewater treatment services. The Company has a 50-year exclusive right to operate utilities in WHA/Hemaraj Industrial Estates and Industrial Lands in Thailand. It currently provides these services in six industrial estates and two industrial lands operated by Hemaraj.

In 2016, the Company's and its subsidiaries provided 62.47 million cubic meters of the raw water and industrial water in all industrial estates and industrial lands and managed 26.55 million cubic meters of wastewater treatment in all industrial estates and industrial lands

The other core business is the power business in which WHAUP's holds equities in the companies that produces and sell electricity that are in Thailand and in the region. Our investments in conventional power plants which are already in operation have the total capacity of 1,772 megawatts, with our portion representing 350 megawatts. We have also invested in power plants that are under construction, having a combined capacity of 760 megawatts, while our portion represents 190 megawatts of the total

WHAUP plans to expand its utility businesses extensively to cover more products and sectors in order to meet the demand of the customers as well as enlarging the customer base, through providing services outside industrial estates such as tap water for communities with high business potential in and outside Thailand.

For the power business, WHAUP plans to develop alternative power projects, focusing on solar energy and developing Waste to Energy project. In October 2016, Chonburi Clean Energy, a subsidiary of Eastern Seaboard Clean Energy Ltd invested by WHA Energy Ltd, a subsidiary

of WHAUP, Glow and Suez with a 33.33% stake each, was selected by the Energy Regulatory Commission to sell 6.90 megawatts electricity produced from industrial waste with an installed capacity of up to 8.63 megawatts to the Provincial Electricity Authority, for a 20-year period.

In early 2016, the Company restructured its business, as per WHA Group' vision, to serve as the Flagship for the WHA Group's for Utilities and Power Business and to prepare for the initial public offering by transferring the entire utility business and power business from the WHA Group.

As such, the relevant transactions would be reported in the financial statements for the year ended 31 December 2016. However, the preparation of the Company's consolidated financial statements for the year 2016 with the exception in the Thai accounting standards, the operating results showing in those financial statements do not completely reflect the operating results from the parent company's business restructuring. For the consolidated financial statements of the year 2016 shows the operating results of water business after the Company's restructuring from 30 March 2016, by applying prospective adjustments, while those financial statements shows the full year operating results of 2016 of power business by applying the retrospective adjustments according to the accounting guidelines.

Therefore, in order that investors clearly understand the Company's business, the Company has prepared the pro forma consolidated financial information reflecting the Company's operating results under the current business structure.

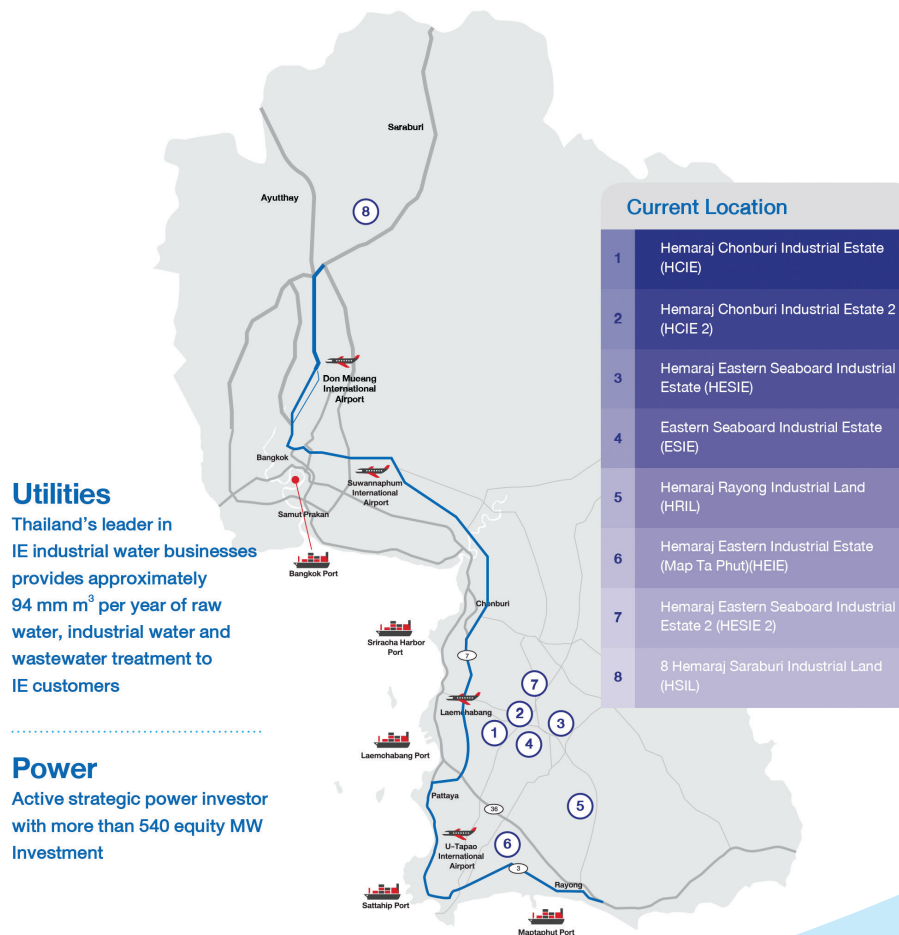
For the operating and financial results based on reviewed pro forma consolidated statement, the revenue from sales and services was continuously increased from THB 1,552.3 million in 2015 to THB 1,600.3 million in 2016. The Company's share of profit from investments in associates and joint ventures in 2015 and 2016 was THB 1,212.7 million and THB 962.5 million, respectively.

The Company's net profit in 2015 and 2016 was THB 1,220.7 million and THB 967.9 million, respectively, which accounted for 42.6 per cent and 35.9 per cent of the total revenue and share of profit from investments in associates and joint ventures, respectively.

The Company's total assets as at 31 December 2016 were THB 18,652.10 million. Total liabilities were THB 11,232.62 million. And total equity was THB 7,419.48 million, accounting for 39.78 percent of the total liabilities and equity. As at 31 December 2016, the Company's debt to equity ratio was 1.51 times, while the interest-bearing debt to equity ratio was 1.40 times, reflecting strong financial position and business opportunity.

Lastly, the Company has completely restructured the business organization, set the business goals, and recruited additional human resources with development plan, ready to support the business growth as the Flagship for Utilities and Power business of the WHA Group.

On behalf of the Management of WHA Utilities and Power Public Company Limited, we would like to express our appreciation to our stakeholders for entrusting us with the management responsibility and to our employees for the dedication to achieve the company's goals together.



Details of Directors



Mr. Somyos Anantaprayoon

Chairman of the Board of Directors /
Chairman of the Executive Committee /
Nomination and Remuneration Committee

Age 57 (Years)

Educational Qualification/ Training

- B.S., M.D., Faculty of Medical Science, Mahidol University
- Ph.D. (Obstetrics and Gynecology), Rajavithi Hospital
- M.B.A., (Business Administration for Executives), Faculty of Commerce and Accountancy, Thammasat University
- Director Accreditation Program, Thai Institute of Directors, 94/2012
- Capital Market Academy, 15th Class
- Diploma, National Defence College, The Joint State - Private Sector Course Class 58
- Director Certification Program, IOD, 210/2015
- Top Executive Program for Industrial Development and investment (IBID 1), Institute of Business and Industrial Development, 2014

Present Positions

Public Companies

- Chairman of the Board of Directors WHA Corporation PCL

Parent Company and Subsidiary

Parent Companies

- Chairman of the Board of Directors / Chairman of the Executive Committee Hemaraj Land and Development Plc (Parent Company)

Subsidiary Companies

- Chairman & Director in 15 parent companies
- Chairman & Director in 3 subsidiary companies

Associate Companies

- Director in 25 associates companies

Other companies

- Director in 4 other companies

Percentage of Shareholding in the Company (%)

- 0.00% (2shares)



Miss Jareeporn Jarukornsakul

Vice Chairman of the Board of Directors / Executive Committee - Chairman of the Risk Management / Committee - Nomination and Remuneration Committee

Age 50 (Years)

Educational Qualification/ Training

- B.S. (Environment), Faculty of Public Health, Mahidol University
- M.B.A. (Marketing) (English Program), Bangkok University
- Honorary Doctorate (Logistics and Supply Chain Management), Christian University of Thailand
- Director Accreditation Program, Thai Institute of Directors, 94/2012
- Director Certification Program, IOD 210/2015
- Corporate Governance for Capital Market (CGI 17), IOD, 2016
- Senior Executives on Justice Administration Program National Justice Academy, Office of Judiciary (BYS 20), 2015
- Executive Program Capital Market Academy (CMA 18), 2014

Present Positions

Public Companies

- Vice Chairman of the Board of Directors / Group Chief Executive Officer WHA Corporation PCL

Parent Company and Subsidiary

Parent Companies

- Vice Chairman of the Board of Directors / Executive Committee Hemaraj Land and Development Plc (Parent Company)

- Director in 14 parent companies

Subsidiary Companies

- Chairman & Director in 3 subsidiary companies

Associate Companies

- Director in 18 associates companies

Other companies

- Director in 4 other companies

Percentage of Shareholding in the Company (%)

- 0.00% (2shares)



Mr. David Richard Nardone

Director / Executive Committee /
Risk Management Committee

Age 61 (Years)

Educational Qualification/ Training

- M.B.A., Northeastern University, Boston, U.S.A.
- Director Certification Program 57/2005, Thai Institute of Directors Association (IOD)

Present Positions

Public Companies

- Director/ Chief Executive Officer Group Executive, Industrial and International of WHA Corporation PCL

Parent Company and Subsidiary

Parent Companies

- Director/ Chief Executive Officer Hemaraj Land and Development Plc (Parent Company)

- Director in 15 parent companies

Subsidiary Companies

- Director in 3 subsidiary companies

Associate Companies

- Director in 2 associates companies

Other companies

- -

Percentage of Shareholding in the Company (%)

- -

Age 60 (Years)

Educational Qualification/ Training

- B.Eng. (Sanitation), Faculty of Engineering, Chulalongkorn University
- Director Accreditation Program 2/2003 and Director Certification Program 38/2003, Thai Institute of Directors Association
- Thai Institute of Directors Association Luncheon briefing 1/2013 : Thailand Economic Outlook 2013, Anti-Corruption for Executive Program 2/2014

Present Positions

Public Companies

- Director and Executive Committee WHA Corporation PCL

Parent Company and Subsidiary

Parent Companies

- Director in 14 parent companies

Subsidiary Companies

- Director in 3 subsidiary companies

Associate Companies

- Director in 1 associates companies

Other companies

- -

Percentage of Shareholding in the Company (%)

- -



Mr. Vivat Jiratikarnsakul

Director / Executive Committee /
Corporate Governance Committee

Age 50 (Years)

Educational Qualification/ Training

- B.Eng. (Mechanical Engineering), Faculty of Engineering, Chulalongkorn University
- M.Sc. (Mechanical Engineering), Missouri University of Science and Technology, Rolla, MO, U.S.A
- Director Certification Program 189/2014, Thai Institute of Directors Association
- Petroleum Development and Operations, Stavanger, Norway
- Management of Electric Power Utilities, Stockholm, Sweden

Present Positions

Public Companies

None

Parent Company and Subsidiary

Parent Companies

- Director in 3 parent companies

Subsidiary Companies

- Director in 27 subsidiary companies

Other companies

None

Work Experience

- Vice President - Business Development 1 Global Power Synergy Public Company Limited
- Director Xayaburi Power Co., Ltd.
- Director Namlik 1 Power Co., Ltd.
- Director Natee Synergy Co., Ltd.
- Vice President, Business Development - Power Projects PTT International Co.,Ltd

Percentage of Shareholding in the Company (%)

-



Mr. Wisate Chungwatana

Director / Chief Executive Officer /
Executive Committee

Age 65 (Years)

Educational Qualification/ Training

- B.Eng. (Environment), Faculty of Engineering, Chulalongkorn University
- Honorary Doctorate (Technology), Shinawatra University
- Director Accreditation Program, Thai Institute of Directors, 2012, ACP 6/2005, CGI 10/2015

Present Positions

Public Companies

- -

Other companies

- Chairman & Director in 4 other companies

Work Experience

- Director WHA Corporation PCL
- Director and Chairman of Risk Management Committee MFC Asset Management Public Company Limited

Percentage of Shareholding in the Company (%)

- -



Mr. Surathian Chakthranont

Director /
Risk Management Committee



Mr. Weidt Nuchjalearn

Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee

Age 64 (Years)

Educational Qualification/ Training

- B.S. (Agricultural Economics), Kasetsart University
- M.B.A. Thammasat University
- Director Accreditation Program, Thai Institute of Directors, SEC/2015
- Capital Market Academy, 18th Class
- Role of the chairman Program, Thai Institute of Directors, 31st Class
- Top Executive Program in Commerce and Trade 3/2010, Commerce Academy
- Financial Executive Development Program 14/2016
- Commercial Credit Skills Assessment Program

Present Positions

Public Companies None
Other companies None

Work Experience

- Director Hemaraj Land and Development Plc
- Vice-Senior Chief Managing Director of Executives of Retail Business and Network Section Krungthai Bank PCL
- Vice-Chief Managing Director of Executives of Medium-Size Business Section Krungthai Bank PCL
- Assistant Managing Director/ Senior Director Krungthai Bank PCL
- Executive of Medium-Size Business, Central, Eastern and Southern Regions Krungthai Bank PCL
- Senior Director of Executives of Medium-Size Business, Central, Eastern and Southern Regions 1, Medium-Size Business Section Krungthai Bank PCL

Percentage of Shareholding in the Company (%) -



Mr. Ekajai Tivutanond

Independent Director / Audit Committee member / Corporate Governance Committee

Age 65 (Years)

Educational Qualification/ Training

- LL.B. (First Class Honor), Thammasart University
- LL.M., Columbia University, New York, U.S.A.
- Thai Bar Association

Present Positions

Public Companies None
Other companies

- Director in 2 other companies

Work Experience

- Senior Executive Vice President CIMB Thai PCL

Percentage of Shareholding in the Company (%) -



Mrs. Punnee Worawuthichongsathit

Independent Director / Audit Committee member / Chairman of the Corporate Governance Committee

Age 65 (Years)

Educational Qualification/ Training

- B.Acc. (Honor), Faculty of Commerce and Accountancy, Chulalongkorn University
- B.Acc. (Honor), Faculty of Commerce and Accountancy, Chulalongkorn University
- Audit Committee Program 2/2004, Director Accreditation Program 2/2003, Director Certification Program 38/2003, Monitoring Fraud Risk Management Program 1/2009, Monitoring Quality of Financial Reporting Program 5/2007, Monitoring the Internal Audit Function Program 1/2007 Monitoring the System of Internal Control and Risk Management Program 2/2008, Improving the Quality of Financial Reporting Report 1/2006, Role of the Compensation Committee Program 7/2008 Director Certification Program (Refresher Course) 2/2009, Thai Institute of Directors
- Certified Public Accountant Certificate, Thailand
- Certified Internal Auditor Certificate, Institute of Internal Auditors, U.S.A.

- Certified Professional Internal Auditor Certificate and Qualified Internal Auditor Certificate, Institute of Internal Auditors of Thailand
- Chartered Director

Present Positions

Public Companies

- Independent Director/Audit Committee Brooker Group PCL
- Independent Director/Audit Committee Thai Wacoal PCL
- Independent Director/Audit Committee Mono Technology PCL

Other companies

- Director in 2 other companies

Work Experience

- Independent Director/Audit Committee/ Chairman of Nomination and Remuneration Committee Hemaraj Land and Development Plc

Percentage of Shareholding in the Company (%) -

Details of Management



1. Mr. Wisate Chungwatana

Chief Executive Officer

Age • 50 (Years)
Educational Qualification/Training
 • M.Sc. (Mechanical Engineering), Missouri University of Science and Technology, Rolla, MO, U.S.A
Percentage of Shareholding in the Company (%) • -

2. Mr. Khamhoung Ratsamany

Vice President of Business Operation

Age • 50 (Years)
Educational Qualification/Training
 • M.B.A., Bangkok University
Percentage of Shareholding in the Company (%) • -

3. Mr. Varanon Laosuwan

Director of Utilities Project Development

Age • 36 (Years)
Educational Qualification/Training
 • M.S. (Management of Technology), Murray State University, KY, U.S.A.
Percentage of Shareholding in the Company (%) • -

4. Mr. Punrapee Noparumpa

Director of Power Project Development

Age • 35 (Years)
Educational Qualification/Training
 • MSc (Global Market Economics), London School of Economics, UK
Percentage of Shareholding in the Company (%) • -

5. Miss Karnsasi Nananukool

Director of Finance and Investor Relations

Age • 38 (Years)
Educational Qualification/Training
 • M.B.A., Carnegie Mellon university, Pittsburgh, U.S.A.
Percentage of Shareholding in the Company (%) • -

6. Mrs. Rattana Shinawatra

Director of Accounting

Age • 54 (Years)
Educational Qualification/Training
 • B.Acc., Ramkhamhaeng University
Percentage of Shareholding in the Company (%) • -

7. Mr. Apichart Trongasukson

Director of Information Technology Department

Age • 51 (Years)
Educational Qualification/Training
 • M.S. (Computer Science), Mahidol University
Percentage of Shareholding in the Company (%) • -

8. Miss Khantong Thammongkol

Director of Human Resources

Age • 52 (Years)
Educational Qualification/Training
 • ปริญญาตรี การบริหารจัดการ มหาวิทยาลัยกรุงเทพ
Percentage of Shareholding in the Company (%) • -

9. Mrs. Amporn Chupthaisong

Director of Procurement

Age • 49 (Years)
Educational Qualification/Training
 • Mini Master Program in HR Management, Chulalongkorn University
 • Standards of Purchasing Techniques Program, Purchasing, Logistics and Supply Chain Training Institute
Percentage of Shareholding in the Company (%) • -

Overview of Business



OVERVIEW OF BUSINESS

WHA Utilities and Power Public Company Limited (the Company or WHAUP) was established on June 30, 2008. As at the date of this prospectus, Hemaraj Land and Development Public Company Limited (Hemaraj or HRD) holds a majority stake of 99.99 per cent. The Company's core business relates to the: (i) utility business, i.e. procurement and distribution of raw water, production and distribution of industrial water and providing wastewater treatment services to operators in industrial estates and industrial lands; and (ii) power business through investment in power generation business, both domestically and abroad.

In addition to the exclusivity rights granted by the Hemaraj Group to operate water business, i.e. business relating to procurement, logistic, production and distribution of raw water, process water and wastewater treatment business in its industrial estates in Thailand, the Company has also obtained the right of first refusal to invest in the gas distribution business and waste disposal business in those industrial estates and industrial lands in Thailand for 50 years, starting from March 30, 2016 (as stated in the Strategic Partnership Agreement). The Hemaraj Group and the WHA Group have agreed not to compete with the Company in conducting water business and power business in Thailand, Cambodia, Laos, Myanmar and Vietnam (the CLMV countries) for an indefinite term (as stated in the Hemaraj Non-competition Agreement and the WHA Non-competition Agreement). In relation to the utility business, the Company and WHA Water Company Limited (a subsidiary in which the Company has a stake of 99.99 per cent.) are one of the major utilities service providers to companies in Thailand industrial estates.

The Company's aggregate maximum industrial water production capacity in all industrial estates and industrial lands is 281,376 cubic meters per day, with an aggregate maximum wastewater treatment capacity in all industrial estates of 117,456 cubic meters per day. In 2016, the Company's and its subsidiaries' aggregate average distribution quantity of raw water and industrial water distribution in all industrial estates and industrial

lands was 26.55 million cubic meters per year representing 73,750 cubic meters per day. The Company and its subsidiaries also plan to provide other public utilities to industrial operator such as gas distribution systems and waste management in which the Hemaraj Group have agreed to grant the right to operate such businesses to the Company (as stated in the Strategic Partnership Agreement). In addition, the Company has a plan to provide utility service to customers outside industrial estates in the future. The Company has been awarded ISO 9001:2008 for quality standards and ISO 14001:2004 for environmental standards.

In relation to the power business, WHA Energy Company Limited, a subsidiary in which the Company has a stake of 99.99 per cent., has jointly invested with leading power operators in conventional power and alternative power generation businesses, domestically and abroad. As at December 31, 2016, the Company's aggregate power generating capacity in proportion to its equity in the commercially operating power plants was 349.55MW and an aggregate power generating capacity in proportion to its equity in the power plants under construction was at 190.07MW.



BUSINESS RESTRUCTURING OF THE COMPANY

To prepare for the Company's Offering and listing on the Stock Exchange of Thailand (SET), the WHA Group and the Hemaraj Group have transferred their entire utility business and power business to the Company.

On March 30, 2016, the Company and the Hemaraj Group entered into the Strategic Partnership Agreement, including its amendments (the Strategic Partnership Agreement). The Strategic Partnership Agreement focuses on boosting the prospect of growth in the parties' core businesses. As a result of the Strategic Partnership Agreement, the Company and the Hemaraj Group executed the Right Lease Agreement (the Right Lease Agreement) for the production and distribution of industrial water and the provision of wastewater treatment services in the Hemaraj Group's seven projects, namely HCIE, HCIE2, HEIE, HESIE, HESIE2, HSIL and HRIL, for 50 years from the signing date.

In May 2016, WHA Energy Company Limited (a subsidiary of the Company) accepted a transfer of total shares in WHA Energy Company Limited 2 Company Limited from the Hemaraj Group. WHA Energy Company Limited 2 Company Limited is a holding company holding equity in power companies, namely Gheco-I, HHT (having a stake of 25 per cent. in HHP) and Glow IPP. That transfer also included loans granted to Gheco-I from the Hemaraj Group.

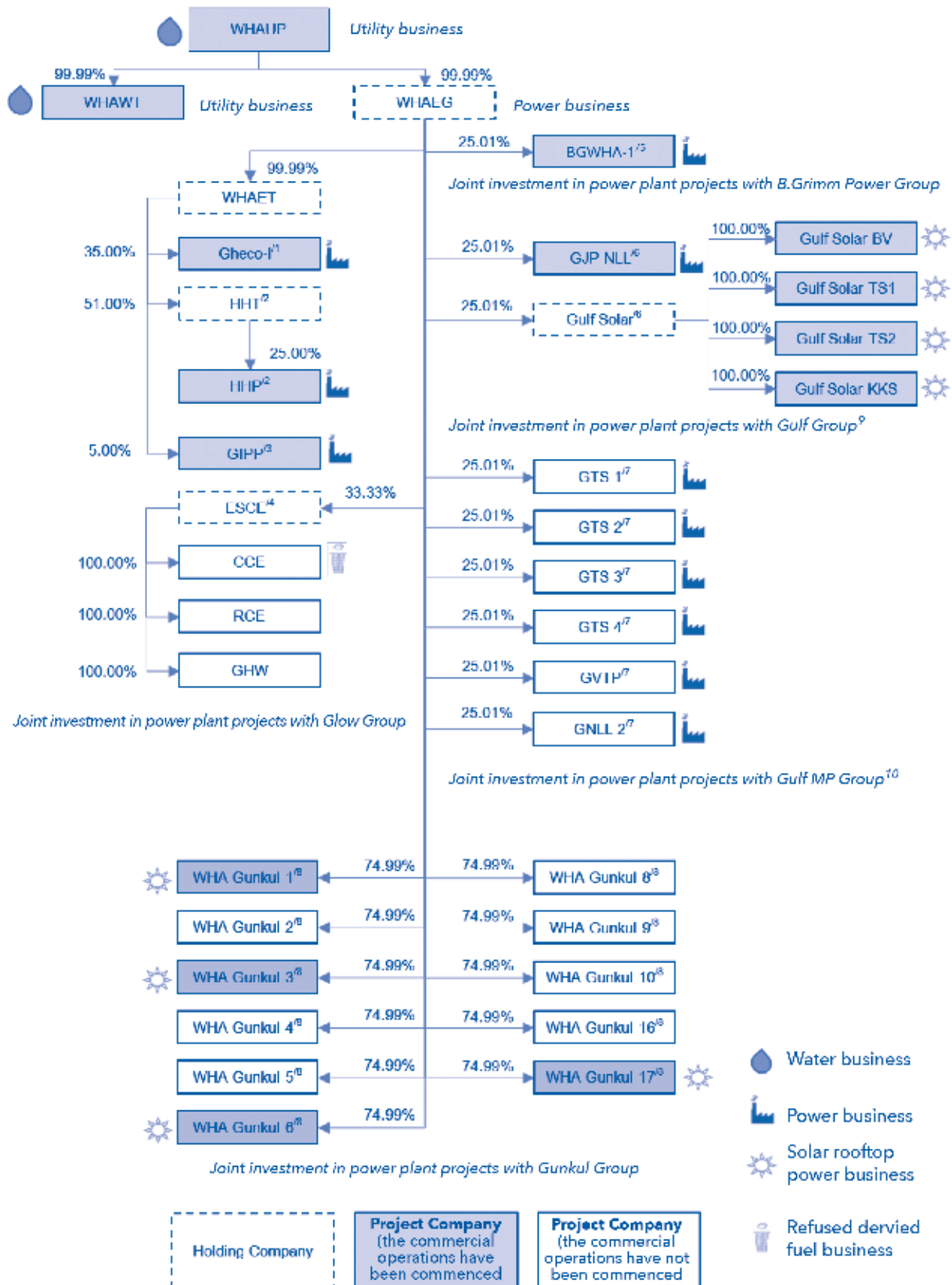
In June 2016, WHA Energy Company Limited accepted a transfer of 74.99 per cent. of each of the total shares of 11 solar rooftop power companies, which are WHA Gunkul 1-6, 8-10, 16 and 17, from the WHA Group.

On July 29, 2016, the Company and the Hemaraj Group signed the Hemaraj Non-competition Agreement (the Hemaraj Non-competition Agreement), which establishes their framework of cooperation to prevent competition with each other. Also included in that agreement are guidelines to reduce possible conflicts of interest which may arise in the future.

On July 29, 2016, the Company and the WHA Group entered into the WHA Non-competition Agreement (the WHA Non-competition Agreement) to define their non-competition agreement, which includes their core businesses in Thailand and the CLMV countries.

BUSINESS STRUCTURE

The Company's investment structure as at 31 December 2016 is set out in the following diagram:



- Notes :**
1. About 65 per cent. of total issued and paid-up shares in Gheco-I are held by the Glow Group.
 2. HHT is a holding company, in which 49 per cent. of total issued and paid-up shares are held by the Glow Group, which also Holds 55 per cent. of total issued and paid-up shares in HHP. Therefore, the Glow Group is directly and indirectly holding 67.25 per cent. of total shares in Houay Ho Power Plant.
 3. About 95 per cent. of total issued and paid-up shares in GIPP are held by the Glow Group.
 4. About 66.67 per cent. of total issued and paid-up shares in ESCE are held by the Glow Group and Suez (South East Asia) Limited.
 5. About 74.99 per cent. of total issued and paid-up shares in BGWHA-1 are held by the B.Grimm Power Group.
 6. About 74.99 per cent. of total issued and paid-up shares in GJP NLL and Gulf Solar are held by the Gulf Group.
 7. About 74.99 per cent. of total issued and paid-up shares in each of GTS1, GTS2, GTS3, GTS4, GVTP and GNLL2 are held by Gulf MP Company Limited.
 8. About 25.01 per cent. of total issued and paid-up shares in each of WHA Gunkul 1-6, 8-10, 16 and 17 are held by the Gunkul Group.
 9. Gulf Group means Gulf Energy Development Company Limited, its subsidiaries and related companies.
 10. Gulf MP Group means Gulf MP Company Limited which is a joint venture company between Gulf Energy Development Company Limited and Mitsui Group.

KEY CHANGES AND DEVELOPMENTS

2008

JUNE

- The Company was established on June 30, 2008 under the name of Hemaraj Clean Water Company Limited with a registered capital of THB645 million to produce and distribute industrial water for use in industrial estates owned by HRD.



JULY

- The Company entered into the Right Lease Agreement with HRD and its subsidiaries to produce and distribute industrial water for use in four industrial estates owned by HRD, namely HCIE, HEIE, ESIE and HESIE, with an aggregate industrial water production capacity of 121,200 cubic meters per day.
- The Company acquired 99.99 per cent. of shares in WHA Water Company Limited. WHA Water Company Limited has a registered capital of THB100 million and produces and distributes clarified water in HEIE having an aggregate clarified water production capacity of 43,200 cubic meters per day and wastewater treatment capacity of 30,000 cubic meters per day.

2011

MARCH

- WHA Energy Company Limited, a subsidiary of the Company, was incorporated on March 2, 2011 under the name of Hemaraj Energy Company Limited with a registered capital of THB100 million and was formed to invest in other companies engaging in power business. The Company holds 99.99 per cent. of shares in WHA Energy Company Limited.

JUNE

- WHA Energy Company Limited, the Company's subsidiary and the Glow Group entered into a joint venture to invest in Glow Hemaraj Wind Company Limited (GHW), in which WHA Energy Company Limited holds 51.00 per cent. of its shares. This joint venture company was set up to carry out a feasibility study on the establishment of a wind power plant.

2015

JANUARY

- The Company increased its industrial water production capacity in HESIE from 30,000 cubic meters per day to 54,000 cubic meters per day.

FEBRUARY

- WHA Energy Company Limited and the B.Grimm Power Group founded a joint venture company named B.Grimm Power (WHA) 1 Company Limited, in which WHA Energy Company Limited holds 25.01 per cent. of its shares. The joint venture company was set up to develop SPP in HCIE having a contracted generating capacity of 121 MW.

MARCH

- WHA Energy Company Limited and Gulf MP Company Limited entered into a joint venture in five SPPs named GVTP, GTS1, GTS2, GTS3 and GTS4, respectively, in each of which WHA Energy Company Limited holds 25.01 per cent. of their respective shares. These power plants have a contracted power generating capacity of 640 MW.

2016

MARCH

- On March 30, 2016, the Company and the Hemaraj Group signed the Strategic Partnership Agreement and the Right Lease Agreements for the production and distribution of industrial water and the operation of wastewater treatment services in seven current projects namely HEIE, HCIE, HCIE2, HESIE, HESIE2, HSIL and HRIL. The lease term is 50 years from the signing date.
- The Company increased its registered capital from THB 645 million to THB 1,645 million for payment for the right lease for the production and distribution of industrial water and the operation of wastewater treatment services in seven current industrial estate projects of the Hemaraj Group.

MAY 2016

- WHA Energy Company Limited accepted a transfer of 100 per cent. of the shares in WHA Energy 2 Company Limited from the Hemaraj Group. WHA Energy 2 Company Limited is a holding company, holding shares in

the power companies GHECO-One Company Limited (Gheco-I), Houay Ho Thai Company Limited (HHT) (having a stake of 25 per cent. In Houay Ho Power Company Limited (HHP) and Glow IPP Company Limited (Glow IPP).

- The Company increased its registered capital from THB 1,645 million to THB 3,200 million to finance its acquisition of all of the shares in WHA Energy 2 Company Limited.

JUNE

- WHA Energy Company Limited accepted a transfer of 74.99 per cent. of each of the total shares of 11 solar rooftop power companies, which are WHA Gunkul 1-6, 8-10, 16 and 17, from the WHA Group.

JULY

- The Company set up Chonburi Clean Energy Company Limited to bid for a contract to sell electricity generated from industrial waste.
- On July 21, 2016, the Company's shareholders, during extraordinary general meeting No. 3/2016, resolved

2012

MARCH

- WHA Energy Company Limited, the Company's subsidiary and Gulf JP Company Limited entered into a joint venture to invest in Gulf JP NLL Company Limited, in which WHA Energy Company Limited holds 25.01 per cent. of its shares. The joint venture company was established to develop Gulf JP NLL SPP project of in HRIL which has a contracted power generating capacity of 122.5MW.
- WHA Water Company Limited, a subsidiary of the Company, increased its clarified water production capacity in HEIE from 43,200 cubic meters per day to 86,400 cubic meters per day.

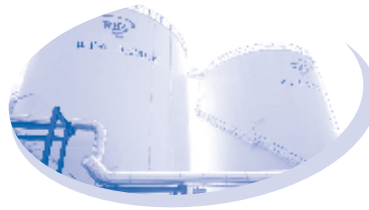
NOVEMBER

- The Company increased its industrial water production capacity in HESIE from 12,000 cubic meters per day to 30,000 cubic meters per day..

2013

APRIL

- The Company increased its industrial water production capacity in ESIE from 36,000 cubic meters per day to 48,000 cubic meters per day.



2014

AUGUST

- The Company was assigned from HRD for the production and distribution of industrial water in HCIE2. Its production capacity is 6,000 cubic meters per day.



2559

2016

to approve the following matters: (i) the Company's conversion into a public limited company named WHA Utilities and Power Public Company Limited, (ii) the change in par value of THB 5 per share, and (iii) the capital increase from THB 3,200 million to THB 3,825 million by issuing 125 million ordinary shares with a par value of THB 5 each for an initial public offering. The Company's conversion into a public limited company was registered with the Ministry of Commerce on August 10, 2016.

- On July 29, 2016, the Company and the Hemaraj entered into the Hemaraj Non-competition Agreement to define their framework of cooperation to prevent competition with each other. Also included in that agreement are guidelines to reduce possible conflicts of interest which may arise in the future.
- On July 29, 2016, the Company and WHA Corporation Public Company

Limited (WHA) entered into the WHA Non-competition Agreement to define their non-competition agreement which covers the core businesses in Thailand and the CLMV countries.

AUGUST

- WHA Energy Company Limited acquired a stake of 33.33 per cent. in Eastern Seaboard Clean Energy Company Limited (ESCE). ESCE will hold all the shares of Chonburi Clean Energy Company Limited and Rayong Clean Energy Company Limited, in order to participate in a special bid to sell electricity generated from industrial waste.
- On August 29, 2016, the Company's board approved the sale of all the shares of GHW to ESCE.

SEPTEMBER

- GHW restructured its shareholding and results in ESCE holding 100 per cent. of GHW shares.

OCTOBER

- Chonburi Clean Energy Company Limited is awarded by the Energy Regulatory Commission (ERC) to sell electricity generated from industrial waste under the feed-in tariff scheme of 8.63MW and will sell electricity of 6.9 MW to Provincial Electricity Authority of Thailand (PEA).

DECEMBER

- WHA Energy Company Limited, the Company's subsidiary, has a joint investment with Gulf MP Company Limited in one SPP, by holding equity of 25.01 in Gulf NLL2 Company Limited having a contracted power generating capacity of 120 MW.

UTILITY BUSINESS

NATURE OF PRODUCTS AND SERVICES

The Company and its subsidiaries engage in the utility business by providing utility services mainly to operators in industrial estates and industrial lands. Utilities services provided are fundamental services for industrial estates and industrial lands. The nature of the Company's products and services is detailed as follows:

1. Procurement and distribution of raw water

The WHAUP Group procures and distributes raw water to industrial operators in the Hemaraj Group's industrial areas. The Company offers raw water as an alternative of water consumption for industrial operators. The WHAUP Group's core customers are operators in steel industry, IPPs and SPPs.

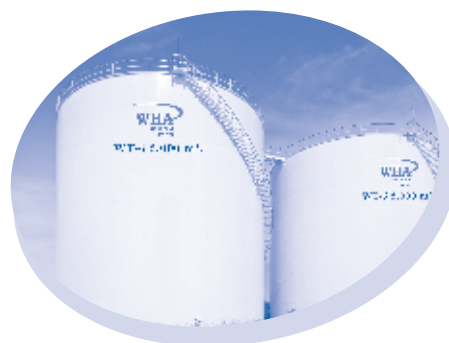
2. Production and distribution of industrial water

The WHAUP Group produces and distributes industrial water to industrial operations. This product can be divided into two categories:

- (1) **Process Water:** Process water is industrial water that has undergone the processes of sedimentation, filtration and chlorination for disinfection. The final product is used in the production process in industrial plants in general. The WHAUP Group's core customers include the automotive industry (e.g. automotive assembly plants and auto part manufacturing plants), food industry and electronics industry.
- (2) **Clarified Water:** Clarified water is produced through the processes of sedimentation, filtration and chlorination. Lower quantity and concentration of chlorine is used in chlorination process for clarified water, compared to process water, so that a very small amount of chlorine is left in the clarified water product when it is distributed to customers. This product is in great demand for customers in heavy industries such as petrochemical and power plants, given that chlorine may cause corrosion in machinery and equipment used in those industries.

3. Wastewater treatment

The WHAUP Group provides wastewater treatment services to industrial plants to ensure that the wastewater is treated in accordance with applicable standards imposed by the Ministry of Industry before being discharged into natural sources of water or being recycled into the production process.



PRODUCTS AND SERVICES

1 Industrial water production plants and wastewater treatment facilities

Currently, the Company and its subsidiaries have 16 industrial water production plants and 12 wastewater treatment facilities located in eight industrial estates and industrial lands operated by the Hemaraj Group. The aggregate maximum industrial water production capacity is 281,376 cubic meters per day and the aggregate maximum wastewater treatment capacity is 117,456 cubic meters per day.

Industrial estates and industrial lands	Location	Industrial water production capacity/1 (cubic meters/day)	Wastewater treatment capacity/1 in which the Company has the right to operate (cubic meters/day)
Hemaraj Eastern Industrial Estate (Map Ta Phut)	Map Ta Phut, Rayong	98,400 ^{/2}	60,000
Eastern Seaboard Industrial Estate (Rayong)	Pluakdaeng, Rayong	48,000 ^{/3}	– ^{/4}
Hemaraj Eastern Seaboard Industrial Estate	Pluakdaeng, Rayong	54,000	10,000
Hemaraj Chonburi Industrial Estate	Sriracha, Chonburi	18,000	8,400
Hemaraj Chonburi 2 Industrial Estate	Sriracha, Chonburi	6,000	1,600
Hemaraj Saraburi Industrial Land	Nongkae, Saraburi	30,576	14,976
Hemaraj Rayong Industrial Land	Bankhai, Rayong	14,400	12,480
Hemaraj Eastern Seaboard 2 Industrial Estate	Pluakdaeng, Rayong	12,000	10,000
Total		281,376	117,456

Notes: ^{1/} Most of the industrial water production plants and wastewater treatment plants in the above table are owned by the Hemaraj Group. On March 30, 2016, the Company and the Hemaraj Group entered into the Right Lease Agreement, which allows the Company to use those facilities to conduct its business for 50 years from the signing date.

^{2/} Two clarified water production plants in HEIE are owned by WHA Water Company Limited, a subsidiary of the Company. Those plants have tax exemption privileges granted by the BOI

^{3/} On July 1, 2008, the Company and Eastern Seaboard Industrial Estate (Rayong) Company Limited entered into the Right Lease Agreement for the operation and distribution of industrial water in ESIE, which has a term of 25 years ending on June 30, 2033.

^{4/} The Company has not leased the right to conduct wastewater treatment in ESIE (Rayong). However, the Company provides wastewater management services in ESIE (Rayong) having wastewater treatment capacity of 32,000 cubic meters per day.

The operation and distribution of industrial water in ESIE (Rayong) is a joint investment and business arrangement agreed between Hemaraj and Siam Food Public Company Limited since 1994; therefore, there has been no amendment to any agreement between the parties.

In addition to the procurement of raw water, operation and distribution of industrial water and provision of wastewater treatment services, the Company also provides utility management service. The Company conducts wastewater management service in ESIE having wastewater treatment capacity of 32,000 cubic meters per day and utility management service in HLP 1, which are operation and distribution of industrial water having capacity of 120 cubic meters per day and wastewater treatment services. The Company receives service fee on a cost-plus basis for the services provided to the two aforementioned areas.

Quantity of utility management service of the Company

(million cubic metres/year)



In the past, the industrial water production quantity in which the Company takes a lease right from Hemaraj Group was 38.58, 41.50, 42.71 and 45.81 million cubic meters in 2013, 2014, 2015 and 2016, respectively, which is equal to a compound annual growth rate from the year 2013 to 2016 of 5.89 per cent. per annum.

The wastewater treatment quantity in all industrial estates in which the Company takes the right to operate from Hemaraj Group was 23.20, 25.41, 26.21 and 26.55 million cubic meters in 2013, 2014, 2015 and 2016, respectively, which is equal to a compound annual growth rate from the year 2013 to 2016 of 4.60 per cent. Per annum.

The raw water procurement and distribution quantity in areas of Hemaraj Group was 21.75, 21.21, 18.53 and 16.66 million cubic meters in 2013, 2014, 2015 and 2016, respectively. The decrease in the quantity was due to the Company's policy to focus on the sale of industrial water.

The Company has a policy to adequately provide utility services to respond to the increase in customer's demand and the expansion of industrial areas where the Company operates in. If the customer demand or the expansion of industrial areas reaches the Company's predetermined threshold of 70 per cent. of its production capacity or of its storage capacity of the system, which is in line with the IEAT's criteria, the Company will consider increasing its service capacities by either expanding the current production capacity at its existing plants or establishing new facilities to ensure its adequate services.

MARKETING STRATEGIES

In conducting utility business, the Company and its subsidiaries pursue the following key marketing strategies:

1. Growing together with strategic partners

The Company entered into the Strategic Partnership Agreement with Hemaraj under which Hemaraj agreed to grant the Company the exclusive lease right to operate and distribute water in the Hemaraj Group's industrial areas, consisting of: (i) raw water procurement, (ii) industrial water production and distribution, and (iii) wastewater treatment services. The Hemaraj Group is one of Thailand's leading operators of industrial estates based on the size of its industrial areas and customer base. Therefore, the Company has a strong customer base which continues to grow along with the Hemaraj Group's expansion of its current and new industrial estates. In addition, the core customers of the Hemaraj Group's industrial estates are in automotive and petrochemical businesses, which use large amounts of industrial water and need wastewater treatment services. This strategy enables the Company to efficiently draw up short- and long-term business plans and boost its profitability.

The Company also plans to expand its total solution utility services to the projects which are under development by Hemaraj Group, i.e. Hemaraj Eastern Seaboard 3 Industrial Estate, Hemaraj Eastern Seaboard 4 Industrial Estate and Hemaraj Rayong 36 Industrial Estate, all of which have obtained approval from the Industrial Estate Authority of Thailand (IEAT).

2. Capturing business in other industrial areas or non-industrial areas

The Company foresees that the demand for raw water, industrial water and wastewater treatment services in other industrial estates outside the current territory of its strategic partner, as well as the demand for the total solution for water management services provided by a highly experienced service providers, will continue to grow. Therefore, it plans to grow its footprint in other industrial zones by playing the role of strategic partner and leveraging on its strong expertise and experience in the utility business, efficient cost management capability and understanding on customer demand in relation to the expansion of this business.

Furthermore, the Company anticipates expanding its service areas into non-industrial zones, aimed at local administrative areas in the proximity of industrial areas, i.e. Subdistrict Administration Organization, City Municipality, Town Municipality or Subdistrict Municipality. These areas have records of increasing water consumption in line with the growth and development of nearby industrial areas, which bring about an upsurge in economic activities in the vicinity. In addition, the Company has maintained good relationships with local administrative bodies in the areas. Thus, it expects to offer them with products and services related to industrial and non-industrial activities, e.g. process water, to satisfy their demand.

3. Offering on-premise services

Many industrial plants are keen to adopt new technology in water management, e.g. recycle of wastewater back into the manufacturing process or using demineralized water and desalination system as alternatives for water consumption and as precaution against droughts. The Company will apply its knowledge and expertise in providing services that satisfy the requirements of each industrial customer. It plans to directly serve industrial plants by offering current water products as well as other products as required by the customers. In relation to such services, the Company is able to provide services starting from feasibility study, design and construction, investment, including production management and distribution services.

4. Diversifying products to the satisfaction of current and new customers' demand.

The Company can utilize its expertise in the current utility services to devise additional services and products for the utmost benefit and to launch additional types of water products for industrial use or other non-industrial use such as for household consumption. Therefore, the Company plans to expand to a wider range of products and services to meet customers' demands.

5. Expanding services to foreign market

The Company plans to expand its utility business as mentioned above to foreign market, particularly in countries with high growth in population, economic and demand for utility. The CLMV countries (i.e. Cambodia, Laos, Myanmar and Vietnam) are viewed as potential countries having attractive investment. The Company entered into the non-competition agreements with each of Hemaraj Group and WHA Group in respect of the development of utility businesses in these countries.

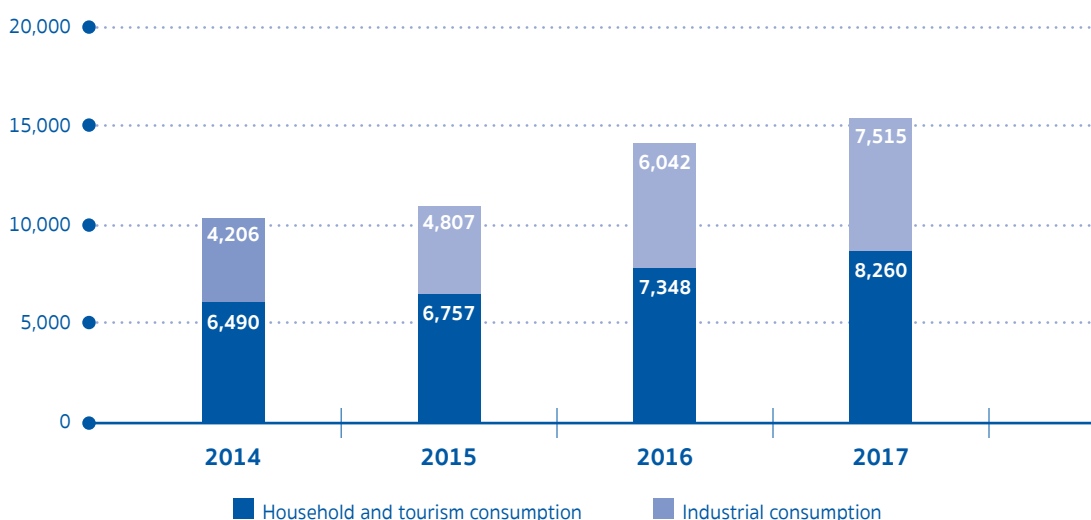
INDUSTRY CONDITION AND COMPETITION

Overview of industrial condition for the use of water in Thailand

Thailand is one of the largest consumers of water in South East Asia. Water consumption can be divided according to two main purposes: (i) household consumption, which means the use of water by households and in the tourism business; and (ii) industrial consumption, which means the use of water by industrial factories, based on the strategic plan on water resources management prepared by the Water Resources Policy and Management Commission, Department of Water Resources. The quantities of household consumption and industrial consumption are expected to increase from 2014 to 2027 at the rate of 1.9 and 4.6 per cent. per annum, respectively. Water consumption tends to grow significantly in the densely populated zones of industrial factories, namely Bangkok and nearby provinces, including the eastern part of Thailand, which is the heart of the industrial area of the country. Other parts of the country are mainly domiciled with agro-related industries and local manufacturing businesses.

Quantity of water consumption divided by purposes of use

(Unit: Million cubic metres per annum)



Source: Strategic plan on water resources management for years 2015–2026 prepared by the Water Resources Policy and Management Commission, Department of Water Resources

Industry condition: Water used in the industrial sector

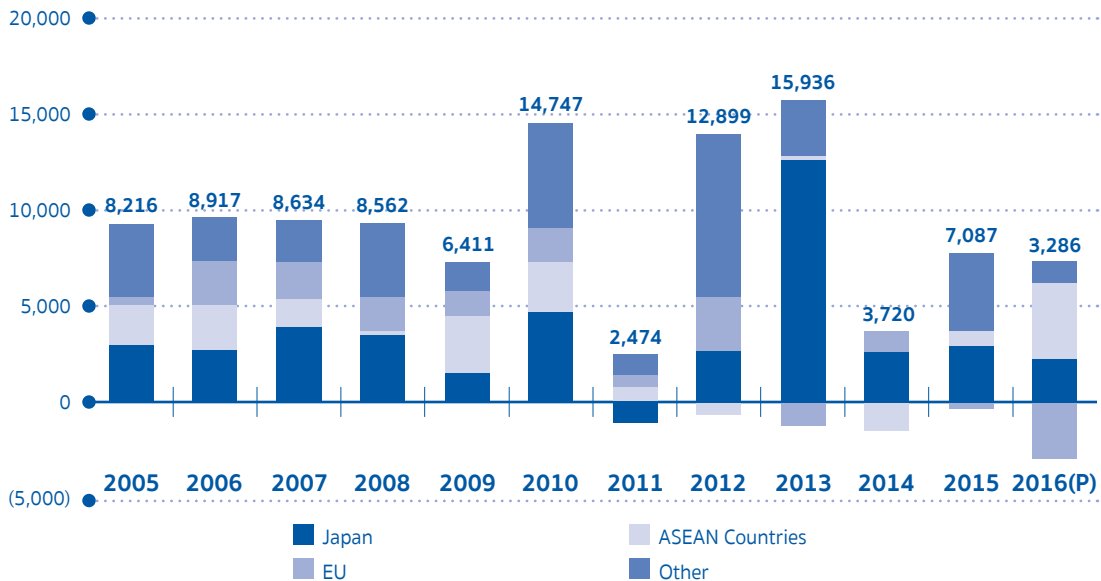
The industrial sector in Thailand has a growth trend as a result of economic recovery both locally and internationally. The sign of Thailand's economic recovery can be seen in the improvement of the gross domestic product (GDP) from previous years. This was due to the improving political condition in Thailand and the world's economic recovery, in particular the economy of the United States, a key trading partner of Thailand, resulting in the improvements in Thailand's export sector. In addition, the Government has announced a policy to develop special economic zones with the aim of attracting foreign direct investment and the inauguration of the ASEAN economic zone. The Government also expects to spearhead the Eastern Economic Corridor in a bid to promote investment in the eastern seaboard area, income from which accounted for 20.0 per cent. of GDP, and to improve logistics system in the same area, in particular on Laem Chabang Port. The aim is to develop Laem Chabang Port into a marine transportation hub to connect to the ports of other ASEAN countries such as Dawei deep sea port in Myanmar, Sihanoukville Autonomous Port in Cambodia and Port of Vung Tau in Vietnam.

According to the Bank of Thailand's forecast, Thailand's GDP is expected to grow by approximately 3.2 percent. in 2016.

The value of foreign investment in 2016 (P) was \$ 3,286 million, decreasing by 53.63 per cent in 2015 due to abnormal of application approved in 2015. Most of the requests for applications submitted in the last quarter of 2014 were more than 2,000 projects, which was the application submitted for privileges on existing BOI's policy before new benefits in 2015.

Foreign direct investment (FDI)

(Unit: USD million)



Source: The Bank of Thailand

The applications for investment promotional privileges submitted to the Board of Investment (BOI) have recovered into normal level both in terms of number and value after a slowdown, which was caused by the political situation in 2013–2015. In 2016, the aggregate value of investment projects based on the applications submitted to the BOI was THB 861.3 billion, increasing by 6.0 per cent. from 2015.

BOI-approved investment projects

BOI-approved applications	2011	2012	2013	2014	2015	2016
Number of projects	1,649	2,260	2,014	1,662	2,237	1,688
Project value of submitted applications (THB billion)	447.4	983.6	1,026.4	729.4	809.3	861.3

Source: Office of BOI

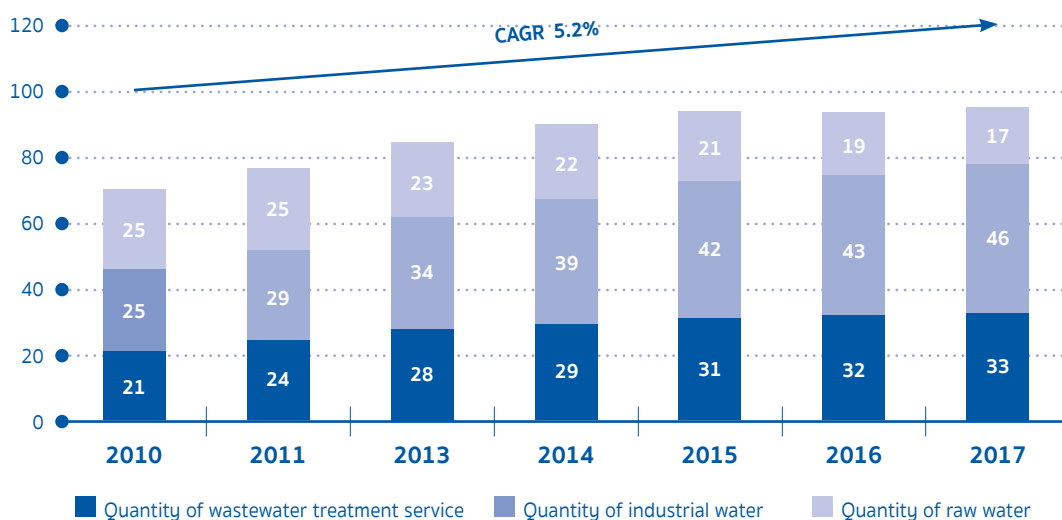
Water consumption in Hemaraj's areas

The Company is the sole operator of the water business in Hemaraj's industrial areas. It expects that the demand for raw water, industrial water (i.e. process water and clarified water) and wastewater

treatment services in those areas will increase. The rising demand is due to the following factors: (i) the increase in productivity of industrial plants in the areas, which is partially due to economic expansion; and (ii) the increasing number of industrial plants, particularly, petrochemical plants and power plants, which require significant amount of water in their operations. In the light of the above factors, the Company found that from 2010 to 2016, the quantity of water consumption and wastewater treatment services increased by 5.2 per cent. per annum and is expected to grow because of the increase in water consumption and the expansion of Hemaraj's project areas. The quantity of industrial water consumption and wastewater treatment services increased by an average of 10.7 and 7.8 per cent. per annum, respectively. Such increase was due to customers' rising demand for water consumption and the expansion of the Company's customer base. Nevertheless, raw water consumption declined because the Company had a policy to emphasize on the selling of industrial water products.

Records of water consumption in Hemaraj's industrial areas

(Unit: Million cubic meters per annum)



Source: Hemaraj Land and Development Public Company Limited

POWER BUSINESS

NATURE OF PRODUCTS OR SERVICES

The WHAUP Group conducts power business by holding equity in other power generating and distribution companies, both domestically and abroad. The 13 commercially operating power plants in which the WHAUP Group has investment in have an aggregate contracted power generating capacity of 1,772.40 MW, or equal to a capacity in proportion to equity of 349.55 MW. For six power plant projects under construction in which the WHAUP Group has investment, these power plants have an aggregate contracted power generating capacity of 760.00 MW, or equal to a capacity in proportion to equity of 190.07 MW.



This table summarizes the power plant projects.

Power plant	Location	Type of power	Category of Plant	Equity holding (per cent.)	Contracted power generating capacity	Capacity in proportion to equity	Commercial Operation Date
1) Information about the commercially operating power plants in which the WHAUP Group has investment							
Joint venture with the Glow Group							
Gheco-I	Map Ta Phut Industrial Estate	Coal	IPP	35.00	Power 660.00 MW	231.00 MW	August 2012
Glow IPP	HCIE	Gas-fired cogeneration	IPP	5.00	Power 713.00 MW	35.65 MW	January 2003
Houay Ho Power	Lao People's Democratic Republic	Hydro power	IPP	12.75	Power 152.00 MW	19.38 MW	September 1999
Joint venture with the Gulf Group							
Gulf JP NNIL	HRIL	Gas-fired cogeneration	SPP	25.01	Power 122.50 MW Steam 3.00 TPH Chilled water 3,200 RT	30.64 MW 0.75 TPH 800.32 RT	May 2013
Gulf Solar KKS	HLP1	Solar power	VSPP	25.01	Power 0.25 MW	0.06 MW	December 2014
Gulf Solar BV	HCIE	Solar power	VSPP	25.01	Power 0.13 MW	0.03 MW	June 2014
Gulf Solar TS1	HESIE	Solar power	VSPP	25.01	Power 0.13 MW	0.03 MW	August 2014
Gulf Solar TS2	ESIE	Solar power	VSPP	25.01	Power 0.09 MW	0.02 MW	January 2015
Joint venture with the Gunkul Group							
WHA Gunkul Green Solar Roof 17	WHA Mega Logistics Centre, Wangnoi 61, Ayutthaya	Solar power	VSPP	74.99	Power 1.00 MW	0.73 MW	July 2014
WHA Gunkul Green Solar Roof 3	WHA Mega Logistics Centre, Bangna-Trad KM.18	Solar power	VSPP	74.99	Power 0.83 MW	0.62 MW	April 2014
WHA Gunkul Green Solar Roof 6	WHA Mega Logistics Centre, Bangna-Trad KM.18	Solar power	VSPP	74.99	Power 0.83 MW	0.62 MW	April 2014
WHA Gunkul Green Solar Roof 1	WHA Mega Logistics Centre, Bangna-Trad KM.18	Solar power	VSPP	74.99	Power 0.64 MW	0.48 MW	April 2014

Power plant	Location	Type of power	Category of Plant	Equity holding (per cent.)	Contracted power generating capacity	Capacity in proportion to equity	Commercial Operation Date
Joint venture in power plant projects with B.GrimmPower Group							
BGWAH-1	HCIE	Gas-fired cogeneration	SPP	25.01	Power 121.00 MW	30.26 MW	November 2016
Total					Power 1,772.40 MW Steam 3.00 TPH Chilled water 3,200 RT	349.55 MW 0.75 TPH 800.32 RT	
2) Information about the power plants under construction in which the WHAUP Group has investment							
Joint venture with Gulf MP Company Limited							
Gulf VTP	ESIE	Gas-fired cogeneration	SPP	25.01	Power 130.00 MW Steam 20.00 TPH	32.51 MW 5.00 TPH	May 2017
Gulf TS1	ESIE	Gas-fired cogeneration	SPP	25.01	Power 130.00 MW Steam 42.00 TPH	32.51 MW 10.50 TPH	July 2017
Gulf TS2	ESIE	Gas-fired cogeneration	SPP	25.01	Power 130.00 MW Steam 36.00 TPH	32.51 MW 9.00 TPH	September 2017
Gulf TS3	HESIE	Gas-fired cogeneration	SPP	25.01	Power 125.00 MW Steam 25.00 TPH	31.26 MW 6.25 TPH	November 2017
Gulf TS4	HESIE	Gas-fired cogeneration	SPP	25.01	Power 125.00 MW Steam 25.00 TPH	31.26 MW 6.25 TPH	January 2018
Gulf NLL2	HRIL	Gas-fired cogeneration	SPP	25.01	Power 120.00 MW Steam 10.00 TPH	30.01 MW 2.50 TPH	January 2019
Total					Power 760.00 MW Steam 158.00 TPH	190.07 MW 39.50 TPH	

Commercially operating power plants in which the WHAUP Group has investment

1. GHECO-One Company Limited (Gheco-I)

Gheco-I Power Plant is a coal-fired power plant in Map Ta Phut Industrial Estate, Rayong province. This power plant has a contracted power generating capacity of 660MW under an IPP power purchase agreement with EGAT. Total electricity generated from this power plant is sold to EGAT for 25 years starting from the COD in August 2012.

The Company holds equity in Gheco-I Power Plant through WHA Energy 2 Company Limited, a subsidiary in which the Company has a stake of 99.99 per cent. WHA Energy 2 Company Limited holds 35 per cent. of total issued and paid-up shares in Gheco-I Power Plant. The remaining 65 per cent. of its total capital is held by the Glow Group.

2. Glow IPP Company Limited (Glow IPP)

Glow IPP Power Plant is a gas-fired power plant in HCIE, Chonburi province. This power plant has a contracted power generating capacity of 713MW under an IPP power purchase agreement with EGAT. Total electricity generated from this power plant is sold to EGAT for 25 years starting from the COD in January 2003.

WHA Energy 2 Company Limited, a subsidiary in which the Company has a stake of 99.99 per cent., holds 5 per cent. of total issued and paid-up shares in Glow IPP. The remaining 95 per cent. of total capital in Glow IPP is held by the Glow Group.

3. Houay Ho Power Company Limited (HHP)

HHP, a company registered in Lao People's Democratic Republic, was established with the objectives to own and operate a hydro power plant, Houay Ho, in Attapeu province in the southern part of Laos. Houay Ho Power Plant has a contracted power generating capacity of 152 MW. HHP has obtained a 30-year concession on a build-operate-transfer basis from the Government of Laos. This power plant became commercially operating in September 1999 with a contracted power generating capacity to sell 126MW of electricity to EGAT and 2 MW to Electricité du Laos (EDL) for 30 years from the commercial operation date. However, the amount of electricity to be sold to EGAT in each year will be based on the quantity of water storage of the power plant. A monthly report on the estimated power generating quantity will be provided to EGAT.

The Company directly holds 51 per cent. of the total issued and paid-up shares in Houay Ho Thai Company Limited (HHT), with the remaining shares of HHT being directly held by the Glow Group. HHT directly holds 25 per cent. of the total issued and paid-up shares in HHP. Effectively, the Company owns 12.75 per cent. shareholding in HHP, while the Glow Group effectively owns (both directly and indirectly) 67.25 per cent. shareholding in HHP, and EDL-Generation Public Company Limited directly owns 20 per cent. shareholding in HHP.

4. Gulf JP NLL Company Limited (Gulf JP NLL)

Gulf JP NLL owns and operates SPP power plant in HRIL, Rayong province. The SPP power plant is a gas-fired power plant having a contracted power generating capacity of 122.5MW. It sells 90MW of electricity to EGAT under an SPP power purchase agreement on a firm commitment basis, which has a term of 25 years from the COD in May 2013. This power plant also has an agreement to sell steam and chilled water to industrial customers in HRIL.

The Company holds equity in Gulf JP NLL power plant project through WHA Energy Company Limited, a subsidiary in which the Company has a stake of 99.99 per cent. WHA Energy Company Limited holds 25.01 per cent. of the total issued and paid-up shares in Gulf JP NLL. The remaining 74.99 per cent. of its total capital is held by the Gulf Group.

5. Gulf Solar power plants

Gulf Solar Company Limited (Gulf Solar) owns and operates four solar rooftop VSPP power plants having a contracted power generating capacity of 0.6MW, which is totally distributed to PEA and the Metropolitan Electricity Authority (MEA). The four power plants consist of the following companies:

1. Gulf Solar KKS Company Limited in HLP1, which has a contracted power generating capacity of 0.25MW and became commercially operational in December 2014;
2. Gulf Solar BV Company Limited in HCIE, which has a contracted power generating capacity of 0.13MW and became commercially operational in June 2014;
3. Gulf Solar TS1 Company Limited in HESIE, which has a contracted power generating capacity of 0.13MW and became commercially operational in August 2014; and
4. Gulf Solar TS2 Company Limited in ESIE, which has a contracted power generating capacity of 0.09MW and became commercially operational in January 2015.

WHA Energy 2 Company Limited, a subsidiary in which the Company has a stake of 99.99 per cent., holds 25.01 per cent. of the total issued and paid-up shares in Gulf Solar. The remaining 74.99 per cent. of its total capital is held by the Gulf Group.

6. WHA Gunkul solar power plants

The WHA Gunkul Group owns and operates four solar rooftop VSPP power plants having a contracted power generating capacity of 3.3MW, divided into 2.3MW sold to PEA and 1.0 MW to MEA. The four power plants consist of the following companies:

1. WHA Gunkul Green Solar Roof 17 Company Limited in WHA Mega Logistics Centre, Wangnoi 61, Phra Nakhon Sri Ayutthaya province, which has a contracted power generating capacity of 1.0MW and became commercially operational in July 2014;
2. WHA Gunkul Green Solar Roof 3 Company Limited in WHA Mega Logistics Centre, Bangna-Trad Road KM.18, Samutprakan province, which has a contracted power generating capacity of 0.83MW and became commercially operational in April 2014;
3. WHA Gunkul Green Solar Roof 6 Company Limited in WHA Mega Logistics Centre, Bangna-Trad Road KM.18, Samutprakan province, which has a contracted power generating capacity of 0.83MW and became commercially operational in April 2014; and

4. WHA Gunkul Green Solar Roof 1 Company Limited in WHA Mega Logistics Centre, Bangna-Trad Road KM.18, Samutprakan province, which has a contracted power generating capacity of 0.64MW and became commercially operational in April 2014.

WHA Energy Company Limited, a subsidiary in which the Company has a stake of 99.99 per cent., holds 74.99 per cent. of total issued and paid-up shares in each of the above companies. The remaining 25.01 per cent. of total capital in those companies is held by the Gunkul Group.

7. B.Grimm Power (WHA) 1 Company Limited (BGWHA-1)

BGWHA-1 owns and operates BGWHA-1 Power Plant in HCIE, Chonburi province. BGWHA-1 Power Plant is a gas-fired SPP power plant having a contracted power generating capacity of 121MW. This power plant sells 90MW of electricity to EGAT under a power purchase agreement on a firm commitment basis, which has a term of 25 years from the COD in November 2016. It also has an agreement to sell electricity to industrial customers in HCIE.

WHA Energy Company Limited, a subsidiary in which the Company has a stake of 99.99 per cent., holds 25.01 per cent. of total issued and paid-up shares in BGWHA-1. The remaining 74.99 per cent. Of its total capital is held by the B.Grimm Power Group.

Power plants under construction in which the Company has investment

1. Joint investment businesses with Gulf MP Company Limited

The WHAUP Group and Gulf MP Company Limited jointly own six SPP gas-fired power plants with a firm basis power purchase agreement, consisting of the following companies:

1. Gulf VTP Company Limited (Gulf VTP), which operates Gulf VTP Power Plant in ESIE, Pluakdaeng sub-district, Rayong province having a contracted power generating capacity of 130MW and a contracted steam generating capacity of 20 Ton/hour. This power plant is expected to begin its commercial operations in May 2017.
2. Gulf TS1 Company Limited (Gulf TS1), which operates Gulf TS1 Power Plant in ESIE, Pluakdaeng sub-district, Rayong province having a contracted power generating capacity of 130MW and a contracted steam generating capacity of 42 Ton/hour. This power plant is expected to begin its commercial operations in July 2017.
3. Gulf TS2 Company Limited (Gulf TS2), which operates Gulf TS2 Power Plant in ESIE, Pluakdaeng sub-district, Rayong province having a contracted power generating capacity of 130MW and a contracted steam generating capacity of 36 Ton/hour. This power plant is expected to begin its commercial operations in September 2017.
4. Gulf TS3 Company Limited (Gulf TS3), which operates Gulf TS3 Power Plant in HESIE, Pluakdaeng sub-district, Rayong province having a contracted power generating capacity of 125MW and a contracted steam generating capacity of 25 Ton/hour. This power plant is expected to begin its commercial operations in November 2017.

5. Gulf TS4 Company Limited (Gulf TS4), which operates Gulf TS4 Power Plant in HESIE, Pluakdaeng sub-district, Rayong province having a contracted power generating capacity of 125MW and a contracted steam generating capacity of 25 Ton/hour. This power plant is expected to begin its commercial operations in January 2018.
6. Gulf NLL2 Company Limited (Gulf NLL2), which operates Gulf NLL2 Power Plant in HRIL, Rayong province having a contracted power generating capacity of 120MW and a contracted steam generating capacity of 10 Ton/hour. This power plant is expected to begin its commercial operations in January 2019.

WHA Energy Company Limited, a subsidiary in which the Company has a stake of 99.99 per cent., holds 25.01 per cent. of the total issued and paid-up shares in each of the above power plant companies. The remaining 74.99 per cent. of their total capital is held by Gulf MP Company Limited.

BUSINESS STRATEGIES

1. Growing together with the strategic partner

After the entire power business transfer by the Hemaraj Group (consisting of subsidiaries of WHA Corporation Public Company Limited) to the WHAUP Group, both parties entered into the Strategic Partnership Agreement, the Hemaraj Non-competition Agreement and the WHA Non-competition Agreement. Under those agreements, the Hemaraj undertakes not to directly or indirectly compete in conducting power business in Thailand, on its own or in collaboration with a third party, with the Company. If the Hemaraj Group acquires any local industrial estate in the future and has the right to conduct power business in that property, it agrees to offer the WHAUP Group with the first right to invest in the power business in that project. Further, if a third party investment offer is directly tendered to the Hemaraj Group, it covenants to so inform the Company for consideration.

2. Forming joint venture in power generation business with leading companies

The Company's strategic partner is the Hemaraj Group, a reputable developer of industrial estates. Industrial estates are considered a suitable location for establishing power plants because it is likely that there will be no great concern over environmental issues, considering that the overall management of industrial estates, e.g. formation of industrial plants and environmental treatment, are supervised and regulated by IEAT. The Company's joint ventures in the Hemaraj industrial estates derive benefit from the Hemaraj customer base, which is an important factor that enhances the operating results of power plants, in particular, SPPs which can directly sell electricity and steam to those tenants. Most industrial customers have a preference for SPPs over EGAT due to the stability of power generation and distribution capacity of SPPs in industrial estates, combined with their cheaper selling price. In addition, the SPPs have a supplemental capacity to produce and distribute steam, which is a key input in the manufacturing process of many industrial customers.

In addition, the power plants use large amounts of industrial water in their generating process, which is very beneficial to the Company's industrial water business. Demand for water in the power generation business constantly grows on the basis that this business is usually conducted under a long-term (at least 25 years) agreement. Constant demand will partially strengthen the Company's condition of cash flow from industrial water business. For instance, six power plant projects under construction with Gulf MP Company Limited located in Hemaraj's industrial estates will become commercially operational starting from 2017 resulting in an increase in the selling quantity of industrial water.

3. Operating alternative energy power plants

The WHA Group's and the Hemaraj warehouses, buildings and facilities in industrial estates have more than 2 million cubic meters of available rooftop space, which can support investments in solar rooftop power plants. In addition, the Government has a policy to stimulate investment in the solar rooftop power generation business which presents the Company with prospects for future growth in this business.

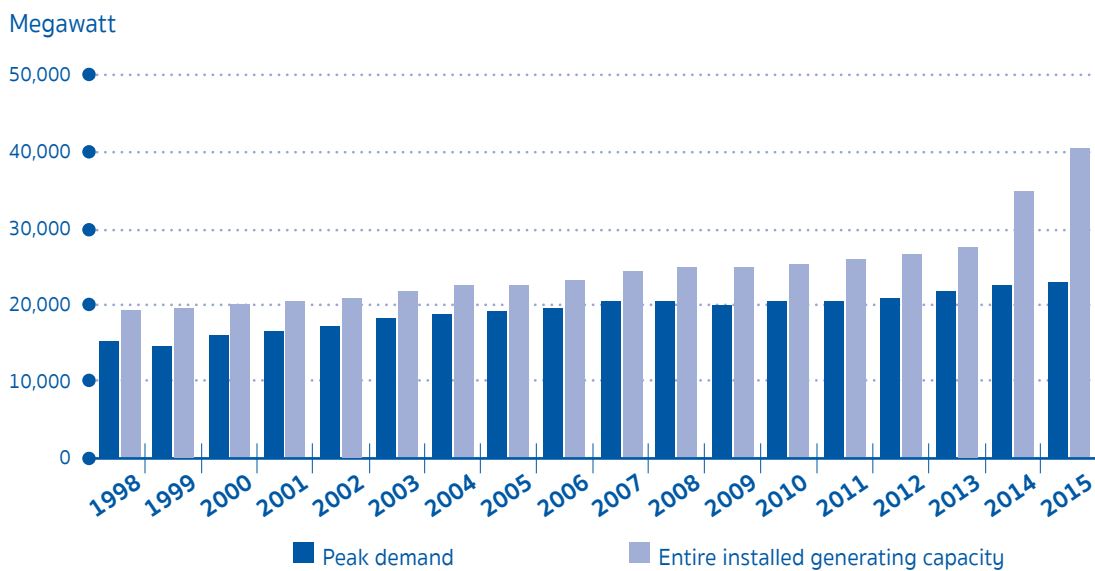
In addition to solar power generation plants, the Company plans to expand into other alternative energy power generation plants, starting from a waste-to-energy power generation plant in which Chonburi Clean Energy Company Limited, a joint venture company with the Glow Group and Suez which were awarded to sell electricity generated from industrial waste for an aggregate of 6.9MW to PEA for the period of 20 years. On February 24, 2017, Chonburi Clean Energy Company Limited entered into the power purchase agreement with PEA for a waste-to-energy power generation plant. As of February 28, 2017, however, PEA is still reviewing the completeness of documents relevant to the entering into such power purchase agreement. Once the reviewing process is completed, PEA will provide the Company with the executed power purchase agreement. The Company expects to commercially operate such power plant in the fourth quarter of 2019.

INDUSTRY OVERVIEW

The power business in Thailand is an infrastructure service under the supervision and regulation of the Ministry of Energy, the ERC and the National Energy Policy Board (NEPB), which are in charge of development to ensure the stability and sustainability of the national power utility. Originally, EGAT was solely responsible for generating power to support nationwide consumption. After demand for electricity sharply rose as a result of economic expansion and population increase, past governments promoted private partnership in the power generation business with a view to mitigating EGAT's investment burden to construct power plants to respond to growing demand for electricity. Starting in 1992, the government launched a policy encouraging the private sector's participation in power generation and invited it to bid for the construction of power plants. Such policy inaugurated a new role of IPPs and SPPs in the country's power generation business in 1994. As there is great support for alternative energy power generation, VSPPs are taking an active role in the country's power industry.

Nationwide generating capacity and demand

A survey conducted by EGAT revealed that demand for electricity in Thailand constantly grows, which is mainly due to the economic expansion and increase in population. EGAT must ensure that the aggregate contracted power generating capacity exceeds peak demand at all times in order to sustain the stability of the country's power system. Peak demand means the highest level of electricity used by consumers at any day in each year. Peak demand is a critical factor that influences the country's policy to generate and purchase more electricity. For 2016, the peak demand of 29,619MW was recorded on May 11, 2016 at 22.28 hours, increased by 2,273MW from 2015, or an increase of 8.31 per cent. The historical records showed that: (i) the peak demand increased from 16,681MW in 2002 to 29,619MW in 2016, which is equal to the CAGR of 4.19 per cent.; and (ii) the contracted power generating capacity increased from 23,755MW in 2002 to 43,623MW in 2015, which is equal to the CAGR of 4.79 per cent.



Source: EGAT and the Power Development Plan for 2015 - 2036 (PDP 2015)

Risk Factors

The Company aims to become Thailand's leading provider of public utilities and power services. The Company recognizes that the various risk factors arising from changes of internal and external factors, including the environment, may affect its operations. Therefore, the Company has conducted an assessment on material risks, and also the impacts of risks on its operations. The Company's assessment was divided into four kinds of major risks, namely strategy risk, operational risk, financial risk and compliance risk, which was analyzed in connection with its two core businesses, i.e. water business and power business.

STRATEGY RISK

Water business

(a) Revenue of the water business mainly derives from customers in the Hemaraj Group's industrial estates and industrial lands

Currently, the Company's core revenue is derived from its water business in industrial estates and industrial lands developed and managed by Hemaraj Land and Development Public Company Limited (Hemaraj) which is the Company's major shareholder and its subsidiaries (collectively called the Hemaraj Group). This source of revenue accounts for 54.17 per cent. and 59.43 per cent. of the Company's total revenue for 2015 and 2016, respectively.

The Company and the Hemaraj Group have entered into the Strategic Partnership Agreement and Right Lease Agreement which entitles the Company to operate its water business in the Hemaraj Group's industrial estates and industrial lands for the Current Projects and Future Projects. However, if the Hemaraj Group decides in the future to suspend the expansion of its business relating to development of industrial estates and industrial lands for any reason and the Company does not have any other customers outside the Hemaraj Group's industrial estates and industrial lands, the Company's income may significantly decrease. On the other hand, if the right lease agreement expires at the end of the 50-year term without renewal and the Company does not have customers apart from those in the Hemaraj Group's industrial estates and industrial lands to replace this revenue, the Company's results of operations and financial condition may materially be affected.

(b) Risk relating to customer concentration

The Company's core customers in the water business mainly consist of operators in petrochemical business, power generation business and automobile business in industrial estates and industrial lands, accounting for 43 per cent., 17 per cent. and 13 per cent., respectively, of the Company's total revenue from the water business for 2016. In addition, the 10 largest customers of the Company mainly consist of operators in the petrochemical business and power generation business, accounting for 53.3 per cent. and 55.7 per cent. of the Company's total revenue for 2015 and 2016, respectively. A decline or slowdown in the business expansion or investment conditions of these industrial sectors and large customers may reduce their demand for water services and other public utilities which may materially affect the results of operations of the Company.

(c) Risk relating to reliance on the major suppliers for raw water procurement

The Company operates its utility service business by producing and distributing industrial water to operators in industrial estates and industrial lands in which the raw water is the key raw material for its operation. The cost of raw water represented approximately 63 per cent. of the total cost of the Company. Currently, the Company mainly procures raw water from three (3) major suppliers, i.e. (1) Eastern Water Resources Development and Management Public Company Limited (East Water) which is a large concessionaire granted by the Royal Irrigation Department (RID) having service area in Chonburi, Rayong and Chachoengsao provinces, (2) RID and (3) the Hemaraj Group (from Hemaraj Group's internal reservoir of natural water) and their supply volume accounts for 81 per cent., 10 per cent. and 9 per cent. of the total sources of raw water for the year 2016, respectively. Further, the Hemaraj Group acted as an intermediary for East Water and RID in the Company's water procurement process. However, the Company is able to directly procure raw water from East Water and RID.

If East Water, RID or the Hemaraj Group is unable to supply raw water to the Company in the quantity required and at the agreed time, due to raw water supply shortage or significantly increases in the selling price of raw water, this may have a material adverse effect on the Company's financial condition, results of operations and prospects.



Power business

(a) Investment risk relating to the Company's investments in businesses over which the Company has no control

Currently, the Company has made investments in the power business by holding equity in various energy companies. Revenue from the power business of the Company is derived from investments in companies engaging in power business, which are considered associates of the Company, and accordingly the Company does not have power to control those entities, and the management of their businesses depends on the discretion of their respective boards of directors. Moreover, although the major shareholders of these companies have expertise in the power business, the Company is subject to the risk of investment in the power business. The Company received revenue from the investments of such power business in forms of share of profit from investments in associates and joint ventures, and dividends.

Operational risk



Water business

(a) Risk relating to an ability of the Company to increase public utilities price in the industrial estates

Section 14 of the Industrial Estate Authority of Thailand Act, B.E.2522 (as amended) states that "the IEAT has the power to determine the selling price, rental fee and hire purchase fee of real property and movable property, the maintenance fee of public facilities and other fees in relation to public services provided in industrial estates, taking into account reasonableness in terms of business." Therefore, the power to announce and increase the price of public utilities such as industrial water price and wastewater treatment price in industrial estates lies solely with the IEAT. The Company cannot charge for public utilities at a higher rate than the rates specified by IEAT. Therefore, there is a risk that the IEAT may not grant approval if the Company seeks to increase the price of public utilities to meet the changing costs or to reflect the market condition. It is also notable that no requirements have been imposed on the Company to seek prior approval of the change of public utility prices collected in the industrial lands.

(b) Risk relating to the deterioration and damage of the water production and distribution System

The Company's industrial water production and distribution system and wastewater treatment system may deteriorate in a usage life or be damaged during the course of operations, and if the repair is not completed in a timely manner, this may directly obstruct the production and distribution process of industrial water or interrupt the wastewater treatment system. In addition to impacting the Company's profitability and cash flow, this may cause the Company fails to fulfill its obligations under the Right Lease Agreement with the Hemaraj Group and agreements with Company's customers and may therefore also materially affect the Company's results of operations.

(c) Risk relating to severe accident, drought and natural catastrophe

Natural catastrophes (such as drought, flood, storm, fire and earthquake, epidemic and severe accident) are beyond the Company's control. An occurrence of a drought, natural catastrophe or severe accident may affect the Company's results of operations and severely damage the Company's operating assets. The impact of those circumstances may affect the industrial and commercial operators in industrial estates and industrial lands where the Company is operating, which could also have an effect on the Company's revenue and results of operations.



Power business

The Company invests in power business in the form of holding equity in energy companies. Revenue from the power business in 2016 accounted for 37 per cent. of the Company's total revenue for the year ended December 31, 2016 whereby the highest revenue came from investment in GHECO-One Company Limited (the Company's associates over which the Company has no control). Revenue from power business generated from the other associates for the same financial period was not material. The Company received revenue from power business in form of share of profit from investments in its associates and joint ventures and dividend received.

Risks relating to investment in power business include the following:

(a) Risk relating to a shortage of fuels

In the operation of natural gas and coal-fired power plants, natural gas and coals particularly constitute the key costs of operating activities. If there is a shortage of these natural gas or coals or a supplier is unable to provide a required quantity of natural gas or coals to the power plant of the Company's associates, which in each case is an uncontrollable event of the power plants, then the relevant power plants are likely to breach its obligations under the power purchase agreement it has entered into with EGAT or under electric power transmission or a steam supply agreements with their industrial customers. Therefore, a shortage of fuels may have a material and adverse effect on the profit sharing, financial condition and operating results of the Company.



Water business and Power business

(a) Risk relating to uncertainty in economic, political and social condition and laws which may affect the Company's business expansion plan and operating results

As the Company engages in the water and power businesses, its prospects of business expansion and results of operations depend on the economic, political, social conditions and legal framework of the country where the Company's businesses are being conducted. Particularly, if there is a material adverse change in

economic conditions resulting in liquidity risk, inflation, foreign exchange rate fluctuations and credit default risk which may affect the interest rate, or if there is a material change in social conditions and laws, then those changes may have adverse effects on the Company's business operations, financial condition, results of operations and business expansion plan.

(b) Slowdown in the global economy, changes in the state policy and other macroeconomic factors

The global economic slowdown, the United Kingdom's resolution to exit the European Union (Brexit), the change in state policy, and political uncertainty may affect investment and expansion of production capacity of industrial operators which are customers of the Company. Political uncertainty in Thailand may undermine the investor sentiment and private sector's confidence in Thailand investment. Some business segments may decide to move, expand or establish their production bases in neighboring countries instead in order to reduce this risk. The depressed political condition and the high level of household debt may also restrict private sector consumption. Declines in domestic consumption, production and export also curb investment activities which could reduce our customers' planned expansion of production or suspend their investment decisions, which may have adverse effects on the Company's business.

FINANCIAL RISK

The operating performance, financial status, economic environment in Thailand and other countries, access to financial and capital market in Thailand and other countries, and interest rates are risk factors to the company's financial management. The company has consistently improved its financial position by having an appropriate and sufficient source of funds with a reasonable cost of capital. As at December 31, 2016, the Company's debt to equity ratio was 1.51 to 1 times and interest-bearing debt to total equity was 1.40 times. The company has a strong balance sheet and a lower debt level, moderate level of cash on hands, no foreign currency debts and broader lending sources. These will provide the company more flexibility to grow the business expansion, yet to minimize the financial risks.

Core revenue generated from power business derives from share of profit from the investments in associates and joint ventures. The Company's associates which engage in the power business had sources of financing and loans for development of power plants and part of operating costs in a foreign currency which are not entirely hedged against risk. Fluctuations in the foreign exchange rate, whether depreciation or appreciation, may adversely affect the Company's share of profit from investments, financial condition and results of operations.

COMPLIANCE RISK

(a) Changes to the IEAT's laws, rules and regulations and other applicable laws which are relevant to the business operation of the Company

The Company's industrial water business and power business are governed by the IEAT's laws, rules and regulations and other applicable laws which may be interpreted differently in the future.

The Company is unable to anticipate any guidelines on the regulator's exercise of power to supervise water business under the relevant laws. This uncertainty subjects the Company to the risk that there is a material change in applicable laws, rules and regulations. In addition, the national policy on public utilities and power is subject to change based on the policy and administrative system announced by each government. A change in the national policy on public utilities and power as well as an issue of new rules and regulations, e.g. a policy on alternative energy, may adversely affect the Company's investment and business expansion, including its business operations, revenue, financial condition, results of operations and business prospects.

Information on Securities and Shareholders

REGISTERED CAPITAL AND PAID-UP CAPITAL

As of 31 December 2016, the Company's registered capital was THB 3,825 million, and its paid-up capital was THB 3,200 million, divided into 640 million ordinary shares with a par value of THB 5 per share. The Company's Extraordinary General Meeting of Shareholders No. 3/2016 held on July 21, 2016 passed a resolution to approve the allocation of up to 125 million newly issued ordinary shares for public offering (the Offering). After the Offering, the Company's paid-up capital will be up to THB 3,825 million, accounting for up to 765 million shares.

SHAREHOLDERS

Major shareholders

The shareholding structure of the Company prior to and after the Offering can be summarised as follows:

No.	Shareholders	Prior to the Offering		After the Offering	
		Number of shares	Per cent.	Number of shares	Per cent.
1.	Hemaraj Group				
	Hemaraj Land and Development Public Company Limited 1	526,799,994	82.31	526,799,994	68.86
	H-International (SG) Pte. Ltd. 2	113,200,002	17.69	8,700,002	1.14
	Total	639,999,996	100.00	535,499,996	70.00
2.	Mr. Somyos Anantaprayoon	2	0.00	23	0.00
3.	Miss Jareeporn Jarukornsakul	2	0.00	23	0.00
4.	A specific group of the public who are existing shareholders of WHA Corporation Public Company Limited			57,289,722	7.494
5.	Public			172,210,278	22.514
	Total	640,000,000	100.00	765,000,000	100.00

Notes: 1 Hemaraj Land and Development Public Company Limited engages in industrial estates development in which its securities were delisted from the Stock Exchange of Thailand (the SET) since 2 March 2016. Currently, WHA Ventures Holding Co., Ltd. and other shareholders hold 98.9 per cent. and 1.1 per cent. in Hemaraj Land And Development Public Company Limited, respectively.

WHA Ventures Holding Co., Ltd. is a holding company with all of its shares currently held by WHA Corporation Public Company Limited.

WHA Corporation Public Company Limited is a listed company in the SET. The list of shareholders as of 31 December 2016 is as follows:

Shareholders	Number of shares	Per cent.
1. <u>Mr. Somyos Anantaprayoon and Miss Jareeporn Jarukornsakul Group</u>		
WHA Holding Co., Ltd.(1.1)	2,807,166,810	19.60
Miss Jareeporn Jarukornsakul	1,624,989,569	11.35
Mr. Somyos Anantaprayoon	1,090,894,523	7.62
Credit Suisse AG, Singapore Branch(1.2)	821,916,681	5.74
UBS AG, Hong Kong Branch(1.3)	421,136,360	2.94
Total	6,766,103,943	47.25
2. State Street Bank Europe Limited	1,102,783,366	7.70
3. <u>Cholkadeedamrongkul Group Family</u>		
Mr. Sompong Cholkadeedamrongkul	474,945,700	3.32
Mr. Sompong Cholkadeedamrongkul by Asset Plus Fund Management	399,440,700	2.79
Mrs. Varunee Cholkadeedamrongkul	63,300,000	0.44
Mr. Pongpat Cholkadeedamrongkul	12,120,000	0.08
Miss Khanittha Cholkadeedamrongkul	10,000,000	0.07
Miss Natthaya Cholkadeedamrongkul	10,000,000	0.07
Total	969,806,400	6.77
4. <u>Jarukornsakul Group Family</u>		
Miss Jaruan Jarukornsakul	301,898,100	2.11
Mr. Wuthi Jarukornsakul	172,070,000	1.20
Total	473,968,100	3.31
5. SCB Securities Company Limited	416,600,000	2.91
6. Thai NVDR Co., Ltd	293,472,916	2.05
7. Miss Supitchaya Pupisut	229,724,035	1.60
8. N.C.B. Trust Limited-Notges Bank 11	188,076,600	1.31
9. Miss Nalinrat Sae-Eung	129,594,578	0.90
10. Mr. Sunchai Suksomcheewin	119,900,000	0.84
Total top 10 major shareholders	10,690,029,938	74.64
Other shareholders	3,632,400,139	25.36
Total	14,322,430,077	100.00

^{1.1} WHA Holding Company Limited is a holding company. As of 23 March 2012, its registered capital was THB 5 million divided into one million shares, with a par value of THB5 per share. The shareholders are as follows:

No.	Shareholders	Number of shares	Per cent.
1	Mr. Somyos Anantaprayoon	500,000	50.0
2	Miss Jareeporn Jarukornsakul	499,999	50.0
3	Miss Jaruan Jarukornsakul	1	0.0
	Total	1,000,000	100.0

^{1.2} Credit Suisse AG, Singapore Branch, a securities company in Singapore, holds all shares on behalf of Mr. Somyos Anantaprayoon and Miss Jareeporn Jarukornsakul.

^{1,3} UBS AG, Hong Kong Branch, a securities company in Hong Kong, holds all shares on behalf of Mr. Somyos Anantaprayoon.

² H-International (SG) Pte. Ltd. is an investment company incorporated under the law of Singapore. As of 31 December 2016, all of its shares are held by Hemaraj Land And Development Public Company Limited.

³ Excluding the number of shares in which such person may subscribe and be allocated to as a shareholder of WHA Corporation Public Company Limited.

⁴ The proportion of shares to be allocated to the shareholders of WHA Corporation Public Company Limited and public complies with the resolution of the Board of Directors of the Company which approved the allocation of new ordinary shares in this Offering to a specific group of the public who are existing shareholders of WHA Corporation Public Company Limited of up to 57,289,722 shares.

DIVIDEND POLICY

Dividend policy of the Company

The Company will consider paying dividend according to provision of law, including the Public Limited Company Act, B.E. 2535, which requires a public limited company to pay dividend only from the net profit derived from standalone financial statement with no accumulated deficit.

The Company's dividend payment policy is to pay dividends in the amount of not less than 40 per cent. of the Company's consolidated net profit after deducting corporate income tax and other reserve funds as required by law in each year. However, the dividend payment of the Company may take into account the Company's financial position, cash flow, liquidity, investment plan and other factors, as the Board of Directors deems appropriate. The dividend payment shall not materially affect the Company's normal business operations and comply with law, regulation or relevant ruling. The Board of Directors shall propose to the shareholders' meeting approval of dividend payments, except the payment of interim dividends. The Board of Directors may declare interim dividends and report to the shareholders at the next shareholders' meeting.

The payment of dividend shall not exceed retained earnings of the Company in the separate financial statements of the Company and shall be in accordance with applicable laws.

Dividend policy of the Subsidiaries

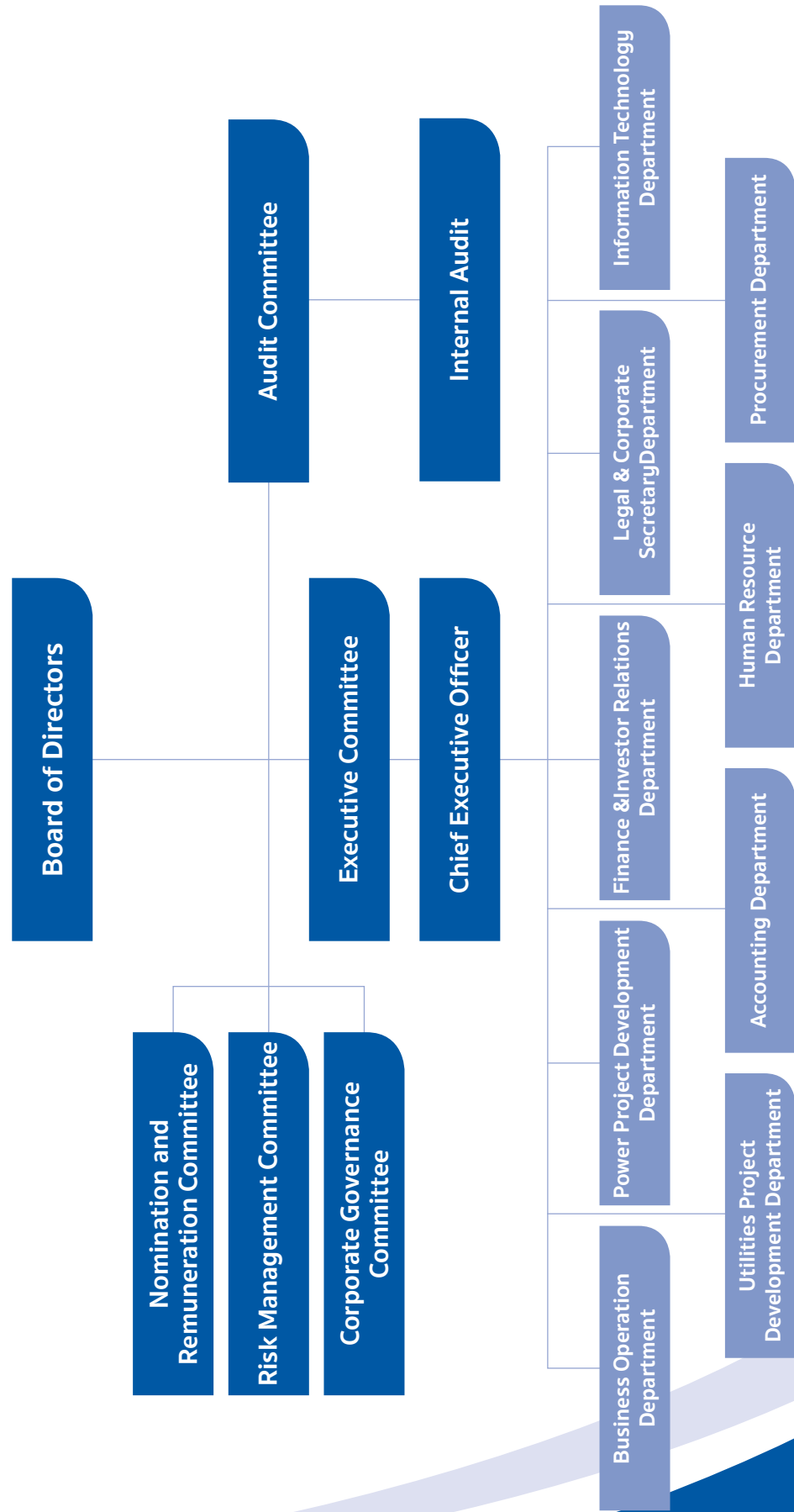
Each Subsidiary's dividend payment policy is to pay dividends in the amount of not less than 50 per cent. of the net profit after deducting corporate income tax and other reserve funds as required by law in each year. However, the dividend payment of each Subsidiary may take into account the financial position, cash flows, liquidity, investment plan and other factors, as the board of directors deems appropriate, and for the best interest of shareholders. The dividend payment shall not materially affect each Subsidiary's normal business operations. The board of directors of each Subsidiary shall propose to the shareholders' meeting approval of dividend payments, except the payment of interim dividends. The board of directors of each Subsidiary may declare interim dividends and report to the shareholders at the next shareholders' meeting.

Dividend policy of associates and joint ventures

Each associate and joint venture is to pay dividends in proportion to a shareholding according to conditions set out in related shareholders agreement.

Management Structure

As of 31 December 2016, the management structure of the Company consists of the Board of Directors and five sub-committees, i.e. the Audit Committee, Executive Committee, Risk Management Committee, Corporate Governance Committee, and Nomination and Remuneration Committee. The management structure of the Company is as follow:



BOARD OF DIRECTORS

As of 31 December 2016, the Company has nine directors:

Name	Position
1. Mr. Somyos Anantaprayoon	Chairman of the Board of Directors
2. Miss Jareeporn Jarukornsakul	Vice-Chairman of the Board of Directors
3. Mr. David Richard Nardone	Director
4. Mr. Vivat Jiratikarnsakul	Director
5. Mr. Wisate Chungwatana	Director and Chief Executive Officer
6. Mr. Surathian Chakthranont	Director
7. Mr. Weidt Nuchjalearn	Independent Director and Chairman of Audit Committee
8. Mr. Ekajai Tivutanond	Independent Director and Audit Committee
9. Mrs. Punnee Worawuthichongsathit	Independent Director and Audit Committee

Miss Nathawadee Homrongbon acts as the secretary of the Board of Directors.

Authorised directors

The Company's authorised directors are Mr. Somyos Anantaprayoon and Miss Jareeporn Jarukornsakul who jointly sign with Mr. David Richard Nardone or Mr. Vivat Jiratikarnsakul or Mr. Wisate Chungwatana with the Company's seal.

Term of directorship

At every annual general meeting of the shareholders, one-third of the total number of the directors are required to vacate their office. If the number is not a multiple of three, then the number nearest to one-third is required to retire from office. The director who has been in office for the longest term is required to retire. The director retiring by rotation may be re-elected to be a director of the Company.

Composition of the Board of Directors

The composition of the Board of Directors of the Company is as follows:

1. Each director is not required to be a shareholder of the Company.
2. The number of directors shall be determined by the shareholders' meeting, but there shall be at least five directors and at least half of all directors shall reside in Thailand.
3. Not less than one-third of board members shall be independent directors, at least three independent directors in any case.

The Board of Directors shall appoint one of the directors to be the Chairman of the Board of Directors. If the Board of Directors deem it appropriate, the Board of Directors may appoint one or more directors to be a Vice-Chairman of the Board of Directors.

AUDIT COMMITTEE

The Board of Directors' meeting No. 6/2015, held on 19 November 2015, approved the appointment of three members of the Audit Committee. As of 31 December 2016, the details of the Company's Audit Committee are as follows:

Name	Position
1. Mr. Weidt Nuchjalearn	Chairman of the Audit Committee
2. Mr. Ekajai Tivutanond	Audit Committee member
3. Mrs. Punnee Worawuthichongsathit	Audit Committee member

Mr. Weidt Nuchjalearn and Mrs. Punnee Worawuthichongsathit are directors having sufficient knowledge and experience in accounting or finance to review the reliability of the financial statements, and Dharmniti Internal Audit Co., Ltd. acts as secretary for the Audit Committee.

Appointment and term

The Board of Directors or the shareholders' meeting shall appoint independent directors of the Company to the Audit Committee. The term of the members of the Audit Committee/independent directors shall be three years. The members of the Audit Committee retiring by rotation may be re-elected to be the members of the Audit Committee of the Company.

In the case of a vacancy in the Audit Committee otherwise than by rotation, the Company shall appoint another fully qualified person to be a member of the Audit Committee in order to make up the number of the Audit Committee, as required by the Board of Directors. The appointed person shall retain this office during such time only as the vacating director was entitled to retain the same.

Attendance at the Board of Directors' meetings and the Audit Committee

Details of the attendance at the meetings of the Board of Directors and the Audit Committee for the financial years ended 31 December 2015 and 31 December 2016 are as follows:

Name	Position	Year 2015		Year 2016	
		Board of Directors	Audit Committee	Board of Directors	Audit Committee
1. Mr. Somyos Anantaprayoon	Chairman of the Board of Directors	6/6	-	13/13	-
2. Miss Jareeporn Jarukornsakul	Vice-Chairman of the Board of Directors	6/6	-	13/13	-
3. Mr. David Richard Nardone	Director	8/9	-	12/13	-
4. Mr. Vivat Jiratikarnsakul ¹	Director	6/6	-	13/13	-
5. Mr. Wisate Chungwatana ²	Director and Chief Executive Officer	-	-	11/11	-
6. Mr. Surathian Chakthranont ³	Director	-	-	9/9	-

Name	Position	Year 2015		Year 2016	
		Board of Directors	Audit Committee	Board of Directors	Audit Committee
7. Mr. Weidt Nuchjalearn	Independent Director and Chairman of the Audit Committee	1/1	-	13/13	6/6
8. Mr. Ekajai Tivutanond	Independent Director and Audit Committee	1/1	-	11/13	6/6
9. Mrs. Punnee Worawuthichongsathit	Independent Director and Audit Committee	1/1	-	11/13	6/6

Notes: ¹ Mr. Vivat Jiratikarnsakul was appointed to be a director of the Company on 25 March 2015.
² Mr. Wisate Chungwatanawas appointed to be a director of the Company on 28 March 2016.
³ Mr. Surathian Chakthranont was appointed to be a director of the Company on 25 April 2016.

EXECUTIVE COMMITTEE

The Board of Directors' meeting No. 2/2016, held on 10 March 2016, approved the appointment of five members of Executive Committee. As of 31 December 2016, the details of the Company's Executive Committee are as follows:

Name	Position
1. Mr. Somyos Anantaprayoon	Chairman of the Executive Committee
2. Miss Jareeporn Jarukornsakul	Executive Committee
3. Mr. David Richard Nardone	Executive Committee
4. Mr. Vivat Jiratikarnsakul	Executive Committee
5. Mr. Wisate Chungwatana	Executive Committee

Miss Teepitra Norawetangkun acts as the secretary of the Executive Committee.

The Executive Committee is authorised by the Board of Directors to support the Board of Directors with respect to the policies and plans of the Company, including monitoring that management implements the Company's approved policies and strategic plans with responsibility, care and honesty, including in compliance with laws, objectives and articles of association of the Company, and the resolution of the Board of Directors and shareholders' meeting.

Attendance at the Executive Committee's meetings

Details of the attendance at the Executive Committee's meetings for year 2016 are as follows:

Name	Year 2016
1. Mr. Somyos Anantaprayoon	8/8
2. Miss Jareeporn Jarukornsakul	8/8
3. Mr. David Richard Nardone	8/8
4. Mr. Vivat Jiratikarnsakul	8/8
5. Mr. Wisate Chungwatana	8/8

CORPORATE GOVERNANCE COMMITTEE

The Board of Directors' meeting No. 6/2016, held on 5 July 2016, approved the appointment of three members of Corporate Governance Committee. As of 31 December 2016, the details of the Corporate Governance Committee of the Company are as follows:

Name	Position
1. Mrs. Punnee Worawuthichongsathit	Chairman of the Corporate Governance Committee
2. Mr. Ekajai Tivutanond	Corporate Governance Committee
3. Mr. Vivat Jiratikarnsakul	Corporate Governance Committee

Miss Teepitra Norawetangkun acts as the secretary of the Corporate Governance Committee.

Appointment and term

The Corporate Governance Committee of the Company shall be appointed from the directors. The term of the Corporate Governance Committee shall be three years from the date of appointment. The Corporate Governance Committee retiring by rotation may be re-elected to be the Corporate Governance Committee of the Company.

Attendance at the Corporate Governance Committee's meeting

Details of the attendance at the Corporate Governance Committee's meeting for year 2016 are as follows:

Name	Year 2016
1. Mrs. Punnee Worawuthichongsathit	1/1
2. Mr. Ekajai Tivutanond	1/1
3. Mr. Vivat Jiratikarnsakul	1/1

Note: The Corporate Governance Committee was appointed on 5 July 2016.

RISK MANAGEMENT COMMITTEE

The Board of Directors' meeting No. 6/2016, held on 5 July 2016, approved the appointment of the Risk Management Committee. As of 31 December 2016, the details of the Risk Management Committee of the Company are as follows:

Name	Position
1. Miss Jareeporn Jarukornsakul	Chairman of the Risk Management Committee
2. Mr. David Richard Nardone	Risk Management Committee
3. Mr. Surathian Chakthranont	Risk Management Committee

Miss Teepitra Norawetangkun acts as the secretary of the Risk Management Committee.

Appointment and term

The Risk Management Committee of the Company shall be appointed from the directors and at least one-third of the Risk Management Committee and the Chairman of the Risk Management Committee shall be independent directors.

The term of the Risk Management Committee shall be three years from the date of appointment. The Risk Management Committee retiring by rotation may be re-elected to be the Risk Management Committee of the Company.

Attendance at the Risk Management Committee's meeting

Details of the attendance at the Risk Management Committee's meeting for year 2016 are as follows:

Name	Year 2016
1. Miss Jareeporn Jarukornsakul	2/2
2. Mr. David Richard Nardone	1/2
3. Mr. Surathian Chakthranont	2/2

Note: The Risk Management Committee members were appointed on 5 July 2016.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors' meeting No. 6/2016, held on 5 July 2016, approved the appointment of the Nomination and Remuneration Committee. As of 31 December 2016, the details of the Nomination and Remuneration Committee of the Company are as follows:

Name	Position
1. Mr. Weidt Nuchjalearn	Chairman of the Nomination and Remuneration Committee
2. Mr. Somyos Anantaprayoon	Nomination and Remuneration Committee
3. Miss Jareeporn Jarukornsakul	Nomination and Remuneration Committee

Miss Teepitra Norawetangkun acts as the secretary of the Nomination and Remuneration Committee.

Appointment and term

The Nomination and Remuneration Committee of the Company shall be appointed from the directors and at least one-third of the Nomination and Remuneration Committee and the Chairman of the Nomination and Remuneration Committee shall be independent directors.

The term of the Nomination and Remuneration Committee shall be three years from the date of appointment. The Nomination and Remuneration Committee retiring by rotation may be re-elected to be the Nomination and Remuneration Committee of the Company.

Attendance at the Nomination and Remuneration Committee's meeting

Details of the attendance at the Nomination and Remuneration Committee's meeting for year 2016 are as follows:

Name	Year 2016
1. Mr. Somyos Anantaprayoon	1/1
2. Miss Jareeporn Jarukornsakul	1/1
3. Mr. Weidt Nuchjalearn	1/1

Note: The Nomination and Remuneration Committee members were appointed on 5 July 2016.

EXECUTIVES

As of 31 December 2016, the Company has nine executives:

Name	Position
1. Mr. Wisate Chungwatana	Chief Executive Officer
2. Mr. Khamhoung Ratsamany	Vice President - Business Operation
3. Mr. Varanon Laosuwan	Director - Utilities Project Development
4. Mr. Punrapee Noparumpa	Director - Power Project Development
5. Mrs. Karnsasi Nananukool	Director - Finance & Investor Relations
6. Mrs. Rattana Shinawatra	Director - Accounting

Name	Position
7. Miss Khuntong Thammongkol	Director - Human Resource
8. Mr. Apichat Trongasukson	Director - Information Technology
9. Mrs. Amporn Chubthaison	Director -Procurement

Company Secretary

The Board of Directors' meeting No. 6/2016, held on 5 July 2016, approved the appointment of Miss Nathawadee Homrongbon to be the Company Secretary in order to act on behalf of the Company and/or the Board of Directors. The Company Secretary's scope of authority, duty and responsibility are as follows:

1. providing preliminary recommendation to directors according to related laws, rules and regulations;
2. providing advice for convening the shareholders' meetings in order to be in compliance with laws, regulations and guidelines, including preparing the notice of the shareholders' meetings;
3. recording the minutes of the shareholders' and the Board of Directors' meetings, including monitoring the compliance of the resolution of the shareholders' and the Board of Directors' meetings;
4. monitoring the disclosure and information memorandum to the public according to related regulations and notifications;
5. preparing and keeping the following documents:
 - (a) director register book;
 - (b) the notice and minutes of the Board of Directors' meeting and the annual report of the Company; and
 - (c) the notice and minutes of the shareholders' meeting;
6. keeping reports on the interests of directors and executives; and
7. performing any other actions as specified by the Capital Market Supervisory Board.

AUTHORITY FOR APPROVAL ON FINANCIAL LIMITS

The Company has authority to determine the approval on financial limits for operation of the Company, according to resolution of the Board of Directors' meeting No. 4/2016, held on 10 November 2016. The Board of directors will authorize respective directors, i.e. the Executive Committee and Chief of Executive Officer. The transactions are mainly summarized as follows:

Approval	Executive Committee	Chief of Executive Officer
Investment Investment in business / Sale of business	THB ≤500 million per transaction	THB ≤10 million per transaction
Investment or Expenses - Under the annual budget - Over the annual budget	- THB ≥10 million for total transactions	THB >100 million per transaction THB ≤10 million for total transactions
Loan Obtaining loan according to the annual budget Determination of conditions and provision of a loan and bond Determination of conditions and provision of bank guarantee Using assets as a security	✓ ¹ THB ≤2,000 million per transaction THB ≤1,000 million per transaction THB ≤1,000 million per transaction	- - THB ≤250 million per transaction ² -

Notes: ¹ The Executive Committee is authorised by the Board of Directors of the Company.

² If the size of transaction exceeds 25 per cent. of the financial limit set out in the authority approval, the Chief of Executive Officer must sign for approval with one of the members of the Executive Committee who is not the executive of the Company.

REMUNERATION OF DIRECTORS AND EXECUTIVES

Remuneration of directors

(1) Monetary remuneration

The Extraordinary General Meeting of Shareholders No. 2/2016, held on 21 November 2016, approved the remuneration of the directors and sub-committee of the Company for year 2016, by dividing the payment into three categories i.e., in forms of meeting allowance, directors' remuneration and bonus. The details are as follows:

	Yearly Remuneration	Meeting Allowance
Board of Directors	Chairman THB 200,000 per annum Director THB 150,000 per annum	Chairman THB 30,000 per time Director THB 25,000 per time
Executive Committee	-	Chairman THB 25,000 per time Member THB 15,000 per time
Audit Committee	-	Chairman THB 25,000 per time Member THB 15,000 per time
Corporate Governance Committee	-	Chairman THB 25,000 per time Member THB 15,000 per time
Nomination and Remuneration Committee	-	Chairman THB 25,000 per time Member THB 15,000 per time
Risk Management Committee	-	Chairman THB 25,000 per time Member THB 15,000 per time

The rate of bonus will be at the rate of 0.2 per cent. of the total income on the profit in that year.

Details of the remuneration of the Company's directors and committees for year 2016 are as follows:

Name	Year 2016		
	Remuneration of Directors (THB)	Remuneration of sub-committees (THB)	Total (THB)
1. Mr. Somyos Anantaprayoon	589,994	230,000	819,994
2. Miss Jareeporn Jarukornsakul	475,000	200,000	675,000
3. Mr. David Richard Nardone	450,000	135,000	585,000
4. Mr. Vivat Jiratikarnsakul	475,000	135,000	610,000
5. Mr. Wisate Chungwatana	388,730	120,000	508,730
6. Mr. Surathian Chakthranont	327,050	30,000	357,050
7. Mr. Weidt Nuchjalearn	475,000	200,000	675,000
8. Mr. Ekajai Tivutanond	425,000	105,000	530,000
9. Mrs. Punnee Worawuthichongsathit	425,000	115,000	540,000

Notes: No remuneration for the Company's directors and sub-committees for the year 2015.

(2) Other remunerations

- None -

Remuneration of executives

Details of remuneration of executives of the Company (excluding remuneration as directors) for the year ended 31 December 2015 and 31 December 2016 are as follows:

	Year 2015	Year 2016
Number of persons	0	9
Total remuneration (THBmillion)	0	24.64

PERSONNEL

Number of personnel

The number of personnel of the Company and its Subsidiaries (excluding nine executives) across the divisions of the Company as of 31 December 2015 and 31 December 2016 was as follows:

Divisions	Number of personnel	
	As of 31 December 2015	As of 31 December 2016
Operation	9	57
Accounting	-	1
Legal	-	2
Finance and Investor Relations	-	1
Management Support	-	3
Total	9	64

Remuneration of personnel (excluding executives)

For the year 2015 and 2016, the Company paid remuneration to employees (excluding executives) in the amount of THB 6.04 million and THB 19.47 million, respectively, as follows:

	Fiscal year ended 31 December 2015	Fiscal year ended 31 December 2016
Monthly salary ¹	5.84	18.47
Other remunerations ²	0.20	1.00
Total	6.04	19.47

Notes: ¹ Including bonus
² Including provident fund.

Labour disputes for the past 3 years

As of 31 December 2016, the Company and its subsidiaries have no pending material labour disputes for the past 3 years which would have a material impact on the Company's and its subsidiaries' assets, shareholders' equity and/or the operation of Company and its subsidiaries.

Personnel development policy

1. Development of directors and executives

- 1.1 The Company promotes and facilitates the training and development of knowledge of persons relating to corporate governance policy of the Company, such as directors, Audit Committee, Company Secretary, in order to continuously improve their performance. The training may be internal training and/or external training.
- 1.2 The management division will provide documents and information useful for performing the duties of a new director, including the nature of business and business guidelines of the Company.

2. Development of employees

The Company is aware of the importance of human resource development. Therefore, the Company focuses on being a learning organisation by having policies to support and facilitate the training and development of knowledge suitable for personnel in every division. In addition, the Company plans to support educational loans for its personnel to study master degrees in order to develop their knowledge and capability in related fields.

Corporate Governance

CORPORATE GOVERNANCE POLICY

The Company regards good corporate governance principles as an important factor in promoting efficiency and sustainable growth, ultimately translating into greater value for its stakeholders, including its employees, partners, customers, investors and other stakeholders. The board of directors has put in place a corporate governance policy which covers all material principles, including structure, roles, duties and responsibilities of directors, and principles of management in order to gain transparency and verifiability in business operation. This policy acts as a guideline for the management of the Company to gain confidence that that Company operates its business with fairness and takes into account the ultimate benefits of shareholders and stakeholders.

The board of directors gives precedence to this corporate governance policy, which covers the following five categories:

Category 1: Rights of shareholders

The Company (i) emphasizes the importance of shareholders' rights, which are not limited to the rights under the law, (ii) refrains from any act which may infringe on, or deprive, the rights of shareholders, and (iii) encourages the shareholders to exercise their rights. Basic shareholder rights include the right to buy, sell or transfer shares, the right to share the company profit, the right to obtain adequate information from the Company, the right to attend shareholder meetings to exercise their right to vote in the appointment or removal of directors, the appointment of auditors and matters affecting the Company, such as the allocation of dividends, specifications or amendments of the Company's articles of association and memoranda of association, reduction or increase of capital and approval of extraordinary transactions.

In addition, the Company also employs the following practices in order to encourage and facilitate the exercise of shareholders' rights:

- 1) Disclosing the policies to support or encourage all shareholders to attend the Company's shareholder meetings.
- 2) Sending shareholders the notice of the meeting with supporting documents at least 30 days in advance. The notice shall contain details of the date, time, venue, and agenda of the meeting with an explanation and reason for each of the agenda items or each resolution sought in order to provide shareholders with the opportunity to study such information, thoroughly. In the event of emergency, the Company will notify the shareholders in advance in accordance with the time period specified by law, and will refrain from any act which will limit the opportunity of shareholders to study the Company's information.
- 3) Facilitating shareholders' participation and voting in the meeting. Any actions that could hinder shareholders from conveniently exercising their right to attend the meetings and participate in voting should be prohibited. For example, procedures to attend and vote should not be complicated or costly for shareholders, and the location of the meeting should be relatively accessible.
- 4) The chairman of the meeting will allocate proper time for the meeting and encourage shareholders to express their opinions and ask questions relating to the Company. The Company will allow shareholders to send their questions to the Company prior to the meeting date. In this regard, the criteria for advance questions will be clearly determined and the shareholders will be notified of the same in the notice of the shareholders meeting. Also, the Company will publish the criteria for submitting the questions on the Company's website.

- 5) Encouraging shareholders to use proxy forms which allow shareholders to control the outcome of their votes and permit at least one independent director to attend the meeting.
- 6) Encouraging the use of technology in the shareholder meetings to register, count and validate votes, and depict the result of the vote for fast, accurate and prompt meetings.
- 7) Encouraging all directors of the Company to attend the shareholder meetings and answer the shareholders' questions.
- 8) In the meetings, the shareholders shall separately vote for each matter in case a particular agenda having several matters to be considered, for example, the agenda of appointment of directors.
- 9) Encouraging the appointment of an independent party to count and validate votes at shareholder meetings. The result will be disclosed at the meeting and recorded in the minutes.
- 10) Encouraging the use of voting cards for important agenda items such as related party transactions, acquisitions or disposal of assets, for the sake of transparency and traceability in the case of subsequent objection.
- 11) Preparing minutes of shareholder meetings which include: details regarding voting procedures and the method used to find out the result of such vote; the opportunity to record both questions and answers; voting results of each agenda; and a list of attendance. The minutes will be published on the Company's website within 14 days from the date of the meeting.

Category 2: Equitable treatment of shareholders

The Company has policies in place to treat all shareholders fairly and equally, regardless of their status, whether executive or non-executive shareholders, majority or minority shareholders, Thai or non-Thai shareholders. These policies are as follows:

- 1) The Company shall release its general meeting notice with detailed agenda and explanatory circulars which will be uploaded to the Company's website at least 30 days in advance. In the event of emergency, the Company will notify the shareholders in advance in accordance with the time period specified by law prior to the date of the meeting. The Company should provide an English translation of the Company's notice of the shareholders meeting and publish it at the same time as the Thai version.
- 2) The Company shall inform shareholders of meeting procedures and voting criteria, including the voting rights attached to each class of shares, if any.
- 3) The voting rights in the shareholder meetings shall be in accordance with a number of shares held by shareholders. One share will have one vote. In addition, the Company allows shareholders who attend the meeting after its commencement to vote for agendas which are under consideration and have not yet been voted upon, and the votes of such shareholders will be included in the quorum.
- 4) The Company, in advance of the meeting date, shall have pre-determined criteria on allowing minority shareholders to propose any agenda item, for the sake of fairness and transparency. In addition, the shareholders in management positions should not table any agenda item which have not been included in the notice to the general meeting, especially if it is an issue that will require careful consideration before deciding.
- 5) The Company shall set up procedures for the minority shareholders to nominate a person to serve as a director through a nomination and remuneration committee prior to the shareholder meeting date. Supporting information, with respect to candidates' qualifications and consent, should be provided by the minority shareholders nominating the candidates.

- 6) The process used in the election of directors should allow shareholders to vote on individual nominees.
- 7) The Company ensures that every director and executive regularly submits to the board a report on their ownership of the Company's shares and this information should be disclosed in the firm's annual report.
- 8) The Company shall provide written procedures to prevent the act of using inside information. The Company shall establish these procedures and communicate them to everyone in the Company. Any person deemed to have inside information is prohibited to buy and sell Company shares within one month prior to the disclosure of the quarterly and annual financial statements, and within 24 hours after publishing or disclosing material information.
- 9) The Company shall require the directors to inform the Company of their conflicts of interest regarding each agenda item before considering such agenda item, and such conflicts should be recorded in the minutes. The Company shall require such board members to abstain from participating in board discussions on agenda items for which such director has expressed a conflict of interest.

Category 3: Role of stakeholders

The Company regards the role of shareholders as highly important and values the rights of all stakeholders by adhering to the following policies:

(1) Policy and treatment of employees

The Company recognises the importance of all employees, whose roles are to support the Company in achieving its goals. Therefore, it is the policy of the Company to treat all employees fairly in respect of opportunity, remuneration, appointment and transfer, while striving to develop their potential. To this end, the Company undertakes the following practices:

- 1) To treat employees with politeness and respect by taking into account each employee's individualism
- 2) To give employees fair remuneration, set up provident funds for employees and recognise the importance of employee's welfare
- 3) To protect the work environment by adhering to health and safety regulations
- 4) To give extensive and constant opportunities to employees to empower them to reach their full potential
- 5) To appoint, transfer, reward and penalise the employees fairly and in good faith
- 6) To acknowledge employees' professional views and suggestions
- 7) To strictly comply with relevant laws and regulations relating to labour and employment

(2) Policy and treatment of shareholders

- 1) To perform fiduciary duty and make any decision in accordance with professional principles, with due care and fairness to both majority and minority shareholders, for the ultimate benefit of shareholders
- 2) To continually and fully present reports on the Company's status, business performance, financial status and accounting, etc.
- 3) To inform all shareholders of any plans of the Company, whether these will have a positive or negative impact, while also providing supporting information and rationale

- 4) To prohibit the use, by themselves or any third parties, of Company' information which has not yet been disclosed to the public.and to avoid doing anything which may cause a conflict of interest within the Company

(3) Policy and treatment of customers

The Company recognises the importance of its customers and sets out the following policies:

- 1) To provide customers with recognised procedures relating to the production process, to focus on the consolidation and development of production technology and to regularly check the quality of products
- 2) To provide customers with recognised procedures in order to strictly and regularly comply with Company-customer regulations with good faith
- 3) To keep customer information confidential and to avoid using it for its own benefit or for the benefit of related persons
- 4) To ensure the safety of customers at all times; to commit to solving any problems which have been raised by the customers;and to take into account any customers' recommendations.The Company will, at least once a year, measure customer satisfaction relating to both products and services in order to make improvements

(4) Policy and treatment of partners and/or creditors

The Company has a policy for its employees to fairly treat partners and/or creditors to avoid situations which may cause conflicts of interest. Negotiation for treatment will be conducted under the following practices:

- 1) Not to claim or receive or pay any benefits in bad faith to partners and/or creditors
- 2) In the case where there is any information that the claim, receipt or payment of any benefits was made in bad faith, details must be disclosed to partners and/or creditors and the problems should be solved fairly and promptly
- 3) To strictly comply with conditions as agreed upon. In case of non-compliance with any commitments, creditors shall be informed in advance in order to jointly come to a solution.
- 4) The Company shall treat creditors as important partners. The Company, therefore, aims to comply with all commitments under the contracts between the Company and its creditors, including not to disclose any information which may cause damage to the creditors. In case of non-compliance with any commitments under the agreements, the Company will inform the creditors in advance to seek a solution, which might include guarantee conditions, capital management and defaults.
- 5) The Company has a policy relating to the procurement to assort partners or contractors which will be categorised by group of distributor and contractor pursuant to the pre-determined criteria on grouping partners or contractors. Such criteria shall be evaluated and considered for improvement at least once a year.
- 6) The Company has a policy to support local business by procuring things from contractors or distributors from qualified local companies.

(5) Policy and treatment of societies/communities

The Company has a policy on conducting business which benefits the economy, society and adheres to the principles of good citizenship. The Company fully complies with related laws and regulations and participates in activities which promote or enhance the quality of life of societies and communities in which the Company operates its business. There are also policies in place which support participation in various organisations in societies, communities and vicinities regarding education, safety and security, etc.

(6) Environment policy

The Company shall operate its water business in a sustainable and environmentally-friendly manner in compliance with environmental management standards such as ISO 14001. In addition, the Company has a policy to support various activities aimed towards quality improvements, health and safety, and the environment.

Category 4: Disclosure and transparency

The board of directors has a policy to disclose accurate, complete and transparent material information regarding the Company, both in terms of financial reports and general information, in accordance with the rules of the SEC and the SET, as well as essential information that impacts the price of the Company's shares, which affects the decision-making process of investors and stakeholders of the Company as follows:

- 1) The Company shall disclose information to stakeholders through a mechanism which ensures that all information disclosed is accurate, will not cause any misunderstanding and is adequate for decision-making by the investors;
- 2) The board of directors shall disclose information regarding corporate governance, code of conduct, risk management policy, environmental policy and policy to societies as exclusively approved by the board, together with steps taken to implement such policies and the reason for each case of non-compliance through various channels, such as the annual report and the Company's website, etc.;
- 3) The board of directors shall present its responsibilities concerning the Company's financial reports alongside the auditors report;
- 4) The board shall ensure that audit fee and fee for other services are disclosed;
- 5) The board shall ensure that its roles and responsibilities, together with those of its committees, the number of meetings held, the attendance record of each director, and the results of tasks assigned, including ongoing professional education or training of its directors, are disclosed in the annual report.
- 6) The board should disclose remuneration policies for directors and executives that correspond to the contributions and responsibilities of each person. Also, the board should disclose the forms and the amounts of payment to each person. If any director of the Company is also a director of any of its subsidiaries, the amount paid by each subsidiary to each director should be disclosed as well.
- 7) Apart from the disclosure of information in accordance with the rules specified and through the channels of the SET, the annual registration statement (Form 56-1) and the annual report, the Company will disclose information, both in Thai and English, through other channels, such as the Company's website regularly, and present up-to-date information.
- 8) All directors and executives of the Company shall inform the Company of their interest, or the interest of a related person, with respect to the management of the business of the Company or its subsidiaries based on the rules, conditions, and procedures specified in the notification of the Capital Market Supervisory Board. Such interest must be resolved and reported to the Company within 30 days from the date on which such interest has been changed. The Company shall provide those issues in the board of director's meeting on a quarterly basis.

Category 5: Responsibilities of the board of directors

1 Board structure

The board of directors of the Company comprises of at least five persons. One third of the board shall be independent directors and such independent directors consist of no fewer than three members in accordance with the rules of the SEC. The board should comprise of persons from various professions, including business, accounting and finance which relate to and support the Company's business. There are five other committees: the Executive committee, Audit committee, Nomination and Remuneration committee, Risk Management committee and Corporate Governance committee.

All of the Company's independent directors are independent of management and majority shareholders. Independent directors are eligible to serve as the director of a maximum of five listed companies.

The policy relating to the terms of directors shall be in accordance with the Company's articles of association, which state that in the annual ordinary meeting of shareholders of the Company, one third of the directors must annually retire from office. Those who have the longest term shall retire first. The term of a director is three years. A retiring director is eligible for re-appointment through a shareholders' meeting.

In addition, the Company shall ensure appointment of the Executive committee, Audit committee, Nomination and Remuneration committee and Risk Management committee and clearly provide the scope of authorities, duties and responsibilities of such committees in order to achieve a balance of power, as well as appoint the Company Secretary to perform the duties and coordinate compliance with the resolution of the board.

Independence of Directors

The board of directors of the Company comprises of nine directors consisting of three independent directors which is one-third of the total number of directors of the Company in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares. However, the Chairman of the board of directors is not an independent director, according to the recommendation specified in the Principles of Good Corporate Governance of the SET, the number of independent directors should be more than half of the total directors.

The Company viewed that the board structure is transparent, sufficient and able to protect the shareholders' and the Company's benefit; since there are three independent directors, according to the office of SEC's requirement. Each of independent directors and audit committee is external persons having knowledge, capability and experience which benefit to the operation of the Company and no conflict of interest involves with the major shareholders. These independent directors attend and give opinion in the meetings regularly.

In addition, once the Company becomes a listed company on the SET, the Company shall comply with the notifications of the SEC, the Capital Market Supervisory Board, the SET's board, such as the notifications relating to connected transaction and the acquisition or disposition of assets. Under these notifications, any material transaction must be approved by the shareholders' meeting and the Company must inform shareholders the opinion of the audit committee. The audit committee is viewed as a representative of minority shareholders. Therefore, if the shareholders received the opinion of the audit committee, the shareholders will have sufficient information for their decision making.

The directors have duties to comply with the applicable laws, e.g. fiduciary duty according to the Securities and Exchange Act, the Public Company Act and the Company's policies including corporate governance policy, code of conduct which require directors and related persons to comply with applicable laws and policies for the utmost benefit of the shareholders of the Company.

2 Committee

The board of directors are organised into five committees, namely the Executive committee, Audit committee, Nomination and Remuneration committee, Risk Management committee and Corporate Governance committee to review and monitor the operations at the Company based on the specified scope of duties in order to enhance their efficiency. The composition and appointment of committees shall be in accordance with the rules relating to the appointment of the Executive committee, Audit committee, Nomination and Remuneration committee, Risk Management committee and Corporate Governance committee.

3 Roles, duties and responsibilities of the board of directors

3.1 Corporate Governance policy

The Company intends to maintain high standards of corporate governance by complying with the corporate governance policy, which is subject to the Principles of Good Corporate Governance for listed companies 2012 proposed by the SET, and complying with the code of conduct which is approved by the board and communicated to everyone in the Company. The Company also set up the Standard Operating Procedures in order to control the operations and procedures of the Company. In addition, the board also approves and regularly considers having internal rules and regulations to continuously improve the Company's corporate governance.

3.2 Code of Conduct

The Company strongly believes that conducting business with ethical standards is essential for sustainable growth for the benefit of all stakeholders. In order to encourage and support good business ethics, the Company has set out relevant guidelines which have been approved by the board, and require the board, executive directors and employees to strictly comply with and communicate them to everyone in the Company through various channels, including via email, the intranet system and information board to encourage everyone to comply with the Company's code of conduct.

The code of conduct has been prepared pursuant to good faith, transparency and the corporate governance policy, as well as good ethical standards.

3.3 Conflict of interest

Any transaction between the Company and any connected persons which could turn into a conflict of interest shall be thoroughly considered by the Audit committee. If such transaction is considered to be material, it shall be approved by the board of directors and/or shareholders, depending on the type and size of the transaction, pursuant to the rules of the Capital Market Supervisory Board. Directors or executives of the Company who have such interests shall not participate in the decision-making process on such issues.

Such transactions shall be conducted under general conditions with the counterparty at fair price and on an arm's length basis without influence from a party which might have conflicting interests. In circumstances where the price cannot be determined, the Company shall refer to the report by the independent appraiser appointed by the Company in order to consider the appropriate price for both the Company and the connected person.

3.4 Internal controls and internal audit systems

The Company recognises the importance of an efficient internal control and internal audit system and therefore assigned the Audit committee the task of reviewing the Company's internal control system, and internal audit system which consists of the following five elements: control environment, risk assessment, control activity, information and communication, and monitoring and evaluation. This is in line with the guidelines set forth by the Committee of Sponsoring Organization of the Treadway Commission. The Audit committee will report to the board of directors.

3.5 Internal audit

The Company set up an independent internal audit division through which the internal audit manager shall control the internal audit system and directly report to the Audit committee. The internal audit manager has the key responsibility of reviewing and evaluating the efficiency of the Company's internal audit system in accordance with the annual evaluation form approved by the Audit committee. It must also regularly report to the Audit committee on a quarterly basis in order to improve the effectiveness of the Company's operations.

The appointment, removal and transfer of the internal audit manager shall be approved by the Audit committee.

3.6 Procedures on governing subsidiaries or associates

The Company shall authorise its directors or any other person with expertise relating to Company's business, to act as a director in subsidiaries or associates in order to control the management, as well as report to the board of directors on a quarterly basis.

The number of directors in subsidiaries and associates authorised by the Company shall be at least proportionate to the ownership of each company. Any essential policies and voting in essential agendas shall be approved by the chairman of the board.

4 The board of directors' meeting and committee meeting

4.1 Board of directors

The Company shall hold the board of directors' meeting at least four times per year and its agenda shall be clearly set in advance. The Company may hold ad hoc meetings in order to consider any urgent matters.

'Top executives of the Company may attend board meetings to present material details and directly acknowledge policies. In addition, non-executive directors should be able to meet among themselves, without the management team, in order to discuss their concerns at least once a year.

The Executive committee shall consider and set the board meeting agenda. Each member of the committee should be free to propose an issue for a meeting agenda and to express their opinions. Then, the Company Secretary shall prepare the agenda papers and the notice of the board meeting. Approval in the board of directors' meetings will be made by majority votes, and one director has one vote. Interested directors shall not attend the meeting or shall refrain from voting in such issues.

4.2 Executive committee

The Company will have the Executive committee meeting regularly, at least four times per year on a quarterly basis, and the meeting will be scheduled and notified in advance.

The Executive committee's duties should not only include meeting attendance, but should also cover the exchange of opinions, recommendations, experiences and connections to enhance the Company's benefits.

4.3 Audit committee

The Company will have the Audit committee meeting regularly, prior to the board of directors' meeting, at least four times per year on a quarterly basis. The meeting will be scheduled and notified in advance.

4.4 Nomination and Remuneration committee

The Company will have the Nomination and Remuneration committee meeting regularly, at least annually, prior to the board of directors' meeting. The meeting will be scheduled and notified in advance.

4.5 Risk Management committee

The Company will have the Risk Management committee meeting regularly, at least once a year, and prior to the board of directors' meeting. The meeting will be scheduled and notified in advance.

4.6 Corporate Governance committee

The Company will have the Corporate Governance committee meeting regularly, at least once a year, and prior to the board of directors' meeting. The meeting will be scheduled and notified in advance.

5 Evaluation of performance of board of directors

The Company provides for the annual self-evaluation of directors to jointly consider and summarise their performance in relation to their review of the board of directors' performance, problems and obstacles, and the offering of solutions to improve overall performance and effectiveness of the board of directors. The Company based its guidelines for evaluation of the board of directors on the guidelines of the SET. The result of the evaluation will play an important role in developing the efficient performance of duties of the board of directors. The evaluation form outlines the following topics:

1. Satisfaction regarding:
 - (1) Result of performance of the board of directors as a whole;
 - (2) Result of business operation of the Company; and
 - (3) Proceeding with solving problems by management.
2. Understanding on:
 - (1) Roles and duties;
 - (2) Company's business; and
 - (3) Company's strategy.
3. Good relationships between the board of directors and management
4. Efficiency of subsidiaries and committees
5. Sufficient and appropriate time allocation by the board of directors to consider the following issues:
 - (1) Policy and direction of the Company;
 - (2) Business performance of the Company; and
 - (3) 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 opinions
8. Neutral opinion of the board of directors
9. Opportunity and support given by the chairman to every director to independently express his/her opinion
10. Opinion of the board of directors on investors' confidence in the board of directors
11. Acceptability among employees on corporate governance practice of the Company.

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

6 Remuneration

The Company provides the policy on the remuneration for the board of directors, which will be based on the duties, responsibilities and achievements connected to the Company's performance and related factors. The remuneration of the board of directors and the board of committees will be considered and reviewed by the Nomination and Remuneration committee which shall be further reviewed and approved by the board of directors before proposing for review and approval at the shareholders meeting.

7 Development of directors and executives

- (1) The Company encourages training and knowledge sharing for all parties related to corporate governance, such as directors, members of the Audit committee, executives, the Company Secretary, etc. to promote continuous performance improvement. Training and knowledge sharing may be held internally by the Company or provided by external institutions.
- (2) New directors should be provided with all documents and information useful to perform their duties, including an introduction to the nature of the business and the operations of the Company.

8 Succession plan

The Company recognises the importance of a succession plan. The Company, therefore, prepared a succession plan to cover significant positions, and on an ongoing basis selects qualified persons to serve in such positions and arranges training for such candidates to serve such positions in the future, thus ensuring that the Company will have knowledgeable and capable executives to succeed in such positions in the future.

9 Orientation of new directors

In performing its duties, the director must understand the nature of the business of the Company. Therefore, in case of a change of directorship, the Company will provide an orientation for a new director to understand the nature of, and guidelines on, the business operation as a whole and will share the material information and corporate governance guidelines necessary for the satisfactory performance of the director. The Company Secretary will coordinate for such orientation.

10 Policy on restriction on number of companies and number of terms of director

The Company has a policy stipulating that its directors may serve as directors at no more than five other listed companies, without exception.

Moreover, the Company has a policy that requires that the 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, and/or associates, 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 except pursuant to the approval of shareholders.

11 Risk management

The Company will assign a Risk Management committee to be in charge of setting up a working group comprising the Company executives to jointly discuss and regularly evaluate the risk in the organization for internal and external 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.

COMMITTEES

Committees of the Company consist of the board of directors, Audit committee, Executive committee, Risk Management committee, Corporate Governance committee, and the Nomination and Remuneration committee. The scope of duties of each of the committees are as follows:

SCOPE OF DUTIES OF THE COMMITTEES

Scope of duties of the board of directors

Extraordinary General Meeting of Shareholders no.1/2016, held on 11 August 2016, passed a resolution approving the charter of the board of directors which determines the scope of authority, duty and responsibility of the Company's board of directors, as follows:

1. The board of directors has the authority, duty, and responsibility of managing and operating the business of the Company in accordance with the law, objectives, articles of association, and resolution of the shareholders' meeting with responsibility, carefulness, and integrity, in order to maintain the interest of the Company.
2. The board will set up the vision, strategy, direction, policies, goals, plans, budgets, management structure and authorisation of the Company and subsidiaries, which are presented by the administration of the Company, and will supervise the performance of management, committees or any other persons assigned by the Company to ensure compliance with the policies for the best interests of the Company and its shareholders.
3. The board of directors will continuously monitor and evaluate the operating results of management of the committees to achieve the Company strategy and to ensure compliance with the plans and budgets.
4. The board of directors will set up the scope and policy for salary, bonus, and other long-term compensation of employees, as well as an appropriate executive salary.
5. The board of directors will ensure that the Company and the subsidiaries implement an appropriate and efficient accounting system, financial reporting and account auditing, and provide a traceable internal control system and internal audit system.

6. The board of directors will approve the acquisitions or disposal of assets (in the case where shareholders' approval is not required), an investment in new business, and any operation to comply with related laws, notifications, rules and regulations.
7. The board of directors will consider and/or provide an opinion on the related party transaction (in the case where shareholder's approval is not required) of the Company and subsidiaries to comply with the law, notifications and related rules and regulations.
8. The board of directors will consider an interim dividend payment for Company shareholders.
9. The board of directors will re-examine the process and policy relating to risk management, and monitor the operating results.
10. The board of directors will prevent any problems arising from conflicts of interest between Company stakeholders and subsidiaries. If any director has an interest in any transaction with the Company or if any director's shareholding proportion of the Company and/or subsidiaries increases or decreases, such director must notify the Company immediately.
11. The board of directors will provide and comply with policies relating to corporate governance of the Company and the subsidiaries based on the good corporate governance principles, and efficiently implement the policies.
12. The board of directors will ensure that the Company has the policy relating to the corporate governance, social responsibility and anti-corruption of the Company and approve annual evaluating reports relating to such issues which are prepared by the assigned committees.
13. The board of directors will appoint the committees, such as the Audit committee, Executive committee, Risk Management committee and/or other committees in order to appropriately encourage and support the directors to perform their duties.
14. The board of directors will appoint the Company Secretary to support the directors to perform their duties in accordance with related laws and regulations.
15. The board of directors will obtain professional opinions from external organisations if necessary to support appropriate decision-making.
16. The board of directors will prepare an annual report, will be responsible for preparing and disclosing financial statements to reflect the financial status and operating results of the previous year, and will present the same to the shareholders meeting for consideration and approval.
17. The board of directors will arrange for an annual general meeting of shareholders within four months of the end of each accounting period.
18. The board of directors will fairly approve any issues by taking into account the benefit of all shareholders and every group of stakeholders.
19. The board of directors may authorise any one or more directors or any other persons to take any action on behalf of the board of directors.

Such authorisation shall not constitute authorisation or sub-authorisation in a manner which causes the person to have the authority to consider and approve a transaction in which they have a conflict, interest, or a conflict of interest in any other manner, to be made with the Company or a subsidiary (if any) (as defined in the notifications of the Capital Market Supervisory Board or the SET, or any other notifications of relevant agencies), except in the case of approval of transactions consistent with the policy and criteria previously considered and approved by the shareholders or board of directors.

Scope of duties of the Audit committee

The Audit committee is the independent committee appointed to support the board of directors to oversee the management and internal control, and to comply with related laws, as well as to oversee the financial reporting to monitor the performance and disclosure of the Company's information to ensure that it is trustworthy and transparently disclosed. The scope of authority, duty and responsibility of the Audit committee is as follows:

1. To ensure that the Company's financial statements are accurate and adequately disclosed;
2. To ensure that the Company implements internal controls and internal audit systems that are appropriate and effective and takes into account the independence of the internal audit unit, while giving consent regarding appointment, transfer, and termination of employment of the head of the internal audit or any other unit responsible for internal audit;
3. To ensure that the Company complies with the law governing securities and exchange, regulations of the SET, and the laws applicable to the Company's business;
4. To consider selecting, nominating, and appointing an independent person to act as an auditor of the Company and propose the remuneration of such auditor, and attend meetings with the auditor without the management's presence at least once a year;
5. To consider related party transactions or transactions with likely conflicts of interest and ensure that they are conducted in accordance with the law and regulations of the SET and ensure that such transactions are reasonable and in the best interest of the Company;
6. To prepare a report relating to the performance of the Audit committee disclosed in the Company's annual report. Such report must be signed by the chairman of the Audit committee and shall contain the following information:
 - The opinion on the accuracy, completeness, and reliability of the Company's financial reports
 - The opinion on the sufficiency of the internal control of the Company
 - The opinion on compliance with the SEC's laws and regulations of the SET, or other laws relating to the Company's business
 - The opinion on the appropriateness of the auditor
 - The opinion on the transactions that may give rise to conflicts of interest
 - The amount of Audit committee's meetings and the attendance list of each Audit committee
 - The overall opinion or remark that the Audit committee obtained from performing its duties according to the charter
 - Other transactions about which shareholders and general investors should be informed under the scope of duties and responsibilities assigned by the board of directors
7. To perform any other acts assigned by the board of directors, with the consent of the Audit committee.
8. In performing the Audit committee's duties, if a transaction or action which may materially affect the Company's financial status and performance is found or suspected to occur, the Audit committee shall report to the board of directors of the Company in order to remedy such affect within a period that the Audit committee deems appropriate. Such transaction or action is as follows:
 - (a) A transaction having a conflict of interest
 - (b) A fraud or irregularity or major defect on the internal control system

- (c) Violation of the law governing securities and exchange, regulations of the SET, and the laws applicable to the Company's business

If the board of directors or the executives do not remedy within the period set out in paragraph one, any of the Audit committee members may report that there are such transactions or actions under the first paragraph to the SEC or SET.

9. To consider and propose to amend the scope of duty, authority and responsibility of the Audit committee as it deems appropriate.
10. To consider the regulations and an annual performance review at least once a year.

Scope of duties of the Executive committee

Board of directors meeting no.1/2016, held on 11 August 2016, passed a resolution approving the charter of the Executive committee which determines the scope of authority, duty and responsibility of the Executive committee, as follows:

1. To consider and prepare policies, strategies, goals and business plans, financial targets and annual budget of the Company which are appropriately considered and should be proposed to the board of directors. If situations have changed, the Executive committee shall consider the approved budget appropriately.
2. To consider, screen and monitor the Company's operation to comply with the policy, business strategy, goals, business plans, financial targets and budgets approved by the board of directors for efficiency and effectiveness, and to provide management with advice and recommendations about top executives.
3. To determine the structure of the Company and management policy, and appointment and transfer of the executives of each business, and to consider and monitor the succession plans, manpower plans, remuneration plans and evaluation of performance of the directors.
4. To study the possibility of investment in new projects. The Executive committee has the authority to consider and approve the investment or joint investment with natural persons, juristic persons, or any other business organisations to operate the Company's business as the Executive committee deems appropriate, as well as to consider and approve any payment for such investments, and to enter into any agreements and/or any processes relating to such matters pursuant to financial limits and/or related laws and regulations and/or the Company's articles of association.
5. To monitor the performance and development of invested project in each business and to notify the board of directors of the results, including problems or obstacles and how to solve these issues.
6. To consider and give recommendation or opinion to the board of directors relating to the proposed project or the entering into of any transactions in the Company's course of business as well as to consider alternative fundraising methods when it is necessary and in excess of the specified financial limit. Related laws and regulations and the Company's articles of association require shareholders meetings or board of directors' meetings to approve such issues.
7. To consider and enter into any financial transactions with financial institutions for opening accounts, borrowing money, applying for credit, a pledge, mortgage and a guarantee, among others, including sale and purchase, and register any ownership on the site under the Company's objective for the operation of the Company, as well as to enter into any agreement, apply for, propose, contact with, or conduct any juristic act with the governmental authority in order to obtain any rights of the Company and/or proceed with any operation regarding such issues pursuant to the financial limit and/or related laws and regulations or the Company's articles of association.

8. To consider and approve rules, articles of association, management policy and any operation of the Company's business or any act binding the Company.
9. To appoint and/or assign the member of the Executive committee or one or more persons to act on behalf of and within the scope of authority of the Executive committee as the Executive committee deems appropriate. The Executive committee may cancel, revoke, or change such authority.
10. To have the duties and responsibilities which have been assigned, or are pursuant to the policy assigned by the board of directors.
11. To consider and approve the guidelines for appointed and/or authorised persons to acknowledge their scope of responsibility and authority and to use such guidelines as the operation handbook with referable evidence and under orderly procedures.

Scope of duties of the Corporate Governance committee

Board of directors meeting no.1/2016, held on 11 August 2016, passed a resolution approving the charter of the Corporate Governance committee, which determines the scope of authority, duty and responsibility of the Corporate Governance committee, as follows:

1. To consider, review and revise the corporate governance policy in order to propose to the board of directors for approval. The policy will be made in writing and used as best practice.
2. To consider, review and revise the code of conduct. The code of conduct will be made in writing and used as best practice.
3. To set out and plan the policy on Corporate Social Responsibilities.
4. To act as representative of the Company, communicating and conducting activities regarding corporate governance with management, employees and external organisations.
5. To monitor, review and improve the performance to be in accordance with the designated plan and to prepare quarterly summary reports for the board of directors.

Scope of duties of the Risk Management committee

Board of directors meeting no.1/2016, held on 11 August 2016, passed a resolution approving the charter of the Risk Management committee, which determines the scope of authority, duty and responsibility of the Risk Management committee, as follows:

1. To approve risk management policy, scope of risk management and acceptable risk level of the Company assigned by the board of directors.
2. To monitor and support the compliance of the risk management policy to be in line with strategy, operational targets and altered situations.
3. To monitor the compliance of the risk management policy and the scope of risk management for an efficient risk management system and continuous compliance throughout the Company.
4. To consider the report from the risk management team to monitor the material risks at the organisation level as well as to provide opinions on the risks which may have occurred and control measures, practices or risk management plans in order to ensure sufficient and appropriate risk management of the Company.
5. To report to the board of directors potential risks and risk management plans. If there are important factors which may materially affect the Company, they must be reported to the board of the Company, immediately.

6. To coordinate with the Audit committee relating to risk information and material internal controls for the Audit committee to consider and approve the internal audit plans to gain confidence that the Company has an appropriate internal control system to cope with the risks, and appropriately adopt the risk management system throughout the Company.
7. To support the culture of managing risk in the Company.
8. To hold the Risk Management committee meeting at least once a year.
9. To perform any other duties related to risk management assigned by the board of directors.
10. To review, and provide an opinion and recommendation to, the management team to comply with the risk management of the Company and have an authority to request the documents and related persons to provide the information as well as is responsible to examine and evaluate the risks of corruption, continuously.
11. To effectively implement the anti-corruption policies. To regularly review, monitor, reconsider and improve the anti-corruption policies and provide an evaluation report to the board of directors.

Scope of duties of the Nomination and Remuneration committee

Board of directors meeting no.1/2016, held on 11 August 2016, passed a resolution approving the charter of the Nomination and Remuneration committee, which determines the scope of authority, duty and responsibility of the Nomination and Remuneration committee, as follows:

1. To consider the structure, composition and qualification of the board of directors and other groups of committees of the Company.
2. To consider the rules and procedures for the nomination of directors. To nominate appropriate persons to serve as directors and propose to the board, for consideration by the shareholders meeting, in cases when directors retire by rotation, and propose to the board of directors in other cases. To give opportunity to the minority shareholders, with a sufficient period of time, to compile a list of persons to be nominated as directors prior to the shareholder' meeting.
3. To consider and suggest the list of Company directors to serve in the committees of the Company.
4. To consider screening appropriate persons to be a Chief Executive Officer if there is a vacant seat.
5. To approve the succession plan for the Chief Executive Officer and top management by constant review.
6. To consider the criteria and rule on the remuneration of the directors of the Company, the committees and top executives, and further propose this to the board of directors for consideration.
7. To assess the rules relating to the evaluation of the performance of the Chief Executive Officer and present the results to the board of directors for consideration.
8. To evaluate the performance of the Chief Executive Officer in order to consider the appropriateness or remuneration and present the results to the board of directors for consideration.
9. To access the rules on the annual remuneration for board directors, the committees and Chief Executive Officer of the Company including attendance fees, bonus, welfare and other benefits and to present the results to the board of directors for consideration.

Scope of duties of the Chief Executive Officer

Board of directors meeting, no.1/2016, held on 11 August 2016, passed a resolution approving the charter of the Chief Executive Officer which determines the scope of authority, duty and responsibility of the Chief Executive Officer, as follows:

1. To determine policy, strategy, structure and management authority as well as to take responsibility for setting up the strategy and annual budget plans and proposing these to the board of directors.
2. To follow up, control, supervise and operate and/or manage regular tasks to comply with the policies, plans and budgets approved by the board of directors.
3. To be an authorised person of the Company and to operate the business to comply with the Company's objectives, articles of association, policies, rules, regulations, orders, shareholders' resolutions and/or board of directors' resolutions.
4. To take actions and perform duties as the representative of the Company toward third parties in related business which would be beneficial to the Company.
5. To consider and approve the business operation plans of each department of the Company, to approve any action of each department of the Company which is subject to the assigned table on the authority to operate business and the transactions entered into by the Company.
6. To give orders, issue regulations, make announcements and records in order to perform the work to be in accordance with the policies and benefits of the Company and to maintain internal regulations of the Company.
7. To sub-authorise and/or assign a person to take action on behalf of the Chief Executive Officer. In this regard, the sub-authorising and/or assignment shall be under the scope of authority prescribed in the power of attorney of the Company and/or regulations, rules or orders which are specified by the board of directors and/or the Company.
8. To approve related party transactions for normal operation such as the sale and purchase of goods at market price, service fees at the normal rate and giving credit terms similar to general customers, etc. pursuant to the policies approved by the board of directors.
9. To have authorities, duties and responsibilities to manage the Company's subsidiaries and other departments of the Company.
10. To perform other work as assigned by the board of directors on a case-by-case basis.

THE NOMINATION AND APPOINTMENT OF THE COMMITTEES

Composition and appointment of the board of directors

The Company's board of directors shall consist of no fewer than five members. The number of independent directors shall constitute at least one third of the Company's board of directors and not fewer than three members. One half of the directors must reside in Thailand and such directors may be Company's shareholders.

When appointing a member of the board of directors, the Company shall consider knowledge, ability, and experience relating to the business, or those majority shareholders who have experience beneficial to the operation of the Company. However, the appointment of new directors must be approved by the board of directors and/or the shareholders' meeting (as the case may be). In this regard, the shareholders' meeting shall appoint the directors pursuant to the following rules:

- (1) One share will have one vote.
- (2) Each shareholder may vote all of his rights under clause (1) to appoint one director or more to serve as the Company's director. If the shareholders vote to appoint more than one director, such shareholders' voting rights shall be equal for all candidates.
- (3) The candidate with the most electoral votes shall be appointed as a director to fill the vacant seat. If the voting results for the following vacant seat are equal, the chairman of the meeting shall have a casting vote.

In an annual general meeting of the Company, onethird of directors must resign from office. If the number of directors is not a multiple of three, then the number nearest to onethird must resign from office. Those who have the longest term must resign first. A retiring director is eligible for re-appointment.

If there is a vacant seat, except for in cases of retirement by rotation, the Nomination and Remuneration committee shall elect the persons who possess the required qualifications, but do not possess any prohibited characteristics under the law governing public limited companies and the law governing securities and exchange, for nomination at the next board of directors' meeting, unless the remaining term of office of the vacating director is less than two months. If such vacancy occurs, any appointed persons shall retain office during the time only as the vacating director was entitled to retain the same. In this regard, the resolution of the board of directors shall not less than three-fourths of the number of remaining directors.

Independent directors shall also possess all qualifications under the rules prescribing qualifications of independent directors in Notification of the Capital Market Supervisory Board No. TorJor. 28/2551 Re: Application and Approval for New Shares, as amended.

Composition and appointment of the Executive committee

The board of directors shall appoint the Executive committee by considering the directors or Chief Executive Officer who are able to administrate the regular task of business and perform administrative work as well as set up the policies, plans, budget and management structure, including reviewing and monitoring the business operation of the Company pursuant to the policy set up by the board of directors.

Composition and appointment of the Audit committee

The Audit committee shall consist of at least three independent directors with three years' terms of service. The Company has the policy to nominate the Audit committee which is in line with the Notification of the Capital Market Supervisory Board No. TorJor. 28/2551 dated 15 December 2008, Re: Application and Approval for New Shares, as amended as follows:

1. Neither being shareholder holding more than one per cent of shares of the Company, parent company, subsidiaries, associates, majority shareholders or controlling persons, including shares held by related persons of such independent director;
2. Neither being nor used to be an executive director, employee, staff, advisor who receives a salary, or controlling person of the Company, its parent company, subsidiaries, associates, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of appointment. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child of other directors, executive, majority shareholder, controlling person, or person to be nominated as director executive or controlling person of the Company or its subsidiaries;
4. Neither having nor used to have a business relationship with the Company, parent company, subsidiaries, associates, majority shareholder or controlling person, in a manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiaries, associates, majority 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;

The term business relationship shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method of calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. Neither being nor used to be an auditor of the Company, parent company, subsidiaries, associates, majority shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associates, majority 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;
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, parent company, subsidiaries, associates, majority shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
7. Not being a director appointed as representative of directors of the Company, majority shareholders or shareholder who is related to majority shareholders;
8. Not undertaking any business in the same nature and in competition to the business of the Company or subsidiaries or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives a salary or holding shares exceeding one per cent of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company;
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations;
10. Not being a director assigned by the board of directors to make a decision on the business operation of the Company, subsidiaries, associates, same-level subsidiary company, majority shareholders or controlling person; and
11. Not being a director of a subsidiary company or same-level subsidiary company of the listed company.

In addition, at least one independent director who serves as the Audit committee must possess sufficient knowledge and experience in accounting or finance in order to review the reliability of the Company's financial report. Moreover, the Company may consider other qualifications such as experience in conducting business, specific experience relating to the business and ethical behaviour, etc.

The rules and procedures on appointment of the Audit committee shall be in accordance with the rules and procedures on appointment of the board of directors. Members of the Audit committee who resign by rotation are eligible for re-appointment.

If there is a vacant seat, except for those who retire by rotation, the board of directors may appoint the person who possesses the required qualifications to become a member of the Audit committee in order to fill up the vacancy. In such case, an appointed person shall retain office during the time only as the vacating Audit committeemember was entitled to retain the office.

Composition and appointment of the Nomination and Remuneration committee

The Nomination and Remuneration committee shall consist of a certain number of directors, and onethird of those must be independent directors. The term of Nomination and Remuneration committee is three years from the date of appointment. Members of the Nomination and Remuneration committee who retire by rotation are eligible for re-appointment.

Composition and appointment of Risk Management committee

The Risk Management committee shall consist of a certain number of directors, and onethird of those must be independent directors.

The term of the Risk Management committee is three years from the date of appointment. Members of the Risk Management committee who retire by rotation are eligible for re-appointment.

Composition and appointment of Corporate Governance committee

The Corporate Governance committee shall consist of a certain number of directors.

The term of the Corporate Governance committee is three years from the date of appointment. Members of the Corporate Governance committee who retire by rotation are eligible for reappointment.

GOVERNANCE OF OPERATION OF SUBSIDIARIES AND ASSOCIATES

Policy relating to an investment in subsidiaries and associates

The Company has a policy to invest in the public utility business, power services business, alternative energy business and related businesses.

Policy relating to the governance of operation and management of subsidiaries and associates

1. The Company will nominate a specified number of Company representatives to serve as directors of the subsidiaries and associates reflecting the shareholding proportion of the Company in the respective subsidiaries and associates. Such nomination of directors shall be considered and approved by the board of directors' meeting.
2. The scope of duties and responsibilities of the directors of subsidiaries and associates are as follows:
 - (1) To perform their duties in compliance with laws, objectives and the Company's articles of association, as well as the resolution of the board of directors and the resolution of shareholders' meeting with duty of loyalty, duty of care, accountability and ethics.
 - (2) To follow up and provide necessary opinion for the operation of subsidiaries and associates to be in accordance with the agreements and related rules and regulations.
 - (3) To continuously monitor the operations of subsidiaries and associates, as well as providing necessary recommendations to ensure that the operations of subsidiaries and associates are in accordance with the specified target. Such directors are able to promptly and appropriately deal with any obstacles which may occur.

- (4) To consider, monitor and provide any necessary recommendations for subsidiaries and associates to have internal control systems and/or working systems for efficiency and effectiveness of business operation.
- (5) Where necessary to review and improve the policies and business plans relating to the business operation of subsidiaries and associates in order to remain up-to-date and appropriate.
- (6) The boards of directors of the subsidiaries and associates may assign one or more director or any other persons to act on behalf of such boards of directors. Such authorisation shall not constitute authorisation or sub-authorisation in a manner which causes the directors, or the person with the authority to approve a transaction in which they have a conflict, interest, or a conflict of interest in any other manner, to be made with the Company and/or subsidiaries and/or associates.

3. The Company shall set up necessary plans to ensure that the subsidiaries and associates shall disclose information relating to the operation and financial status, including information which is required to be disclosed to related authorities and governmental authorities, external investors and the public, and which is accurate, full and reliable.

4. When it becomes necessary for subsidiaries or associates to enter into any related party transactions or transactions which may have a conflict of interest, the Company shall monitor and ensure that subsidiaries and associates fairly and transparently enter into such transactions. The Company shall strictly comply with the rules regarding related transactions and acquisitions or disposal of assets which are regulated by related regulators.

5. The Company shall monitor and proceed with necessary actions, to ensure that subsidiaries and associates have the sufficient and appropriate system relating to the disclosure of information and the sufficient and appropriate internal control system to operate the business.

6. The Company has prescribed the guidelines requiring that nomination of persons to be directors of the subsidiaries and associates, and the exercise of voting rights at shareholders' meetings, require the approval of the board of directors, except in the following cases:

- (1) Agenda items to be adopted by the shareholders' meeting in accordance with the joint venture agreement to which the Company is a party.
- (2) Following regular agendas in the annual general meetings where the executive committee may consider casting the vote:
 - To certify the minutes of the previous shareholders' meeting
 - To consider and approve the report of the board of directors and performance of the past year
 - To consider and approve the annual financial statement
 - To consider and approve the allocation of net profits for the legal reserve fund and dividend payment
 - To appoint new directors to replace the directors who are due to retire by rotation and to consider directors' remuneration
 - To appoint the auditor for the year

CONTROL OF INTERNAL INFORMATION

The Company has implemented policy and procedures to ensure the directors and executives do not use any non-public information for personal gain, including without limitation, insider trading. The policies are:

1. The Company shall advise its directors, executives and persons holding accounting manager or financing manager positions, or similar positions on the duty to prepare and submit the report on the holding of securities of such directors, executives, their spouses 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, as amended.

2. The Company shall require its directors, executives, or persons holding accounting manager or financing manager positions or similar positions to prepare and submit such report on the holding of securities of such directors, executives, their spouses and minor children through the Company Secretary prior to filing with the Office of the SEC. The report shall be prepared and filed within 30 days from the appointment date of directors and executives or within three business days from the date on which securities are purchased, sold, transferred or received.

3. The Company shall require its directors, executives, including persons holding accounting manager or financing manager positions, or similar positions, and any related employees who have knowledge of material inside information which can potentially affect securities price to refrain from sale and purchase of securities of the Company during the period prior to the disclosure of financial statements or financial status of the Company until such information has been disclosed to the public, during the Blackout Period. Blackout Period means the period of one month prior to, and on the date which, the financial report of the Company has been disclosed annually and on a quarterly basis. The Company will advise in writing its directors and executives, including persons holding accounting manager or financing manager positions, or similar positions, to refrain from sale and purchase of securities of the Company. Such advice shall be sent at least 30 days in advance prior to the disclosure of information to the public and shall wait for at least 24 hours after the disclosure of information to the public. The disclosure of material information to other persons is also prohibited.

4. Disciplinary action will apply in case of breach of duty on the use of internal information for personal benefits. This may be done by issuance of warning letter, deduction of wage, temporary suspension of work without payment, or termination of employment, taking into account the intention and seriousness of such violation.

REMUNERATION OF THE AUDITOR

Audit fee

For the fiscal year ended December 31, 2016, the Company and its subsidiaries paid PricewaterhouseCoopers ABAS Ltd. (PwC) for the audit of the consolidated financial statements in the amount of THB 2,404,000. The Company also paid the Non-Audit fees in the amount of THB 3,603,162.

The person or business related to the auditor and the audit office is not a person or business related to the Company.

Internal control and risk management

BOARD'S OPINION ON INTERNAL CONTROL

The Company sees the significance of good internal controls and corporate governance in the conduct of its business, i.e. implementing the operating system which is transparent, fair and reliable with checks and balances, which will lead ultimately to the benefit of shareholders, employees, trading partners, communities and other stakeholders. At the Board of Directors' meeting no.6/2558 of 19 November 2015, the Company's board appointed Audit Committee consisting of three members to review the adequacy of the Company's internal control system and to check and ensure compliance with applicable laws and regulations issued by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), including all other applicable laws relating to the Company's business.

At the Board of Directors' meeting no.2/2559 of 29 August 2016 at which all members of the Audit Committee attended, the Board of Directors considered and prepared a questionnaire on the adequacy of the Company's internal control. The questionnaire was completed by management, in conjunction with reference information from an analysis report on the adequacy of the Company's internal controls prepared by P&L Internal Audit Company Limited. The board took the view that the Company's internal control system is adequate and appropriate and reflects the questions set out in the SEC questionnaire on the adequacy of internal controls. The Board of Director's analysis of the Company's internal control included the following aspects:

1. Control environment;
2. Risk assessment;
3. Control activities;
4. Information and communication; and
5. Monitoring activities

HEAD OF INTERNAL CONTROL AND HEAD OF COMPLIANCE

The Company appointed P&L as the internal auditor to examine unresolved issues relating to internal control and authorised Mr. Kittasak Chanokmatu as operating head because, in the audit committee's opinion, he is well qualified for this function.

In addition, Dharmniti Internal Audit Company Limited (Dharmniti) was appointed the Company's internal auditor, and Dharmniti designated Mr. Saksri Ampawan to take charge of the Company's annual internal audit.

After reviewing the background of Dharmniti and Mr. Saksri Ampawan, the Audit Committee found that Mr. Saksri Ampawan is suitable for the designated function, considering his independence to make a judgment with more than 17 years' experience in internal audit and his understanding of the Company's activities and operations. Therefore, the Audit Committee viewed that he is qualified for this mission. An appointment, removal or transfer of the head of internal control requires an approval from the Audit Committee. Qualifications of the heads of internal control are set out as follows:

Head of internal audit - P&L Internal Audit Company Limited

Subject	Internal auditor (external)
Internal auditor	Mr. Kittasak Chanokmatu (in charge of internal audit) P&L Internal Audit Company Limited
Educational qualifications	Bachelor of Accounting, Ramkhamhaeng University Master of Science in Corporate Governance, Chulalongkorn University
Work experience	More than 15 years' experience Formerly employed by world's leading companies such as Coopers & Lybrand (currently known as PricewaterhouseCoopers Thailand Company Limited)
Audit Committee's opinion on the internal auditor's experience	Mr. Kittasak Chanokmatu's knowledge and experience made him suitable to oversee the internal control for the Company.
Duties and responsibilities	To inspect various operating systems of the Company, especially unresolved issues relating to internal control

Head of internal audit - Dharmniti Internal Audit Company Limited

Subject	Internal auditor (external)
Internal auditor	Mr. Saksri Ampawan (in charge of internal audit) Dharmniti Internal Audit Company Limited
Educational qualifications	Bachelor of Business Administration, Ramkhamhaeng University
Work experience	More than 24 years' experience and works with Dharmniti Internal Audit Company Limited from 1992 until present.
Audit Committee's opinion on the internal auditor's experience	Mr. Saksri Ampawan's knowledge and experience made him suitable to oversee the internal control for the Company.
Duties and responsibilities	<ul style="list-style-type: none"> - To examine various operating systems of the Company as the audit committee determines or thinks fit. - To advise the Audit Committee on an annual internal audit plan.

Corporate Social Responsibility (CSR)



The Company conducts its business in accordance with the principles of corporate governance: with transparency and accountability. It aims to concurrently improve its business and maintain a balance of economic, social and environmental awareness. One of the Company's pledges is to be a good corporate citizen, which operates sustainably, grows steadily and gains public recognition based on its code of ethics and corporate governance. The Company also strives for healthy returns to shareholders; however, any effects of its operations may have on all stakeholders are always taken into account. Taking the view that social responsibility is important, the Company has established a CSR policy consisting of the following components:

FAIR CONDUCT

Guidelines to treat all stakeholders with responsibility are provided in the Company's code of conduct. Stakeholders include shareholders, employees, customers, trading partners, and contractual parties, as well as local communities, wider society and the environment. The Company's code of conduct also embraces the principles of free competition, the prevention of conflicts of interest and infringements of intellectual property rights, and anti-corruption. Key policies can be summarized as follows:

Corporate governance

The Company aims to operate fairly, honestly and transparently, and with public accountability, as well as disclose material information. It always considers both the benefits and effects that may be experienced by shareholders, customers, trading partners, employees and all stakeholders. The Company considers the right and fair sharing of profit to be crucial.

Corporate social responsibility (CSR)

The Company pursues the CSR policy under the code of ethics to ensure fairness toward all stakeholders. The principles of corporate governance also serve as guidelines for the Company to maintain a balance between its performance and its economic, community, social and environmental awareness, which will lead to the success and sustainability of its business.

Compliance policy

The Company recognizes the significance of compliance with applicable laws, rules and regulations, including the code of conduct in accordance with international standards. All of its directors, executives and employees must comply with applicable laws, rules and regulations and avoid being involved in, supporting or otherwise dealing with a breach of law and related regulations.

Responsible use of resources

All of the Company's directors, executives and employees are encouraged to appropriately, efficiently and sustainably use resources for the utmost benefit. The Company always communicates with all employees and stakeholders to promote and educate about the responsible use of resources for the benefit of the organization, to ensure awareness of resource management is inherent in the Company. The Company has intention to participate in the Collective Action Coalition of private sector in Thailand against corruption of the Thai Institute of Directors. Now the Company is studying purposes and goals of attending such program.

RESPECT FOR HUMAN RIGHTS

The Company recognizes the importance of respect for human rights, and emphasizes the equitable treatment of those within and outside of the Company. Direct or indirect infringements of an individual's rights or freedoms are prohibited. Respect for and protection of human rights are promoted in combination with measures that have been established in order to prevent the Company's business from involving the infringement of human rights, e.g. forced labour and child labour. It also stresses the fair and respectful treatment of all stakeholders on the basis of human dignity. Discrimination by origin of birth, race, gender, age, complexion, religion, physical appearance, social status or class, and genealogical history is strongly opposed. Internally, the Company promotes a mechanism for the monitoring of all employees' compliance with its rules on human rights. Externally, it encourages all joint venture parties, trading partners and stakeholders to follow the principles of preserving human rights in accordance with international standards. For any stakeholders who suffer an infringement of human rights resulting from the Company's operations, the Company offers compensation worth not lower than the rate imposed by law.

Fair labour practices

The employees' right to enjoy a working life in a good and respectful environment is highlighted on the Company's agenda. Employees at all levels are encouraged to treat their colleagues with respect. Taking advantage of other colleagues is ardently discouraged. In relation to labor practices, the Company has a comprehensive policy of human resources management involving recruitment, HR development and training, fair remuneration and welfare benefits. All employees are offered opportunities for career prospects, with training courses provided to employees at all levels with a view to improving their professional skills. Key policies of the Company can be summarized as follows:

Remuneration and welfare benefits

The Company has a policy to provide fair remuneration, enhance job security and promote career paths for all employees. It provides all necessary employee welfare benefits as required by law, such as social security benefits. Also offered are extra welfare benefits other than those required by law, such as health and accident insurance, financial contributions towards the funeral costs of employee's parents, and scholarships for the children of employees.

Know-how improvement and training

The Company promotes HR development by encouraging all employees to improve upon their knowledge, and enhance their ability, potential, attitude, morals and ethics, and embrace the spirit of teamwork. Training workshops and seminars are organized from time to time to effect those improvements. Further, the Company supports corporate and human resources development, focusing on efficiently implementing operating procedures, clearly defining the scope of employees' roles and duties, determining appropriate rates of remuneration, improving the performance evaluation system and expanding employee's capacity.

Occupational health and safety

Company policy stresses the importance of employee occupational health and safety in a good workplace. Great efforts have been made to implement precautionary measures to avoid work-related accidents with great efforts. Safety awareness is established among employees. Training sessions are held from time to time to promote and educate all employees about occupational health (e.g. any acts or things that are detrimental to the health or condition of customers or service users and should be avoided). All employees are encouraged to keep the workspace in a hygienic and safe condition at all times.

CONSUMER LIABILITY

The Company commits itself to dealing honestly with customers (in other words, they are consumers) by complying with any agreements made in accordance with applicable standards required by law. Quality control is emphasized in all steps of the production process. The Company recognizes that water quality and safety are a foundation of its operations. In addition, it stresses the importance of ensuring that skilled personnel are available, and the stringent measures of quality control in the production process, from the procurement of the raw materials until the manufactured end products.

ECO-FRIENDLY PRACTICE

Environmental protection is one of the Company's concerns. In managing its business in the past, the Company has always taken into account environmental effects which may result from any stage of its operating procedures. For instance, an initial environmental examination is always carried out before construction work is commenced. All necessary operating systems and regulations have been carefully designed and established to prevent potential harmful effects on the environment and local communities. ISO14001 international environmental management standards were adopted as a guideline for the Company's business. With the view that sustainable use of natural resources is crucial, the Company will reuse by-products or residue of the production process, adopt a treatment system to manage wastewater from its manufacturing activities and regularly evaluate the environmental management system.

PARTICIPATION IN SOCIAL DEVELOPMENTS

The Company strongly aims to contribute benefits to the country's economy and society and to be a good citizen that complies with all applicable laws and regulations. It also commits itself to improving and elevating the quality of life of locals in proximity to its premises as well as expanding its business at the same time, which constitutes a component of its code of conduct. The Company always operates according to environmental standards; for instance, in the production process, power and resources are efficiently used and preventive measures are taken to control and avoid pollutant products. Environmental management is performed according to well-established standards and is regularly monitored and evaluated for further development.

To foster a good relationship with local communities, the Company always supports local activities and campaigns, taking into account the suitability and benefits to the communities for of enhancing sustainable development.

GREEN INNOVATION

The Company recognizes the value and importance of non-renewable water resources, as well as the importance of environmental conservation and social responsibility. Therefore, water preservation is a policy imposed to underline the Company's strong commitment to efficiently using resources in its operations and manufacturing activities. The Company also emphasizes power saving practices by adopting innovation and efficient management systems, such as using solar and other alternative energy in its power generation business. It also employs a policy to share know-how and educate customers and other related government bodies about power saving practices.

INTELLECTUAL PROPERTY-RELATED PRACTICE

The Company has a policy of avoiding taking any action that infringes intellectual property rights, i.e. copyrights, patents, trademarks, trade secrets and other intellectual property, as defined by law. For instance, all software used by the Company is copyrighted and must be screened and installed by the IT team in order to prevent the use of pirated software.

Details relating to directors of the Company and subsidiaries

Name	WHAUP	Subsidiaries			Joint Venture Companies					Associated Companies								
		WHAET	WHAEG	WHAUT	WHA Gunkul 1-6, 8-10, 16-17	ESCE	GHV	CCE	RCE	Gheco-I	HHT	HHP	GJP NLL	GVP	GTSL	GTSL	GTSL	GTSL
1 Mr. Somyos Anantaprayoon	X, III, V	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
2 Miss Jareeporn Jarukornsakul	I, III, V, VI	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
3 Mr. David Richard Nardone	I, III, VI	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
4 Mr. Vivat Jiratikarnsakul	I, VII	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
5 Mr. Wisate Chungwatana	I, III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
6 Mr. Surathian Chakhranont	I, VI	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
7 Mr. Weidt Nuchjalearn	II, IV, V	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
8 Mr. Ekajai Tivutanonda	II, IV, VII	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
9 Mrs. Punnee Worawuthichongsathit	II, IV, VII	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
10 Mr. Khamhoung Ratsamany	III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
11 Mr. Varanon Laosuwan	III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
12 Mr. Punrapee Noparumpa	III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
13 Miss Kamsasi Nananukool	III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
14 Mrs. Rattana Shinawatra	III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
15 Miss Khamtong Thammongkol	III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
16 Mr. Apichart Trongksun	III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
17 Mrs. Amporn Chupthaisong	III	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

X = Chairman of the Board of Directors / I = Director / II = Independent Director / III = Executive / IV = Audit Committee

V = Nomination and Remuneration Committee / VI = Risk Management Committee / VII = Corporate Governance Committee / VIII = Secretary of the Company

Details relating to directors of the Company and subsidiaries

Name	Associated Companies				
	Gulf Solar	Gulf Solar BV	Gulf Solar KKS	Gulf Solar TS1	Gulf Solar TS2
1 Mr. Somyos Anantaprayoon	I			I	I
2 Miss Jareeporn Jarukornsakul		I	I		
3 Mr. David Richard Nardone					
4 Mr. Vivat Jiratikarnsakul					
5 Mr. Wisate Chungwatana	I	I	I	I	I
6 Mr. Surathian Chakthranont					
7 Mr. Weidt Nuchjalearn					
8 Mr. Ekajai Tivutanonda					
9 Mrs. Punnee Worawuthichongsathit					
10 Mr. Khamhoung Ratsamany					
11 Mr. Varanon Laosuwan					
12 Mr. Punrapee Noparumpa					
13 Miss Karnsasi Nananukool					
14 Mrs. Rattana Shinawatra					
15 Miss Khantong Thammongkol					
16 Mr. Apichart Trongasukson					
17 Mrs. Amporn Chupthaisong					

X = Chairman of the Board of Directors / I = Director / II = Independent Director / III = Executive / IV = Audit Committee
 V = Nomination and Remuneration Committee / VI = Risk Management Committee / VII = Corporate Governance Committee
 / VIII = Secretary of the Company

Management Discussion and Analysis (MD&A)

Pro-Forma Consolidated Statement of Comprehensive Income

Statement of comprehensive income	Pro-forma consolidated financial statements for the year ended			
	31 December 2015		31 December 2016	
	THB million	% ⁽²⁾	THB million	% ⁽²⁾
Revenue from sales and services	1,552.30	93.91	1,600.27	92.49
Costs of sales and services	(1,068.25)	(64.63)	(1,061.24)	(61.34)
Gross profit	484.05	29.28	539.03	31.15
Other income	100.62	6.09	129.93	7.51
Administrative expenses	(51.10)	(3.09)	(73.35)	(4.24)
Finance costs	(537.94)	(32.54)	(565.04)	(32.66)
Share of profit from investments in associates and joint ventures	1,212.66	73.36	962.45	55.63
Profit before income tax expense	1,208.29	73.10	993.02	57.39
Income tax (expense) income	12.40	0.75	(25.11)	(1.45)
Profit for the year	1,220.69	73.85	967.91	55.94
Other comprehensive income				
Items that have not been reclassified to profit or loss Actuarial loss on defined employee benefit plans, net of tax	-	-	(6.12)	(0.35)
Currency translation differences	-	-	(9.43)	(0.55)
Other comprehensive income for the year, net of tax	-	-	(15.55)	(0.90)
Total comprehensive income for the year	1,220.69	73.85	952.36	55.04
Profit attributable to:				
Owners of the parent	1,220.69	73.85	967.91	55.94
Non-controlling interests	0.00	0.00	0.00	0.00
Total profit for the year	1,220.69	73.85	967.91	55.94
Total comprehensive income attributable to				
Owners of the parent	1,220.69	73.85	952.36	55.04
Non-controlling interests	0.00	0.00	0.00	0.00
Total comprehensive income for the year	1,220.69	73.85	952.36	55.04
Earnings per share				
Basic earnings per share (THB per share)	1.91		1.51	
Diluted earnings per share ⁽¹⁾ (THB per share)	1.60		1.27	

Notes: ⁽¹⁾ Diluted earnings per share were calculated using the total number of shares after this Offering, which is equal to 765 million shares.

⁽²⁾ The percentage shown in the above table were calculated from the Company's total revenues, which are revenue from sales and services and other income.

Statement of Financial Position

Statement of financial position	Consolidated financial statements for the year ended December 31, 2016	
	THB million	%
Assets		
Current assets		
Cash and cash equivalents	147.48	0.79
Trade and other receivables, net	347.89	1.87
Short-term loans to related parties	1,432.90	7.68
Revenue department receivable	196.43	1.05
Other current assets	10.82	0.06
Total current assets	2,135.52	11.45
Non-current assets		
Investments in associates	8,202.34	43.97
Investments in joint ventures	247.60	1.33
Other long-term investments	295.17	1.58
Building and equipment, net	2,823.60	15.14
Right to operate and distribute industrial water, net	143.38	0.77
Intangible assets, net	2,025.44	10.86
Goodwill	2,772.88	14.87
Deferred tax assets	-	-
Other non-current assets	6.17	0.03
Total non-current assets	16,516.58	88.55
Total assets	18,652.10	100.00
Liabilities and equity		
Current liabilities		
Trade and other payables	276.05	1.48
Advance received from related parties	-	-
Short-term borrowings from related parties	-	-
Accrued income tax	35.51	0.19
Accrued dividends	-	-
Current portion of long-term borrowings from financial institution	2,491.53	13.36
Other current liabilities	21.51	0.11
Total current liabilities	2,824.60	15.14

Statement of Financial Position (Continued)

Statement of financial position	Consolidated financial statements for the year ended December 31, 2016	
	THB million	%
Non-current liabilities		
Long-term borrowings from financial institution	7,929.91	42.51
Deferred tax liabilities	181.72	0.97
Provision for liabilities from water business	279.87	1.50
Employee benefit obligations	8.33	0.05
Other non-current liabilities	8.19	0.05
Total non-current liabilities	8,408.02	45.08
Total liabilities	11,232.62	60.22
Equity		
Share capital	3,825.00	20.51
Issued and paid-up share capital	3,200.00	17.16
Retained earnings		
Appropriated - legal reserve	36.25	0.19
Unappropriated	622.17	3.34
Surplus from business combination under common control	3,576.56	19.17
Other components of equity	(15.50)	(0.08)
Equity attributable to owners of the parent	7,419.48	39.78
Non-controlling interest from business combination under common control	-	-
Non-controlling interests	0.00	0.00
Total equity	7,419.48	39.78
Total liabilities and equity	18,652.10	100.00

Financial Ratios

Financial ratio ⁽²⁾⁽³⁾	Unit	Consolidated financial statements for the year ended 31 December	
		2015	2016
Liquidity ratios			
Current ratio	times	N/A	0.76x
Quick ratio	times	N/A	0.18x
Cash flow ratio	times	N/A	N/A
Account receivable turnover	times	N/A	4.60x
Average collection period	days	N/A	78.26
Inventory turnover	times	N/A	N/A
Average holding period	days	N/A	N/A
Account payable turnover	times	N/A	3.84x
Payment period	days	N/A	93.64
Cash cycle	days	N/A	(15.38)
Profitability ratios			
Gross profit margin ⁽¹⁾	%	24.17%	26.62%
Operating profit margin	%	33.29%	29.10%
Other profit margin	%	5.59%	7.51%
Cash/profitability ratio	%	N/A	N/A
Net profit margin	%	42.60%	35.95%
Return on equity	%	N/A	13.05%
Efficiency ratios			
Return on assets	%	N/A	5.19%
Return on fixed assets	%	N/A	34.28%
Total asset turnover	times	N/A	0.14x
Leverage ratios			
Debt/equity ratio	times	N/A	1.51x
Interest-bearing debt/equity ratio	times	N/A	1.40x
Interest coverage	times	N/A	N/A
Debt service coverage	times	N/A	N/A
Dividend payout ⁽⁴⁾	%	78.00%	

Notes:

- ⁽¹⁾ Gross profit margin does not include other income from water business.
- ⁽²⁾ The financial ratios were calculated based on the amounts recorded in the statement of comprehensive income derived from the pro forma consolidated financial information (however, the dividend payout was based on the financial statements prepared according to the Thai accounting standards), while the amounts reported in the statement of financial position are based on the financial statements prepared according to the Thai accounting standards.
- ⁽³⁾ The financial ratios relating to the statement of financial position can be calculated only in respect of the financial statements for the year 2016 because the Company did not prepare the pro forma consolidated financial information relating to the retrospective statement of financial position for years 2015-2016.
- ⁽⁴⁾ The Company's dividend payment policy is to pay dividends in the amount of not less than 40 per cent. of the Company's consolidated net profit after deducting corporate income tax and other reserve funds as required by law in each year. However, the dividend payment of the Company may take into account the Company's financial position, cash flow, liquidity, investment plan and other factors, as the Board of Directors deems appropriate. The dividend payment shall not materially affect the Company's normal business operations and shall comply with law, regulation or relevant ruling.

Indicative information regarding the business structure of the WHA Group, the Hemaraj Group and the Company

1. Hemaraj Clean Water Company Limited (HCW) is a limited company which was incorporated under the Civil and Commercial Code of Thailand on 30 June 2008, in which Hemaraj Land and Development Public Company Limited (HRD or Hemaraj) held 99.99 per cent of its shares. HCW was later converted into a public limited company and renamed WHA Utilities and Power Public Company Limited (WHAUP or the Company).
2. On 17 March 2015, WHA Venture Holding Company Limited (WVH), a subsidiary of WHA Corporation Public Company Limited (WHA), proceeded to acquire shares in Hemaraj and made a tender offer to Hemaraj's shareholders during the period from 6 March 2015 to 10 April 2015 in order to hold more than 50 per cent. of Hemaraj's shares. On 17 March 2015, the WHA Group held 64.55 per cent. of shares in Hemaraj and the majority of directors of Hemaraj are representatives of the WHA Group. Therefore, 17 March 2015 is the date from which the WHA Group had controlling power over Hemaraj. After the tender offer period ended, the WHA Group holds 92.88 per cent. of shares in Hemaraj worth THB 40,563,694,845. The tender offer was a process taken after the WHA Group became a shareholder of Hemaraj. Therefore, WHA is the ultimate parent company of WHA Group.
3. The WHA Group and the Hemaraj Group restructured their businesses by transferring the whole of their utility business and power business of the WHA Group and the Hemaraj Group to the Company.
4. On 30 March 2016, the Company entered into the Strategic Partnership Agreement with Hemaraj and the Right Lease Agreements for industrial water operation and distribution and wastewater treatment services with the Hemaraj Group. The Hemaraj Group agreed to grant the rights to conduct water business and access to operating assets relating to water business to the Company.
5. In May 2016, WHA Energy Company Limited (WHAEG), a subsidiary of the Company, accepted a transfer of all shares in WHA Energy 2 Company Limited (WHAET) from the Hemaraj Group. WHAET is a holding company whose core business is to hold equity in power business companies, namely GHECO-One Company Limited (Gheco-I), Houay Ho Thai Company Limited (HHT), which holds 25 per cent. of shares in Houay Ho Power Company Limited (HHP) and Glow IPP Company Limited (Glow IPP). WHAEG also accepted a transfer of loans that the Hemaraj Group had originally granted to Gheco-I.
6. In June 2016, WHAEG accepted a transfer of 74.99 per cent. of shares in each of 11 power business companies, namely WHA Gunkul 1-6, 8-10, 16 and 17, from the WHA Group.

Based on the above, the majority of the water and power businesses were transferred to the Company by 31 December 2016. As such, the relevant transactions would be reported in the financial statements for the year ended 31 December 2016. On the grounds that those transactions are considered an business combination under common control according to Financial Reporting Standard No.3 Re: Business combination, the consolidated financial statements for the year ended 31 December 2016 were prepared in accordance with the applicable financial reporting standards and followed accounting guidelines for business combination under common control.

Consolidated income statement during the period in which the business combination under common control applied by the Company

From the accounting guidelines for the business combination under common control, the day on which WHA (as the ultimate parent company) had the ultimate control over the Company is the first date on which common control was established under the ultimate parent company (i.e. 17 March 2015), which covers a shorter period than the beginning date (i.e. 1 January 2015) of the preceding comparative period. Therefore, the books of the purchaser or transferee (meaning the Company) must be retrospectively adjusted as if the water business and power business were transferred on 17 March 2015.

Water business The Company prepared the consolidated financial statements for the years 2016 for by using prospective adjustments for the water business transfer. The Company applied the exemptions under Thai Accounting Standard No.8 (revised in 2015): Accounting policy - Changes in accounting estimates and errors. The reason for which the prospective adjustment was adopted is that some restrictions made retrospective adjustment impracticable. In addition, if the Company consolidated financial statements re: business combination under common control applies retrospective adjustments to 17 March 2015, it would not cover a full financial period. In that case, the financial statements for the year 2015 applying the retrospective adjustments would reflect the operating results for different periods, which may confuse the readers.

Power business The Company prepared the consolidated financial statements for the years 2016 in accordance with accounting guidelines for the business combination under common control by using retrospective adjustments for the power business transfer backed to 17 March 2015, the first date on which common control was established under the ultimate parent company. As a result, the consolidated financial statements for the year 2016 completely reflect the full year operating results of the power business.

The preparation of the Company's consolidated financial statements for the years 2016 followed the exception in the Thai accounting standards as mentioned above, therefore, the operating results showing in those financial statements do not completely reflect the operating results from the parent company's business restructuring. For the consolidated financial statements of the year 2016 show the operating results of water business after the Company's restructuring from 30 March 2016, by applying prospective adjustments, while those financial statements shows the full year operating results of 2016 of power business by applying the retrospective adjustments according to the accounting guidelines.

Therefore, the Company accordingly prepared the pro forma consolidated financial information reflecting the Company's operating results under the current business structure in order that investors clearly understand the Company's business.

Guidelines on operating results and financial position analysis

Guidelines to analyze the Company's operating results and financial position can be summarized as follows:

- To analyze the operating results, the Company used the pro forma consolidated statement of comprehensive income for the year ended December 31, 2016.
- To analyze the financial position, the Company used information in the consolidated statement of financial position for the year ended December 31, 2016.

- No analysis of cash flow was conducted, since the Company's cash flow from operating activities comes from the pro forma consolidated financial information, while information on the Company's financial position of the Company comes from the consolidated statement of financial position prepared according to accounting standards resulting in the different source of information used for the cash flow analysis.

Analysis of operating results

The following analysis of operating results and profitability highlights key changes in the reviewed pro forma financial statements relating to the operating results in financial years 2016.

1. Revenue from sales and services

Revenue from sales and services derived from water business, which is considered the Company's core business. The water business can be divided into three parts: the supply and distribution of raw water, the production and distribution of industrial water, and the provision of wastewater treatment services, for industrial operators in eight large industrial estates and industrial lands. The company's maximum combined industrial water production capacity and wastewater treatment capacity in all eight industrial estates and industrial lands is 281,376 cubic metres per day and 117,456 cubic metres per day respectively. In 2016, the Company' and its subsidiaries' average combined distribution quantity of raw water and industrial water in all industrial estates and industrial lands was 62.47 million cubic metres per annum, with an average combined wastewater treatment quantity in all its industrial estates and industrial lands of 26.55 million cubic metres per annum.

In 2016, the revenue from sales and services was THB 1,600.27 million, representing an increase of 3.09 per cent. from 2015. A summary is set out as follows:

Statement of comprehensive income	Pro forma consolidated financial statements for the year ended			
	31 December 2015		31 December 2016	
	THB million	Per cent. ⁽¹⁾	THB million	Per cent. ⁽¹⁾
Raw water distribution	282.67	18.21	251.21	15.70
Industrial water production and distribution	987.21	63.60	1,054.10	65.87
Wastewater treatment	138.86	8.95	141.01	8.81
Other income from water business	143.56	9.24	153.95	9.62
Total revenue from sales and services	1,552.30	100.00	1,600.27	100.00

Note: ⁽¹⁾ Per cent. of the total revenue from sales and services

Revenue from raw water distribution

Revenue from raw water distribution in 2016 was THB 251.21 million, representing a decrease of 11.13 per cent. from THB 282.67 million in 2015. This is mainly due to the decline in a quantity of consumption as a result of drought in 2016, coupled with the temporary suspension of power generation of Glow IPP power plant since the fourth quarter of 2015. However, there is an increasing trend in

the revenue from raw water distribution as a result of the commencement of commercial operation of B.Grimm Power (WHA) 1 in November 2016.

Revenue from industrial water production and distribution

Revenue from industrial water production and distribution in 2016 was THB 1,054.10 million, or increased by 6.78 per cent. from THB 987.21 million in 2015. This is mainly due to the increase in the quantity of water production and distribution which was caused by the commencement of industrial water consumption of customers in Hemaraj Group's new industrial estates, combined with the growing consumption by customers in the automotive industry. However, there will be an increasing trend in the revenue from industrial water distribution as a result of the commencement of commercial operation of 4 SPPS Project in 2017.

Revenue from wastewater treatment

Revenue from wastewater treatment in 2016 was THB 141.01 million, or increase by 1.55 per cent. from THB 138.86 million in 2015. This is mainly due to a slight increase in the total quantity of wastewater in 2016.

Other income from the water business

Other income from the water business consisted of excessive charge for extra consumption (arising from the growing consumer demand which exceeded the originally allocated quantity) and service fees for wastewater management in ESIE and HLP1. Other income from the water business in 2016 increased by 7.24 per cent. from 2015. This was mainly from the increase of revenue from excessive charge for extra consumption, which increased from THB 139.90 million in 2015 to THB 150.31 million in 2016 as a result of extra consumption of customers in power and petrochemical industries having demand exceeding the originally allocated quantity.

2. Costs of sales and services

The Company's costs of sales and services in 2015 and 2016 were THB 1,068.25 million and THB 1,061.24 million, respectively. A summary is set out as follows:

Statement of comprehensive income	Pro forma consolidated financial statements for the year ended			
	31 December 2015		31 December 2016	
	THB million	Per cent. ⁽¹⁾	THB million	Per cent. ⁽¹⁾
Cost of raw water	641.54	60.05	673.72	63.48
Electricity costs	74.97	7.02	65.28	6.15
Chemicals	25.11	2.35	25.91	2.44
Repair and Maintenance costs	33.69	3.15	39.64	3.74
Depreciation and amortisation	232.93	21.80	196.09	18.48
Others	60.01	5.62	60.60	5.71
Total costs of sales and services	1,068.25	100.00	1,061.24	100.00

Note: ⁽¹⁾ Per cent. of the total costs of sales and services

The costs of sales and services mainly consist of cost of raw water, electricity costs, chemicals, repair and maintenance costs, depreciation and amortisation.

In 2016, the costs of sales and services were THB 1,061.24 million, representing a decrease of 0.66 per cent. from 2015. This is mainly due to a reduction in electricity costs, which were significant incurred in 2015 due to diversion of raw water as a consequence of drought and also a reduction in depreciation and amortisation costs in 2016 as a result of the Company's adjustment of the useful life of operating assets in the water business as it deems appropriate. However, the costs of raw water increased in 2016 because the Company acquired a higher volume of raw water according to higher consumption for use in the production and distribution of industrial water to support an increase of industrial customers.

3. Gross profit and gross profit margin

The Company's gross profit (excluding other income from water business) in 2015 and 2016 was THB 340.49 million and THB 385.08 million, respectively. A summary is as follows:

Statement of comprehensive income	Pro forma consolidated financial statements for the year ended			
	31 December 2015		31 December 2016	
	THB million	Per cent. ⁽¹⁾	THB million	Per cent. ⁽¹⁾
Gross profit ⁽²⁾	340.49	24.17	385.08	26.62

Notes: ⁽¹⁾ Per cent. of the total revenue from sales and services, not including other income from water business

⁽²⁾ Gross profit did not include other income from water business

The gross profit margin grew from 24.17 per cent. in 2015 to 26.62 per cent. in 2016. This is mainly due to an improvement in the Company's ability to generate revenue from sales and services, combined with an improvement in cost management.

4. Other income

Other income mainly consists of interest income from short-term loans to related parties and dividends received from investments in Glow IPP Power Plant. A summary is as follows:

Statement of comprehensive income	Pro forma consolidated financial statements for the year ended			
	31 December 2015		31 December 2016	
	THB million	Per cent. ⁽¹⁾	THB million	Per cent. ⁽¹⁾
Interest income	100.59	6.09	101.88	5.89
Dividends received	-	-	22.50	1.30
Other	0.03	0.00	5.55	0.32
Total other income	100.62	6.09	129.93	7.51

Note: ⁽¹⁾ Per cent. of the total revenue

The Company's other income in 2015 and 2016 was THB 100.62 million and THB 129.93 million, respectively, which accounted for 6.09 per cent. and 7.51 per cent. of the total revenue in the respective periods. In 2015, Glow IPP Power Plant set aside an allowance for scheduled maintenance and repair costs and no dividend payment was declared in that year. In 2016, dividend received from Glow IPP Power Plant was THB 22.50 million.

5. Administrative expenses

The Company's administrative expenses consist of staff costs, amortisation costs, rental fees and other costs. The administrative expenses in 2015 and 2016 were THB 51.10 million and THB 73.35 million, respectively, which accounted for 3.23 per cent., 3.09 per cent. and 4.24 per cent. of the total revenue, respectively. A summary of the administrative expenses is set out as follows:

Statement of comprehensive income	Pro forma consolidated financial statements for the year ended			
	31 December 2015		31 December 2016	
	THB million	Per cent. ⁽¹⁾	THB million	Per cent. ⁽¹⁾
Staff costs (including outsourcing service fees)	25.98	1.57	41.31	2.39
Amortised costs of other long-term investments	13.87	0.84	13.91	0.80
Rental fees	3.03	0.18	3.21	0.19
Others (advertising expenses, doubtful accounts, professional fees and audit fee)	8.22	0.50	14.92	0.86
Total administrative expenses	51.10	3.09	73.35	4.24

Note: ⁽¹⁾ Per cent. of the total revenue

The Company's staff costs, including salaries, overtime payments and outsourcing service fees, in 2015 and 2016 were THB 25.98 million and THB 41.31 million, respectively, representing an increase of 59.01 per cent., during such period. Such increase was mainly due to the annual salary increment and the Company's policy to gradually recruit new employees and executives from the beginning of 2016, instead of using outsourcing services. Therefore, the staff costs significantly increased in 2016.

Amortisation of long-term investments incurred from the amortisation of the purchase price allocation of Glow IPP Power Plant, resulting from the reorganisation of power business structure.

6. Share of profit from investments in associates and joint ventures

The Company has currently invested in the power business by establishing strategic partnership with the group of leading power companies in forms of associates and joint ventures. The Company's recognised revenue derived from power business in form of a share of profit from investments in associates and joint ventures, which recognised comprehensive income of associates and joint ventures in proportion to equity held by the Company in those entities.

The Company's share of profit from investments in associates and joint ventures in 2015 and 2016 was THB 1,212.66 million and THB 962.45 million, respectively, which accounted 42.32 per cent. and 35.74 per cent. of the total revenue and share of profit from investments in associates and joint ventures in the respective periods. The share of profit from investments in associates and joint ventures decreased in 2016 mainly because of: (i) the unplanned outage of Gheco-I power plant and Gulf JPP NLL power plant, which was caused by a natural disaster and malfunction of power generation equipment, and (ii) a share of loss from seven power plants under construction and development.

A summary of the Company's share of profit from investments in associates and joint ventures is as follows:

Statement of comprehensive income	Pro forma consolidated financial statements for the year ended			
	31 December 2015		31 December 2016	
	THB million	Per cent. ⁽¹⁾	THB million	Per cent. ⁽¹⁾
GHECO-One Company Limited	1,184.76	41.34	1,007.93	37.43
Houay Ho Power Company Limited ⁽²⁾	12.91	0.45	29.42	1.09
Gulf JP NLL Company Limited	31.02	1.08	(0.73)	(0.03)
Bowin Clean Energy Company Limited	(20.91)	(0.73)	(18.11)	(0.67)
Group of investing companies on power plants under the process of construction, development and study	(0.95)	(0.02)	(62.66)	(2.33)
Group of alternative energy companies	5.83	0.20	6.60	0.25
Total	1,212.66	42.32	962.45	35.74

Notes: ⁽¹⁾ Per cent. of the total revenue and share of profit from investments in associates and joint ventures.

⁽²⁾ The Company indirectly holds shares in Houay Ho Power Company Limited through Houay Ho Thai Company Limited.

7. Finance costs

The Company's finance costs in 2015 and 2016 were THB 537.94 million and THB 565.04 million, respectively, which accounted for 18.77 per cent. and 20.98 per cent. of the total revenue and share of profit from investments in associates and joint ventures, respectively. The finance costs were incurred from a loan of THB 10,499 million granted by a financial institution, which was used to fund the Company's business restructuring.

8. Income tax

The Company's income tax (expense) income in 2015 and 2016 was THB 12.40 million and THB (25.11) million, respectively. The corporate income tax (expense) income incurred from an assumption that the Company obtained the restructuring loans in 2014 and, as such, the profit (losses) before income tax expense, excluding a share of profit from investment in associates and joint ventures (because it constituted tax-exempt income) decreased. In addition, there was an adjustment for those transactions that occurred as a result of the net deferred income tax assets and liabilities relating to the business transfer.

9. Net profit

The Company's net profit in 2015 and 2016 was THB 1,220.69 million and THB 967.91 million, respectively, which accounted for 42.60 per cent. and 35.95 per cent. of the total revenue and share of profit from investments in associates and joint ventures, respectively.

Financial position of the Company

This section is the explanation of the reviewed financial statements for the financial position as at 31 December 2016

Assets

The Company mainly conducts the business of raw water distribution, industrial water production and distribution and wastewater treatment for industrial operators in industrial estates and industrial lands. In addition, the Company invests in the power-generation business by making investment in associates and joint ventures. Therefore, the key elements of assets in the Company's consolidated financial statements consist of: (i) investments in associates, (ii) building and equipment (net) (iii) goodwill, (iv) intangible assets and (v) short-term loans to related parties. A combination of items in (i)-(v) accounted for 92.52 per cent. of the total assets as at 31 December 2016, which were THB 18,652.10 million.

Liabilities and equity

The Company's total liabilities as at 31 December 2016 were THB 11,232.62 million, accounting for 60.22 per cent. of the total liabilities and equity. Total liabilities mainly consisted of loans from financial institutions, provision for liabilities from the water business and short-term borrowings from related parties.

Equity as at 31 December 2016 was THB 7,419.48 million, accounting for 39.78 per cent. of the total liabilities and equity. Equity mainly consisted of issued and paid-up share capital and retained earnings. As at 31 December 2016, the Company's debt to equity ratio was 1.51 times, while the interest-bearing debt to equity ratio was 1.40 times.

Related Party Transactions

PERSONS WITH A POSSIBLE CONFLICT OF INTEREST; NATURE OF RELATIONSHIP

Transactions between the Company or its subsidiaries and the parties with a possible conflict of interest can be summarised as follows:

Person with a possible conflict of interest	Nature of business	Nature of relationship
Hemaraj Land and Development Public Company Limited (Hemaraj or HRD)	<ul style="list-style-type: none"> Property development and management of industrial estates 	<ul style="list-style-type: none"> Hemaraj is the major shareholder of the Company. It directly and indirectly holds equity of 99.99 per cent. of the Company's paid-up registered capital. Hemaraj and the Company share four directors on their boards: <ol style="list-style-type: none"> 1) Mr. Somyos Anantaprayoon, 2) Ms. Jareeporn Jarukornsakul, 3) Mr. David Richard Nardone and 4) Mr. Vivat Jiratikarnsakul.
Eastern Seaboard Industrial Estate (Rayong) Company Limited (ESIE)	<ul style="list-style-type: none"> Property development and management of industrial estates 	<ul style="list-style-type: none"> ESIE is a subsidiary of Hemaraj, which is the major shareholder of the Company. Hemaraj directly and indirectly holds equity of 60.00 per cent. of its paid-up registered capital. ESIE and the Company share three directors on their boards: <ol style="list-style-type: none"> 1) Mr. Somyos Anantaprayoon, 2) Ms. Jareeporn Jarukornsakul and 3) Mr. David Richard Nardone.
Eastern Industrial Estate Company Limited (HEIE)	<ul style="list-style-type: none"> Property development and management of industrial estates 	<ul style="list-style-type: none"> They are subsidiaries of Hemaraj, which is the major shareholder of the Company. Hemaraj directly and indirectly holds equity of 99.99 per cent. of their paid-up registered capital. Each entity and the Company share four directors on their boards: <ol style="list-style-type: none"> 1) Mr. Somyos Anantaprayoon, 2) Ms. Jareeporn Jarukornsakul, 3) Mr. David Richard Nardone and 4) Mr. Vivat Jiratikarnsakul.
Hemaraj Eastern Seaboard Industrial Estate Company Limited (HESIE)	<ul style="list-style-type: none"> Property development and management of industrial estates 	
Hemaraj Rayong Industrial Land Company Limited (HRIL)	<ul style="list-style-type: none"> Property development and management of industrial lands 	
Hemaraj Saraburi Industrial Land Company Limited (HSIL)	<ul style="list-style-type: none"> Property development and management of industrial lands 	

Person with a possible conflict of interest	Nature of business	Nature of relationship
H-Construction Management and Engineering Company Limited (HCME)	<ul style="list-style-type: none"> Design and construction control 	<ul style="list-style-type: none"> HCME is a subsidiary of Hemaraj, which is the major shareholder of the Company. Hemaraj directly and indirectly holds equity of 99.99 per cent. of its paid-up registered capital. HCME and the Company share three directors on their boards: <ol style="list-style-type: none"> 1) Mr. Somyos Anantaprayoon, 2) Ms. Jareeporn Jarukornsakul and 3) Mr. David Richard Nardone.
SME Factory Company Limited (SME)	<ul style="list-style-type: none"> Logistics, sales and rental services of factories, buildings and warehouses 	<ul style="list-style-type: none"> SME is a subsidiary of Hemaraj, which is the major shareholder of the Company. Hemaraj directly and indirectly holds equity of 99.99 per cent. of its paid-up registered capital.

RELATED PARTY TRANSACTIONS BETWEEN THE COMPANY OR ITS SUBSIDIARIES AND THE PERSONS WITH A POSSIBLE CONFLICT OF INTEREST

In 2016, the Company and Hemaraj, which is the Company's major shareholder, carried out a business restructuring exercise to ensure the distinct delineation of their operations, reduce conflicts of interest and prepare the Company for future expansion. On 30 March 2016, the Company entered into the Strategic Partnership Agreement with Hemaraj and the Right Lease Agreement for industrial water operation and distribution and wastewater treatment services with the Hemaraj Group. In the second quarter of 2016, the Company and its subsidiaries accepted a transfer of the power business from the Hemaraj Group and the WHA Group, (the major shareholder of Hemaraj).

The related party transactions in 2015 and 2016 can be summarised as follows:

1) Management of water business

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Revenue from management service fees			The Company entered into an agreement to manage water business by providing wastewater treatment services to ESIE and industrial water production and wastewater treatment services to SME (in HLP1) for three years, with effect on 30 March 2016, because ESIE and SME do not have an internal working team specialised in this area. This transaction resulted from the Company's business restructuring. The service fees charged by the Company are equal to direct expenses, plus 8 per cent. This rate is comparable to the rate of margin imposed by other similar companies in the market.	After consideration, the audit committee was of the view that this transaction is essential and reasonable. It is an arm's length business transaction for which the imposed rate of management service fees is comparable to the rate charged by other similar companies in the market.
• ESIE	-	2.39		
• SME	-	0.36		
Accrued income				
• ESIE	-	0.27		
• SME	-	0.04		

2) Raw water procurement

Raw water procurement in ESIE

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Costs of raw water				
• ESIE	117.97	115.21	<ul style="list-style-type: none"> In 2008, the Company entered into araw water sale and purchase agreement with ESIE under the Right Lease Agreement for industrial water operationand distribution for 25 years. The Company agreed to purchase raw water from the Lessor at the price equal to costs of raw water incurred by the Lessor, plus a margin of 15 per cent. Maintenance and repair expenses are solely borne by the Lessor. However, the Company is currently in discussions with East Water Resources Development and Management Public Company Limited (EASTW) for direct procurement arrangements. 	After consideration, the audit committee was of the view that this transaction is essential, reasonable and beneficial to the Company's business. It is an arm's length business transaction. Raw water is a key element of raw materials used in the manufacturing of industrial water. Both parties, i.e. the Company and the Hemaraj Group, would enjoy mutual benefit from the procurement of raw water.
Trade payables and accrued expenses				
• ESIE	12.04	12.59		

Raw water procurement in other industrial estates and industrial lands

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December of 2016		
Costs of raw water				
• HRD	11.40	30.01	<ul style="list-style-type: none"> In 2008, the Company entered into a raw water sale and purchase agreement with HRD, HEIE and HESIE under the Right Lease Agreement for industrial water operation and distribution for 25 years. The Company agreed to purchase raw water from the Lessor at the costs of raw water incurred by the Lessor, plus a margin of 15 per cent. Maintenance and repair expenses relating to the raw water system, equipment and assets are solely borne by the Lessor. On 30 March 2016, the Company terminated the above sale and purchase agreement and entered into a memorandum of agreement amending the raw water sale and purchase agreement with HRD, HEIE and HESIE for a term of 50 years in accordance with the Right Lease Agreement for industrial water operation and distribution and wastewater treatment services. The Company distributes raw water and uses it in the manufacturing of industrial water for distribution to customers in industrial estates. 	After consideration, the audit committee was of the view that this transaction is essential, reasonable and beneficial to the Company's business. It is an arm's length business transaction. Raw water is a key element of raw material used in the manufacturing of industrial water. Both parties, i.e. the Company and the Hemaraj Group, would enjoy mutual benefit from the procurement of raw water.
• HEIE	281.37	425.47		
• HESIE	26.01	32.92		
• HRIL	-	24.06		
• HSIL	-	2.59		
Trade payables and accrued expenses				
• HRD	1.34	2.90		
• EIE	32.74	45.00		
• HESIE	2.96	2.65		
• HRIL	-	2.89		
• HSIL	-	0.27		

Raw water procurement in other industrial estates and industrial lands (Continued)

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December of 2016		
			<p>The Company is now discussing the direct procurement with EASTW. The selling price of raw water under the current agreement is equal to the costs of raw water incurred by the Lessor, plus an average difference between the Lessor's costs of raw water and the price at which the Company must pay in case of direct procurement. Maintenance and repair expenses relating to the raw water system, equipment and assets are solely borne by the Company.</p> <ul style="list-style-type: none"> On 30 March 2016, the Company entered into a raw water sale and purchase agreement with HRIL and HSIL for a term of 50 years in accordance with the Right Lease Agreement for industrial water operation and distribution and wastewater treatment services. The Company distributes raw water and uses it in the manufacturing of industrial water for distribution to customers in industrial estates. The Company is now discussing the direct procurement with EASTW and the Royal Irrigation Department. The selling price of raw water under this agreement is equal to the costs of raw water incurred by the Lessor. Maintenance and repair expenses relating to the raw water system, equipment and assets are solely borne by the Company. 	

3) Operating land lease

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Land lease fees			The Company and WHA Water Company Limited (WHAWT), a subsidiary of the Company, entered into a land lease agreement with HRD, HEIE and HESIE to take a lease on their property in order to conduct the industrial water business. An annual rental fee per rai is determined at the rate equivalent to the market rate and will increase by 10 per cent. once every five years. Payment is due on a monthly basis. This rent is comparable to the rate at which other industrial estate developers collect from their tenants. Each lease has a term of 30 years from 30 March 2016 to 29 March 2036, which is renewable for additional 20 years. Those fees remain outstanding.	After consideration, the audit committee viewed that this transaction is essential, reasonable and beneficial to the Company's business. The imposed rate of rental fees is comparable to the rate charged general customers by other industrial estate developers.
• HRD	-	1.81		
• HEIE	-	1.10		
• HESIE	-	1.71		
Trade payables and accrued expenses				
• HRD	-	0.19		
• HEIE	-	-		
• HESIE	-	0.18		

4) Administrative costs

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Administrative expenses				
• HRD	32.97	5.85	<ul style="list-style-type: none"> In 2015, the Company and WHAEnergy Company Limited (WHAEG) entered into a general 	After consideration, the audit committee viewed that this transaction

4) Administrative costs (Continued)

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Trade payables and accrued expenses <ul style="list-style-type: none"> • HRD 	35.98	1.98	<p>administration agreement with HRD under which HRD agreed to provide financial, accounting, recruitment and distribution services.</p> <ul style="list-style-type: none"> • In 2015, WHAWT and HRD entered into a general administration agreement under which HRD was hired to provide financial, accounting, recruitment, distribution and other general administration services relating to the industrial water business. • Due to the Company's business restructuring in February 2016 there was a transfer of staff members in the production, wastewater treatment and accounting teams. To follow its revised management structure, the Company proceeded and has a policy to hire management to take charge of its purchasing, legal, human resources and business development teams. Therefore, the Company terminated the existing agreements between WHAWT, WHAEG and HRD and entered into a new agreement between itself and HRD to engage HRD to provide financial, IT and general administration services for one year from 30 March 2016 to 29 March 2017. The service fees are calculated from all related expenses, plus 8 per cent., which are comparable to the rate charged by other professional companies in the market. 	is essential and reasonable because the scope of services under the new general administration agreement coordinates with the Company's organisation structure and new management policy. In addition, the imposed rates of service fees are reasonable.

4) ค่าใช้จ่ายด้านบริหารจัดการ (ต่อ)

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Trade payables				
• HCME	1.28	1.28	The Company engaged HCME to manage and control the construction of the water system and facilities in each industrial estate because HCME has expertise and experience in engineering work in industrial estates. The Company entered into the agreement on 1 January 2016 and the agreement expired on 31 December 2016. Each agreement has a term of one year. HCME is now controlling the construction of the water system in HESIE2. The service fee is calculated from all related expenses, plus a margin, which is comparable to the rate charged by other similar companies in the market.	This transaction is essential and beneficial to the Company's business. As a result of the Company's business expansion, it is necessary to have the water system that can produce more water. Accordingly, the Company must engage a professional engineering team to design and control the construction work for its water system. After consideration, the audit committee viewed that this transaction is essential, reasonable and beneficial to the Company's business.

5) Right lease fee for industrial water operation and distribution - ESIE

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Right lease fee for industrial water operation and distribution-amortisation			In 2008, the Company and ESIE entered into the Right Lease Agreement for industrial water operation and distribution, authorising the Company to sell industrial water to operators in industrial estates for 25 years. The right lease fee will be gradually amortised throughout the term of the agreement.	The audit committee found that this transaction took place before the appointment of audit committee and ESIE is a joint venture business between HRD and a third party entity. After consideration, the audit committee viewed that this transaction is essential, reasonable and beneficial to the Company's business.
• ESIE	8.69	8.69		

6) Right lease for water production and distribution

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Right lease fee for industrial water operation and distribution (old agreement)- amortisation			<ul style="list-style-type: none"> In 2008, the Company entered into the Right Lease Agreements for industrial water operation and distribution with HRD, HEIE and HESIE for a term of 25 years to provide industrial water services to operators in industrial estates. On 30 March 2016, the old three agreements were terminated and replaced by the new agreements. An annual fee for the right lease has been determined under the Right Lease Agreement for industrial water operation and distribution and wastewater treatment services between the Company and the Hemaraj Group. The rates of annual fee in relation to water business are as follows: <ul style="list-style-type: none"> Years 1-3: 1 per cent. per annum of the revenue from water business in industrial estates and industrial lands; and From Year 4: 3 per cent. per annum of the revenue from water business in industrial estates and industrial lands. <p>These rates of annual fee are comparable to the rates charged by other companies in similar and other businesses in the market.</p>	<p>After consideration, the audit committee viewed that this transaction is essential and reasonable. The rates of annual fee for the right lease under the new agreement are similar to the market rate collected by other operators in similar and other businesses. The annual fee is calculated as a percentage of revenue from water business, which is a reasonable approach because the fee will vary according to actual revenue. This transaction resulted from the business restructuring.</p>
• HRD	2.48	0.61		
• HEIE	4.98	1.23		
• HESIE	6.21	1.53		
Annual fee (new agreement)				
• HRD	-	0.55		
• HEIE	-	3.13		
• HESIE	-	0.77		
• HRIL	-	0.49		
• HSIL	-	0.89		
Trade payables and accrued expenses				
• HRD	-	0.08		
• HEIE	-	0.66		
• HESIE	-	0.10		
• HRIL	-	0.10		
• HSIL	-	0.07		

7) Financial support

Financial support from HRD

Transaction	Transaction value (THB million)		Description of transaction	Audit Committee's opinion
	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016		
Financial support from HRD				
• Short-term borrowings	1,272.50	-	<ul style="list-style-type: none"> In 2008, the Company obtained a loan from HRD to finance its operations and joint investment in power businesses. In March and May 2016, the Company received additional loansto acquire the lease right for the conduct of water business and to procure a transfer of power businesses, respectively, under its business restructuring plan. Interest was charged at MLR, less 0.5 per cent. per annum, which is equal to the interest rate imposed on other loans granted by HRD to its other subsidiaries. On 14 July 2016, the Company fully paid all the short-term borrowings, together with accrued interest, using a new loan obtained from a financial institution. 	<p>After consideration, the audit committee viewed that this transaction is essential, reasonable and beneficial to the Company's business. The transaction supports the implementation of the Company's business restructuring.</p>
• Interest expenses	46.82	123.75		
• Accrued interest	0.34	-		

Using securities as security for the loan of Company, WHA and Hemaraj

Under the facility agreement between the Company and a commercial bank, the Company is required to arrange for the pledge of all shares in the Company, shares in Hemaraj and shares in WHA Energy 2 Company Limited as security without consideration. The lending bank agreed to release all pledged shares in the Company and Hemaraj before the initial public offering. This will enable the offeror to deliver its offered shares to the subscribers and enable the Company to meet the required qualifications and comply with the SET listing requirements. In addition, the lending bank will release the pledged shares in WHA Energy 2 Company Limited when the Company has complied with conditions imposed by the lending bank.

The Pledged Shares have been pledged as security for the performance of obligations of WHA Corporation Public Company Limited and Hemaraj Land and Development Public Company Limited under their loans and the Pledged Shares will be released before the initial public offering.

After consideration, the audit committee viewed that this transaction is essential, reasonable and beneficial to the Company's business. The transaction also supports the implementation of the Company's business restructuring.

8) Future related party transactions

On 23 November 2016, the Company entered into the sub-lease agreement for the roof area with SCB Asset Management Company as a trustee for Hemaraj leasehold Real Estate Investment Trust (REIT) which has Hemaraj REIT Management Company Limited (Hemaraj is the sole shareholder) being as the REIT manager in order to develop solar rooftop project. The available areas on the rooftop for use is approximately 141,300 square metres located on the properties in which the REIT invested, i.e. Eastern Seaboard Industrial Estate (Rayong), Hemaraj Eastern Seaboard Industrial Estate, Hemaraj Industrial Estate (Chonburi), Hemaraj Logistic Park 1, Hemaraj Logistic Park 2 and Hemaraj Logistic Park 4.

The Company agreed to pay a minimum payment of rental approximately THB360,315 per month for the rooftop to the REIT based on the minimum usage of 85 per cent. of the rooftop area which can be used representing 120,105 square metre. If the actual rooftop area is more than 85 per cent. of the rooftop area which can be used, the Company will pay the actual rental at the rate THB 3 per square metres per month. The rental will increase at the rate of 6 per cent. at the end of every three years.

The term of the sub-lease is three years (will expire on 22 November 2019) and both parties have the right to renew the agreement for four times having a lease term for three years each. However if the Company commences its solar rooftop project for power distribution on respective area of the rooftop and the Company will request an extension of the lease term on that respective area, the Company will have right to renew the agreement for nine times with the first-eight times having a lease term for three years each and the last renewal time having a lease term for one year (the total lease term is 25 years) or renewal for a period equal to the period in which the Company has the right to sell and purchase power under the related agreement as being informed to the REIT, having a lease term for three years each until expiry of the related power purchase agreement or as agreed between the parties.

The Audit Committee considered and viewed that the transaction is essential, reasonable and beneficial to the operation of the Company in the future. The Company studied and viewed that the rooftop has a potential and suits for an installation of solar rooftop. Based on initial study, the lease

of rooftop is feasible for investment in solar rooftop generation project which may have in the future. In addition, entering into this agreement shall maintain power business opportunity, particularly the expansion of solar rooftop according to the Company's business plans since SCB Asset Management Co., Ltd, as the trustee of the REIT, is able to find the lessee to lease such area. The rooftop rental rate is comparable to the rate charged by other companies for the same purpose of lease.

In addition, the Company may enter into the lease agreement or sub-lease agreement in respect of the rooftop area of the companies in WHA Group in future. The entering into each transaction will be proposed to the audit committee for consideration on its appropriateness.

MEASURES OR PROCEDURE TO APPROVE RELATED PARTY TRANSACTIONS

Measures or procedure to approve related party transactions

Save as otherwise approved by the Company's board of directors (as set out in Section 14.3.2, paragraph two below), when a related party transaction is to be entered into between the Company or any of its subsidiaries and its directors, executives or related parties, the audit committee will provide an opinion on the necessity of entering into that transaction, taking into account that the terms and conditions of the transaction and reflecting the market condition and the transaction price vis-à-vis the market rate. However, if no comparative price is available, the transaction price must be reasonable and most favourable to the Company and its shareholders. For transactions in which the audit committee lacks expertise, the Company will engage an independent advisor to give comments to support the making of a decision by the Company's board of directors, audit committee or shareholders, as the case may be. An interested director is not entitled to vote on that transaction. That is to ensure that each related party transaction does not prejudice the interests of the Company or its shareholders. Indeed, the related party transactions must benefit all shareholders. Information about related party transactions is reported according to the requirement of the office of the SEC and disclosed in the notes to the Company's audited or reviewed financial statements, the registration statement under section related party transaction, annual report and the annual registration statement.

Policy for related party transactions in the future

If a related party transaction takes place in the future, the Company will comply with the Securities and Exchange Act, B.E.2535 (including its amendments), rules, notifications, orders or regulations imposed by the Capital Market Supervisory Board, the SEC and the Stock Exchange of Thailand (SET), including generally accepted accounting principles in Thailand relating to the disclosure of information about related persons or activities, as established by the Federation of Accounting Professions, and the Company's rules.

For transactions that occur in the ordinary course of business and transactions that will continue to recur in the future, the board of directors has approved (at board meeting no.3/2559 held on 29 August 2016) the (revised) principles of arm's length transactions between the Company or any of its subsidiaries and its directors, executives or related parties. Also included in the revised principles are rules and guidelines to enter into those transactions, which empower the Company's management to grant authorisation without prior approval from the audit committee or the board of directors if: (i) the proposed transaction is undertaken at arm's length in the ordinary course of business, (ii) there is a reference price and (iii) all other terms and conditions are appropriate, fair and reasonable (details are set out in the (revised) principles of arm's length transactions between the Company or any of its subsidiaries and its directors, executives or related parties). A summary of those related party transactions must be reported to the audit committee for acknowledgement once every three months.

For related party transactions relating to procurement of raw water, the Audit Committee has a guideline for reviewing of the reasonableness of transaction by considering price of raw water that the Company and the Hemaraj Group purchased from East Water based on the price list announced by executives of East Water. The price set out in the price list is clearly determined and reported to the Audit Committee every quarter. However, if the Company does not gain any joint benefit from such price, the Company will procure raw water directly from East Water.

Policy for related party transactions in the future relating to the Strategic Partnership Agreement and/or the Right Lease Agreements

The Strategic Partnership Agreement between the Company and HRD dated 30 March 2016, including all amendments (the Strategic Partnership Agreement), and the Right Lease Agreements between the Company or its subsidiaries and Hemaraj and/or the Hemaraj Group, including all accessory agreements, existed (and remain effective) before the Company became a listed company on the SET. In the execution of those agreements, the Company had no obligation to comply with the SEC applicable rules, particularly considering that the Strategic Partnership Agreement imposed the rules for the Company to exclusively conduct water business in the Hemaraj Group's industrial estate projects in the future.

Therefore, to conduct water business in the Hemaraj Group's industrial estates or industrial lands in the future (whether it is a project originally developed by the Hemaraj Group or originally developed by a third party and subsequently acquired by the Hemaraj Group) by investing in the business on the Company's own or by managing the business for the Hemaraj Group, the Company (with board's approval) is able to proceed with related party transactions, regardless of rules and procedure for entering into connected transactions imposed in the Notification of the Capital Market Supervisory Board No. Thor Chor.21/2551 Re: Rules for entering into connected transactions, dated 31 August 2008 and the Notification of the SET Board Re: Information disclosure and conduct of listed companies in relation to connected transactions dated 19 November 2003 (including all amendments of those notifications).

If the rate of return on investment in the operation of water business in future projects (whether it is a project originally developed by the Hemaraj Group or originally developed by a third party and subsequently acquired by the Hemaraj Group) equals or exceeds the agreed rate (currently the equity internal rate of return (EIRR) is at the rate of 10 per cent.). The Company and Hemaraj agree to review the reasonableness of the rate of return mutually agreed under the Strategic Partnership Agreement every five years or when any event occurs and, in the view of any party, has a material effect on the rate of return, and therefore, that party shall send written notice to the other party indicating that it is appropriate to review the relevant rates of return in accordance with the terms and conditions set out in the Strategic Partnership Agreement. However, if the rate of return on investment in the operation of water business in future projects equals or exceeds the agreed rate (currently the equity internal rate of return (EIRR) is at the rate of 10 per cent.), it will fall within the scope of connected party transaction having general commercial condition, the Company is able to proceed with the transaction, regardless of rules and procedure for entering into connected transactions imposed in the Notification of the Capital Market Supervisory Board No. Thor Chor.21/2551 Re: Rules for entering into connected transactions, dated 31 August 2008 and the Notification of the SET Board Re: Information disclosure and conduct of listed companies in relation to connected transactions dated 19 November 2003 (including all amendments of those notifications). On the other hand, if the rate of return is lower than the agreed rate (currently the equity internal rate of return (EIRR) is at the rate of 10 per cent.), the Company has no policy to invest in that project. However, if in the view of the Company, there is necessary business ground, the Company agrees to comply with the notification of the office of the SEC re: rules for entering into connected transactions.

However, in any event, in entering into any agreement as mentioned above, the Company still has to comply with the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on entering into material transactions deemed acquisition or disposal of assets and the Notification

of the SET Re: Disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets, B.E. 2547.

With respect to the process for to consider and approval the entering into investment in water business in the Future Projects and/or reviewing of the reasonableness of the rates of return (if there is any significant event or expiration of term set out in the Strategic Partnership Agreement), the executives will consider a feasibility study of projects and/or reviewing of the rates of return, then propose to the board of directors (excluding directors having interest) for further consideration.

If a board's approval is required, an interested director is prohibited from attending a board meeting at which the proposed transaction is discussed.

FUTURE TREND FOR RELATED PARTY TRANSACTIONS

The Company expects that in the future, related party transactions will continue to occur in relation to the business operations and support businesses. Such transactions include raw water procurement and land leases, which result from the Strategic Partnership Agreement between the Company and HRD. The Strategic Partnership Agreement requires the Hemaraj Group to offer the Company with the first right of investment to operate water services in any industrial estate projects owned by the Hemaraj Group in the future. If the Company accepts the offered right to operate water services, it will enter into a Right Lease Agreement to conduct utility business with HRD or its subsidiaries who operate the relevant industrial estate or industrial lands. In such case, the Company must pay the rental fees to the Hemaraj Group as follows:

(1) Fee for lease of property and facilities: if the Hemaraj Group's operating assets and facilities relating to utility services in the relevant industrial estate are available before the date of the Right Lease Agreement, the Company will pay the rental to Hemaraj Group for using those assets and facilities on the date of the Right Lease Agreement; and

(2) Annual fee for the right lease: the annual fee is payable at the rate of 1 per cent. per annum of revenue from utility business for Year 1-Year 3 of the lease and at the rate of 3 per cent. per annum of revenue from utility business from Year 4 and onwards.

On the other hand, if the Company refuses to conduct utility services in that industrial estate and the Hemaraj Group wishes to engage the Company's management services, the Company must provide those services as requested and will receive remuneration on a cost-plus basis, which is equal to direct expenses incurred by it, plus a margin of 8 per cent. (see details in Section 2.2.8 - Other important information).

On the basis that the above related party transactions will continue or may occur in the future, they are considered to be common business transactions and common business support transactions of the Company. A policy to determine the price of those related party transactions is clearly defined, that is, each transaction is valued according to market price, appropriate and fair market conditions. The transaction has no effect of siphoning benefits and mainly takes into account the interests of the Company and its subsidiaries. The Company's audit committee will review and provide an opinion on the related party transactions identified as common business transactions and common business support transactions once every three months.

To perform related party transactions that may occur in the future, the Company's board will comply with the securities and exchange law and applicable rules, notifications and orders issued by the Capital Market Supervisory Board and the SET, including regulations re: information disclosure relating to connected transactions of the Company or its subsidiaries according to accounting standards imposed by the Association of Accountants and Certified Public Accountants of Thailand.

Profile and Contact

Name of the Issuing Company	:	WHA Utilities and Power Public Company Limited
Nature of business	:	(1) utility business of distributing raw water, producing and distributing industrial water and providing wastewater treatment services to operators in industrial estates and industrial lands (2) power business through investment in power generation business, both domestically and abroad.
Corporate registration no.	:	0107559000401
Head office	:	9/241-242 UM Tower, 24/F, Ramkhamhaeng Road, Suanluang sub-district, Suanluang district, Bangkok
Telephone	:	02-719-9559
Fax	:	02-717-2128
Website	:	www.wha-up.com
Registered capital	:	THB 3,825,000,000
Paid-up capital	:	THB 3,200,000,000

OTHER REFERENCES

Registrar	:	Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng Bangkok 10400 Tel : 02-009-9000 Fax : 02-009-9991
Auditor	:	PricewaterhouseCoopers ABAS Ltd. 179/74-80, 15 th Floor, Bangkok City Tower, South Sathorn Road, Bangkok 10120 Tel : 02-344-1000 Fax : 02-286-5050

Report on Responsibilities of the Board of Directors Towards the Financial Report of the year 2016

The Board of Directors of WHA Utilities and Power Public Company Limited realizes its role and responsibility as the Directors in supervising the Company to have the Financial Reports of year 2016 to present sufficient in materiality, relevant and transparent financial and accounting information. Appropriate accounting policies have been put in place and adhered to on a consistent basis according to the generally accepted accounting principle while due consideration has been placed on the process of preparing the Company's and the Consolidated fiscal year 2016 financial statements including other information that have been included in the annual report of this year. The Audit Committee, who is appointed by the Company's Board of Directors, comprising of independent directors fully qualified in accordance with the requirement of the Stock Exchange of Thailand have reviewed and ensure accuracy and sufficiency of the financial report including accurate and complete disclosure of connected transactions or transactions with possible conflict of interests, sufficient and effective internal control and internal audit system, risk management and appropriate corporate governance and to be compliance with the requirement of the Stock Exchange of Thailand and relevant rules and regulations.

The Company's Board of Directors has the opinion that the financial statements and financial reports for the year 2016 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditors, reflect accurate financial position, operational results and cash flow status in accordance with consistent appropriate accounting policies generally accepted accounting standards and according to relevant rules and regulations.

A handwritten signature in blue ink, appearing to read 'Somyos Anantaprayoon'.

(Mr. Somyos Anantaprayoon)

Chairman of the Board of Directors
22 February 2017

A handwritten signature in blue ink, appearing to read 'Wisate Chungwatana'.

(Mr. Wisate Chungwatana)

President & CEO
22 February 2017

Audit Committee Report

The Audit Committee of WHA Utilities and Power Public Company Limited has the following independent non-executive directors as its members :

- | | |
|-------------------------------------|---------------------------------|
| 1. Mr. Weidt Nuchjalearn | Chairman of the Audit Committee |
| 2. Mr. Ekajai Tivutanond | Audit Committee member |
| 3. Mrs. Punnee Worawuthichongsathit | Audit Committee member |

The Audit Committee members are qualified in accordance with the rules and regulations for Audit Committees, as issued by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee has fulfilled its responsibilities according to the scope and duties assigned by the Board of Directors in compliance with its Charter and official regulations.

The activities of the Audit Committee covered the following areas:

1. Review of the interim and annual financial statements of 2016 to verify that the statements were accurate and complete, and that relevant supporting financial information was disclosed. The review was conducted with inputs from the management and the external auditors. The Audit Committee and external auditors agreed that the financial statements were correct with financial reporting standards. The Company had diligently applied itself to the Federation of Accounting Professionals of Thailand's revised sets of accounting standards, which had been introduced in conjunction with international practice.

2. Review of the internal and risk management control system in order to verify that the system was appropriate and effective in meeting its objectives. The review which was conducted with inputs from the internal auditors, coupled with discussions with the external auditors, did not reveal any significant weaknesses or deficiencies, either at company or subsidiary level. The Audit Committee and both the internal and external auditors are of the view that the prevailing internal control and risk management system meet the requirements of the SET and SEC, and is adequate to safeguard assets and provide sufficient disclosure of information.

3. Review of the internal audit function to ensure its effectiveness and independence. The internal audit function is conducted by a reputable and independent outsourced audit firm. Work is performed in accordance with a program jointly studied and approved on a continuing basis by the Audit Committee, together with the Management. The internal auditors report their findings to both the Audit Committee and the Management on a quarterly basis, with open access to the Audit Committee at all times. The Audit Committee believes that the internal audit functions of the Company and subsidiaries are appropriate, effective and independent.

4. Review of compliance with the Securities and Exchange Acts, other relevant laws and SEC-SET regulations, as well as the Company's own rules and obligations to external parties. This review, which was performed by the Audit Committee members, with contracted assistance from the internal auditors, did not find any significant instances of non-compliance.

5. Review of, and giving opinion on, connected transactions and transactions potentially giving rise to conflicts of interest, together with the aspect of information disclosure on such transactions in compliance with the regulations of the SET and SEC. The Audit Committee and both the internal and external auditors were of the opinion that such transactions had fully and appropriately been disclosed in the financial statements and notes thereto, and were reasonable, of a normal business nature, as well as being beneficial to the Company.

6. Considering the appointment of external auditors and their remunerations for the year 2016. The Audit Committee recommending such to the Board of Directors for submission to the Shareholders' Annual General Meeting for the next year. Having considered for performance, independence and remuneration issues, the Audit Committee was satisfied with audit personnel of the present external audit firm, PricewaterhouseCoopers ABAS Ltd., on all count. The committee thus recommended Mr. Chanchai Chaiprasit (Certified Public Accountant registration number 3760), to appointed the Company's external auditor for the financial year ending 31 December 2016 at a remuneration of Baht 2,479,000 and non-audit fees in the amount of Baht 20,000

The present 2016 External Auditors had no family, financial interest, employment, investment or business relationship with the Company or any of its subsidiaries, other than in the normal course of audit business.

In summary, the Audit Committee, in the course of discharging its Chartered responsibilities as assigned by the Board of Directors, found that the Company had presented its financial and operational information in a true and fair manner, had appropriate and effective internal control and audit and risk management, had complied with laws, regulations and obligations, and had disclosed connected transactions correctly

A handwritten signature in blue ink, consisting of a large, stylized 'W' followed by a cursive 'N' and 'J', with a horizontal line underneath.

Mr. Weidt Nuchjalearn

Chairman of the Audit Committee

22 February 2017

Independent Auditor's Report

To the shareholders and the Board of Directors of WHA Utilities and Power Public Company Limited (Formerly “Hemaraj Clean Water Company Limited”)

My opinion

In my opinion, the consolidated financial statements of WHA Utilities and Power Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw your attention to the Note 2.23 to the financial statement that describes the adoption of new accounting policy. The Company initially adopted the accounting guidance for the business combination under common control for the transfer of water business production and distribution within the Group. In this regard, the Company was unable to do the retrospective adjustments for the business combination under common control due to limited information. The Company, therefore, followed the exception in the Thai Accounting Standard 8 (revised 2015) “Accounting Policies, Changes in Accounting Estimates and Errors”, by applying the prospective adjustments. I do not qualify my opinion in this regard.

For the transfer of power business as described on Note no. 3 to the financial statement, the Company had retrospectively adjusted the financial statements for the year ended 31 December 2015 to reflect the related transactions of business combination under common control. I do not qualify my opinion in this regard either.

Responsibilities of management for the consolidated and separate financial statements

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

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

The audit committee assists management in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

PricewaterhouseCoopers ABAS Ltd.



Chanchai Chaiprasit

Certified Public Accountant (Thailand) No. 3760
WHA Utilities And Power Public Company Limited
(FORMERLY "HEMARAJ CLEAN WATER COMPANY LIMITED")

Bangkok
22 February 2017

Statement of Financial Position

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		Restated	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	147,476,373	95,844,185	56,335,109	40,085,276
Trade and other receivables, net	9	347,889,200	112,328,299	217,515,872	59,930,307
Short-term loans to related parties	29.3	1,432,900,000	-	592,985,623	-
Revenue department receivable		196,435,701	29,182,473	196,386,493	29,171,712
Other current assets		10,821,711	8,368,597	7,449,145	5,655,237
Total current assets		2,135,522,985	245,723,554	1,070,672,242	134,842,532
Non-current assets					
Investments in associates	10.1	8,202,340,466	7,194,086,969	-	-
Investments in joint ventures	10.2	247,595,655	264,718,852	-	-
Investments in subsidiaries	10.3	-	-	9,279,499,959	301,499,959
Other long-term investments		295,175,582	309,086,276	-	-
Building and equipment, net	11	2,823,597,831	1,019,414,665	2,663,441,750	851,925,293
Right to operate and distribute industrial water, net	12	143,382,279	391,208,110	143,382,279	391,208,110
Intangible assets, net	13	2,025,436,573	-	2,025,436,573	-
Goodwill	14	2,772,877,526	2,162,207,653	610,669,873	-
Deferred tax assets	15	-	6,215,800	-	6,215,800
Other non-current assets		6,166,683	-	6,166,683	-
Total non-current assets		16,516,572,595	11,346,938,325	14,728,597,117	1,550,849,162
Total assets		18,652,095,580	11,592,661,879	15,799,269,359	1,685,691,694

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

Statement of Financial Position (Cont)

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)
As at 31 December 2016

		Consolidated financial statements		Separate financial statements	
		31 December 2016 Baht	Restated 31 December 2015 Baht	31 December 2016 Baht	Restated 31 December 2015 Baht
Notes					
Liabilities and equity					
Current liabilities					
Trade and other payables	16	276,049,082	132,465,481	271,153,556	93,212,558
Advance received from related parties	29.2	-	28,521,600	-	28,521,600
Short-term borrowings from related parties	29.4	-	1,272,500,000	-	762,000,000
Accrued income tax		35,508,122	8,103,611	-	1,383,210
Current portion of long-term borrowings from financial institution	17	2,491,534,108	-	2,491,534,108	-
Other current liabilities		21,512,248	7,883,347	13,038,636	3,634,307
Total current liabilities		2,824,603,560	1,449,474,039	2,775,726,300	888,751,675
Non-current liabilities					
Long-term borrowings from financial institution	17	7,929,904,298	-	7,929,904,298	-
Deferred tax liabilities	15	181,722,647	33,317,255	151,187,533	-
Provision for liabilities from water business	18	279,866,229	-	279,866,229	-
Employee benefit obligations	19	8,324,585	709,884	8,324,585	709,884
Other non-current liabilities		8,191,169	8,980,184	7,897,168	8,686,184
Total non-current liabilities		8,408,008,928	43,007,323	8,377,179,813	9,396,068
Total liabilities		11,232,612,488	1,492,481,362	11,152,906,113	898,147,743

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

Statement of Financial Position (Cont)

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)

As at 31 December 2016

		Consolidated financial statements		Separate financial statements	
		Restated		Restated	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
Notes		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares 765,000,000 shares					
at par value of Baht 5 each	21	3,825,000,000		3,825,000,000	
Ordinary shares 64,500,000 shares					
at par value of Baht 10 each	21		645,000,000		645,000,000
Issued and paid-up share capital					
Ordinary shares 640,000,000					
shares paid-up at Baht 5 each	21	3,200,000,000		3,200,000,000	
Ordinary shares 64,500,000					
shares paid-up at Baht 10 each	21		645,000,000		645,000,000
Retained earnings					
Appropriated - legal reserve	20	36,251,431	34,896,716	36,251,431	34,896,716
Unappropriated		622,168,981	254,048,842	133,331,205	107,591,620
Surplus from business combination					
under common control		3,576,558,531	-	1,278,364,530	-
Other components of equity		(15,495,945)	55,615	(1,583,920)	55,615
Equity attributable to					
owners of the parent		7,419,482,998	934,001,173	4,646,363,246	787,543,951
Non-controlling interest from business					
combination under common control		-	9,166,179,283	-	-
Non-controlling interests		94	61	-	-
Total equity		7,419,483,092	10,100,180,517	4,646,363,246	787,543,951
Total liabilities and equity		18,652,095,580	11,592,661,879	15,799,269,359	1,685,691,694

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

Statement of Comprehensive Income

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2016 Baht	2015 Baht
		2016 Baht	2015 Baht		
Revenue from sales		1,303,820,276	852,948,971	935,084,599	370,061,062
Revenue from services		163,698,886	-	163,698,886	-
Total revenues		1,467,519,162	852,948,971	1,098,783,485	370,061,062
Cost of sales		(851,268,763)	(601,266,359)	(749,283,482)	(305,717,767)
Cost of services		(98,241,948)	-	(98,241,948)	-
Total Costs		(949,510,711)	(601,266,359)	(847,525,430)	(305,717,767)
Gross profit		518,008,451	251,682,612	251,258,055	64,343,295
Other income		91,914,619	318,034	199,426,005	98,591,108
Administrative expenses		(60,368,037)	(45,641,422)	(45,222,644)	(31,810,214)
Management and director's remuneration	23	(8,964,818)	-	(8,964,818)	-
Finance costs	22	(403,963,428)	(46,787,484)	(378,512,745)	(31,345,813)
Share of profit from investments in associates and joint ventures	10	962,451,696	1,002,124,203	-	-
Profit before income tax expenses		1,099,078,483	1,161,695,943	17,983,853	99,778,376
Income tax (expense) income	24	(44,611,171)	(20,423,119)	9,110,447	(2,785,985)
Profit for the year		1,054,467,312	1,141,272,824	27,094,300	96,992,391
Other comprehensive income :					
Items that will not be reclassified to loss on remeasurement of defined employee benefit plans, net of tax		(6,117,853)	-	(1,639,535)	-
Currency translation differences		(9,433,707)	-	-	-
Total comprehensive income for the year		1,038,915,752	1,141,272,824	25,454,765	96,992,391
Profit attributable to:					
Owners of the parent		369,474,854	157,116,191	27,094,300	96,992,391
Non-controlling interest from business combination under common control		684,992,413	984,156,602	-	-
Non-controlling interests		45	31	-	-
Total income for the year		1,054,467,312	1,141,272,824	27,094,300	96,992,391
Total comprehensive income attributable to:					
Owners of the parent		353,923,294	157,116,191	25,454,765	96,992,391
Non-controlling interest from business combination under common control		684,992,413	984,156,602	-	-
Non-controlling interests		45	31	-	-
Total comprehensive income for the year		1,038,915,752	1,141,272,824	25,454,765	96,992,391
Earnings per share					
Basic earnings per share	25	0.79	1.22	0.06	0.75

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

Statement of Changes in Equity

WHA Utilities and Power Public Company Limited
(Formerly "Hemaraj Clean Water Company Limited")

For the year ended 31 December 2016

Consolidated financial statements														
Notes	Attributable to owners of the parent						Non-controlling interests							
	Other components of equity													
	Retained earnings													
	Issued and paid-up share capital	Appropriated - legal reserve	Unappropriated	Surplus from business combination under common control	Gain(loss) on rereasurement of defined employee benefit plans	Exchange differences on translating financial statements	Non-controlling interests from business combination under common control	Other non-controlling interests	Other non-controlling interests	Total non-controlling interests	Other non-controlling interests	Total non-controlling interests	Total equity	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2016														
- previously reported	645,000,000	34,896,716	254,048,842	-	55,615	-	934,001,173	-	61	61	934,001,234			
Retrospective adjustments - business combination under common control - power business	3	-	-	-	-	-	-	9,166,179,283	-	-	9,166,179,283			
Beginning balance as at 1 January 2016 - Restated	645,000,000	34,896,716	254,048,842	-	55,615	-	934,001,173	9,166,179,283	61	9,166,179,344	10,100,180,517			
Issuance ordinary shares	21	2,555,000,000	-	-	-	-	2,555,000,000	-	-	-	2,555,000,000			
Legal reserve	20	-	1,354,715	(1,354,715)	-	-	-	-	-	-	-			
Dividend from a subsidiary paid to non-controlling interests		-	-	-	-	-	-	-	(32)	(32)	(32)			
Transfer of the business combination - water business	30	-	-	1,278,364,530	-	-	1,278,364,530	-	-	-	1,278,364,530			
Transfer of the business combination - power business	30	-	-	2,298,194,001	-	-	2,298,194,001	(9,851,171,696)	-	(9,851,171,696)	(7,552,977,695)			
Transfer of non-controlling interest		-	-	-	-	-	-	-	20	20	20			
Total comprehensive income for the year		-	369,474,854	-	(6,117,853)	(9,433,707)	353,923,294	684,992,413	45	684,992,458	1,038,915,752			
Ending balance as at 31 December 2016	3,200,000,000	36,251,431	622,168,981	3,576,558,531	(6,062,238)	(9,433,707)	7,419,482,998	-	94	94	7,419,483,092			

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

Statement of Changes in Equity (Cont)

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)

For the year ended 31 December 2016

Consolidated financial statements											
Attributable to owners of the parent						Non-controlling interests					
Other components of equity											
		Retained earnings		Other comprehensive income		Non-controlling interests from business combination under common control		Non-controlling interests		Total Other	
		Appropriated - legal reserve		Gain on remeasurement of defined employee benefit plans		Total owner of the parent		Non-controlling interests		Non-controlling interests	
		Issued and paid-up share capital	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Notes											
Beginning balance as at 1 January 2015											
	20	645,000,000	33,242,599	130,838,768	55,615	809,134,982	-	118	118		809,135,100
		-	1,654,117	(1,654,117)	-	-	-	-	-		-
	26	-	-	(32,250,000)	-	(32,250,000)	-	-	-		(32,250,000)
Addition of investment in subsidiaries by purchasing shares from non-controlling interest											
Non-controlling interest from business combination under common control (Restated)											
		-	-	-	-	-	-	(70)	(70)		(70)
Dividends from a subsidiary paid to non-controlling interests (Restated)											
		-	-	-	-	-	(1,037,296,763)	(18)	(1,037,296,781)		(1,037,296,781)
Total comprehensive income for the year											
		-	-	157,116,191	-	157,116,191	984,156,602	31	984,156,633		1,141,272,824
Ending balance											
as at 31 December 2015 - Restated											
		645,000,000	34,896,716	254,048,842	55,615	934,001,173	9,166,179,283	61	9,166,179,344		10,100,180,517

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

Statement of Changes in Equity (Cont)

WHA Utilities and Power Public Company Limited
(Formerly "Hemaraj Clean Water Company Limited")
For the year ended 31 December 2016

Separate financial statements									
Other components of equity									
Other									
comprehensive income									
Gain (Loss) on									
remeasurement of defined									
employee benefit plans									
Baht									
Baht									
Total equity									
Baht									
Notes									
Issued and paid-up share capital									
Appropriated - legal reserve									
Baht									
Unappropriated									
Baht									
Surplus from business combination under common control									
Baht									
Baht									
Beginning balance as at 1 January 2016									
21	Issuance increase in ordinary shares	645,000,000	34,896,716	107,591,620	-	55,615	787,543,951		
20	Legal reserve	2,555,000,000	-	-	-	-	2,555,000,000		
30	Surplus from business combination under common control	-	1,354,715	(1,354,715)	-	-	-		
	Total comprehensive income for the year	-	-	27,094,300	-	(1,639,535)	25,454,765		
	Ending balance as at 31 December 2016	3,200,000,000	36,251,431	133,331,205	1,278,364,530	(1,583,920)	4,646,363,246		

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

Statement of Changes in Equity (Cont)

WHA Utilities and Power Public Company Limited
(Formerly "Hemaraj Clean Water Company Limited")
For the year ended 31 December 2016

		Separate financial statements					
		Retained earnings			Other components of equity		
		Issued and paid-up share capital	Appropriated - legal reserve		Gain on remeasurement of defined employee benefit plans	Other comprehensive income	Total
		Baht	Baht	Baht	Baht	Baht	Baht
Notes							
	Beginning balance as at 1 January 2015	645,000,000	33,242,599	44,503,346	55,615		722,801,560
20	Appropriated - legal reserve	-	1,654,117	(1,654,117)	-		-
26	Dividends paid	-	-	(32,250,000)	-		(32,250,000)
	Total comprehensive income for the year	-	-	96,992,391	-		96,992,391
	Ending balance as at 31 December 2015	645,000,000	34,896,716	107,591,620	55,615		787,543,951

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

Statement of Cash Flows

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		Restated			
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities					
Profit before income tax		1,099,078,483	1,161,695,943	17,983,853	99,778,376
Adjustments for:					
(Reversal)doubtful accounts		(1,840,489)	831,168	(1,840,489)	831,168
Share of profit from investments in associates and joint ventures	10	(962,451,696)	(1,002,124,203)	-	-
Gain on sales from investments in joint venters		(784,116)	-	-	-
Depreciation	11	121,123,214	64,908,145	112,688,657	52,357,426
Loss from disposal of assets		-	336,876	-	336,876
Amortisation of right to operate and distribute industrial water and intangible assets	12, 13	39,095,080	22,360,000	39,095,080	22,360,000
Amortisation of long-term investments		13,910,695	11,022,135	-	-
Employee benefit obligations		133,325	123,754	5,731,223	123,754
Provision for maintenance		-	3,598,692	-	3,197,869
Dividend income		(22,500,751)	-	(150,499,970)	(89,999,982)
Interest income		(61,120,911)	(286,957)	(28,700,230)	(784,550)
Finance costs - interest expense	22	403,963,428	46,787,484	378,512,745	31,345,813
		628,606,262	309,253,037	372,970,869	119,546,750
Changes in operating assets and liabilities					
Trade and other receivables, net		(160,029,472)	(18,231,272)	(142,201,887)	(13,931,987)
Revenue department receivable		(162,696,878)	(5,602,832)	(164,350,579)	(5,595,872)
Other current assets		(2,453,109)	(486,022)	(1,793,908)	(991,705)
Other non-current assets		(6,166,683)	-	(6,166,683)	-
Trade and other payables		20,232,687	(13,679,191)	54,554,064	3,466,736
Advance received income		(28,521,600)	-	(28,521,600)	-
Other current liabilities		13,628,901	(6,058,383)	9,404,329	(6,475,155)
Employee benefit obligations	19	(165,940)	-	(165,940)	-
Provision for liabilities from water business		(5,836,571)	-	(5,836,571)	-
Other non-current liabilities		(789,015)	(198,160)	(789,015)	(222,160)
Cash generated from operating activities		295,808,582	264,997,177	87,103,079	95,796,607
Finance costs - interest expense		(206,721,111)	(78,989,877)	(180,934,758)	(46,823,520)
Cash paid for corporate income tax		(30,786,117)	(20,599,353)	(4,247,413)	(643,977)
Net cash (used in) generated from operating activities		58,301,354	165,407,947	(98,079,092)	48,329,110
Cash flows from investing activities					
Payments for short-term loans to related party	29.3	(1,432,900,000)	-	(783,346,506)	(20,000,000)
Cash received from short-term loans to related party	29.3	-	-	190,360,883	35,000,000
Cash paid for acquisition of investments in associates	10.1	(731,180,404)	(325,534,529)	-	-
Cash paid for acquisition of investments in subsidiaries	10.3	(7,500,752,675)	-	(8,978,000,000)	(100,000,070)
Cash paid for acquisition of investment in joint ventures		(69,325,013)	-	-	-
Purchases of building and equipment		(160,217,373)	(211,299,751)	(159,116,102)	(210,592,546)
Cash paid for acquisition of the water business	30.1	(2,744,000,000)	-	(2,744,000,000)	-
Interest received		4,786,349	286,957	15,157,041	979,756
Cash received from disposal of investments in joint ventures		1,274,997	-	-	-
Dividends received from associates		651,522,830	29,075,626	-	-
Dividends received from subsidiaries		-	-	150,499,970	129,999,958
Dividends received from other companies		5,001,750	-	-	-
Cash received from right to operate and distribute industrial water	12	235,763,639	-	235,763,639	-
Net cash used in investing activities		(11,740,025,900)	(507,471,697)	(12,072,681,075)	(164,612,902)

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

Statement of Cash Flows (Cont)

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)
For the year ended 31 December 2016

		Consolidated financial statements		Separate financial statements	
			Restated		
		2016	2015	2016	2015
Notes		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Proceeds from short-term borrowings from related parties	29.4	11,258,612,908	600,500,000	11,303,612,908	273,000,000
Repayment of short-term borrowings from related parties	29.4	(12,531,112,908)	(110,000,000)	(12,065,612,908)	(21,000,000)
Proceeds from long-term borrowings from financial institutions	17	10,499,000,000	-	10,499,000,000	-
Proceeds from capital increase	21	2,555,000,000	-	2,555,000,000	-
Cash paid for deferred financing fee on long-term borrowings from financial insitutions	17	(104,990,000)	-	(104,990,000)	-
Dividends paid to shareholders		-	(122,550,000)	-	(122,550,000)
Cash paid for non-controlling interests		-	(70)	-	-
Dividend paid from a subsidiaries to non-controlling interests		(32)	(42)	-	-
Net cash generated from financing activities		11,676,509,968	367,949,888	12,187,010,000	129,450,000
Net increase (decrease) in cash and cash equivalents		(5,214,578)	25,886,138	16,249,833	13,166,208
Cash and cash equivalents - beginning balance		95,844,185	69,958,047	40,085,276	26,919,068
Proceeds from business combination under common control		56,846,766	-	-	-
Cash and cash equivalents - ending balance		147,476,373	95,844,185	56,335,109	40,085,276

Non-cash transactions

Significant non-cash transactions for the year ended 31 December are as follows:

1) Payables for purchases of fixed assets	15,996,578	39,998,351	15,996,585	39,998,351
2) Other receivables from a joint venture's reduction of their share capital	17,104,379	-	-	-

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

Notes to the Consolidated and Separate Financial Statements

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)

For the year ended 31 December 2016

1. General information

WHA Utilities and Power Public Company Limited (Formerly “Hemaraj Clean Water Company Limited”) (“the Company”) was incorporated under the Civil and Commercial Code of Thailand on 30 June 2008 and has registered the conversion to a public company limited on 10 August 2016. Hemaraj Land and Development Public Company Limited (“Parent Company”) has acquired 82.31% of the Company’s shares, in which WHA Corporation Public Company Limited is an ultimate parent company of the Group.

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”. Hemaraj Land and Development Public Company Limited is a parent company of the Group.

The Group’s major business are to produce and distribute the industrial water, provide wastewater treatment service in Industrial Estate and invest in power business.

The Company’s head office is located at 24th floor, UM Tower, 9/241-242 Ramkhamhaeng Road, Suanluang subdistrict, Suanluang district, Bangkok, 10250.

The consolidated and separate financial statements have been authorised for issue by the Board of Director on 22 February 2017.

2. Accounting policies

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

2.1 Basis for preparation

The consolidated and separate 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 separate 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.

During the year, the Company has changed the useful lives of raw water pipes and industrial water system in accordance with the future economic benefits from 15 years to 25 years and from 10 - 20 years to 10 - 30 years, respectively. The effect of change in useful lives of those assets was made a relative decrease in depreciation expense for the year of Baht 22.62 million.

An English version of the consolidated and separate 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 (continued)

2.2 Reclassification

Comparative figures have been reclassified to conform with the actual nature of the transaction the current year. The effects of the reclassifications are as follows:

	Consolidated financial statements		
	As previously reported Baht	Reclassification increase (decrease) Baht	Amount after reclassification Baht
Statement of financial position as at 31 December 2015			
Trade and other payables	160,987,081	(28,521,600)	132,465,481
Advance received income from related parties	-	28,521,600	28,521,600
	Separate financial statements		
	As previously reported Baht	Reclassification increase (decrease) Baht	Amount after reclassification Baht
Statement of financial position as at 31 December 2015			
Trade and other payables	121,734,158	(28,521,600)	93,212,558
Advance received income from related parties	-	28,521,600	28,521,600

2.3 Revised accounting standards, revised financial reporting standards, and related interpretations

The Group has applied the revised accounting standards, revised financial reporting standards, and related interpretations which are effective on 1 January 2016 and relevant to the Group. The application of those financial reporting standards does not have significant impact to the financial statement.

The Group has not yet early adopted the revised accounting standards, revised financial reporting standards, and related interpretations which are effective on 1 January 2017.

2.4 Group accounting - Investments in subsidiaries, associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method 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 to the former owners of acquiree and the equity interests issued by the Group. 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 Group 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.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2. Accounting policies (continued)

2.4 Group accounting - Investments in subsidiaries, associates and interests in joint ventures (continued)

(1) Subsidiaries (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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 identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured 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 on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, 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.

A test for impairment for investments in subsidiaries is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the profit or loss.

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. 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.

(3) Disposal of subsidiaries

When the Group ceases to have control, 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 Group had directly disposed of the related assets or liabilities.

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2. Accounting policies (continued)

2.4 Group accounting - Investments in subsidiaries, associates and interests in joint ventures (continued)

(4) Associates (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit (loss) of associates in the statement of income.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the company's separated financial statements, investments in associates 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.

(5) Joint arrangements

Investments in joint arrangements are classified as joint ventures. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long - term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 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.

2. Accounting policies (continued)

2.5 Foreign currency translation (continued)

(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. 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.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

2.6 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.7 Trade accounts receivable

Trade accounts receivable are carried at the 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 selling and marketing costs.

2.8 Other long-term investment

Investments in non-marketable equity securities are classified as general investment.

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

Other long-term investments are carried at cost less impairment loss.

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 income statement.

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. Accounting policies (continued)

2.9 Building and equipment

Building 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 assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and structure	30 years
Industrial water production system	10 - 30 years
Raw water pipe	25 years
Buildings improvements	5 years
Equipment, furniture and fixtures	5 years
Tools	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. (See note 2.13)

Interest costs on borrowings to finance the construction of property, plant and equipment or the production of a qualifying asset are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use.

The borrowing costs include:

- interest on bank overdrafts, and short-term borrowings and long-term borrowings, including related taxes;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost.

Any other borrowing costs will be recognised as expenses in the income statement.

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.

2.10 Leasehold rights

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

2. Accounting policies (continued)

2.11 Intangible assets

Exclusive right

Exclusive right in sale of water to customers in the real estate, acquired on business combination, is recognised at fair value at the date of acquisition. There will be no reassessment on the asset value. Amortisation is reassessment on an annual basis for 50 years in each project, adjusted for impairment, if any.

2.12 Right to operate and distribute the industrial water

Right to operate and distribute the industrial water is carried at cost less accumulate amortization and accumulated impairment losses (if any). This cost are amortised using the straight-line method over 25 years, as periods of contractual rights.

2.13 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 are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Leases

Lease - where the Group is the lessee

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.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership 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 property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2. Accounting policies (continued)

2.15 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.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessary take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 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 and its subsidiaries 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.

2. Accounting policies (continued)

2.16 Current and deferred income taxes (continued)

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.

2.17 Employee Benefit

The Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

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.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 1987. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group's employee benefits comprise of typically post-employment benefits. 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 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 by independent actuaries 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 or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2. Accounting policies (continued)

2.18 Provisions

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 can be 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.

2.19 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.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group.

Income and cost of services are recognised on the accrual basis. Service income represents income received from sales of industrial water and clarified water. Cost of services represents cost incurred from providing of such services.

Recognition of service revenue is terminated for customers with discontinued operations or inability to pay.

Interest income is recognised by the accrual basis.

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

2.21 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.

2.22 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 of portable water, raw water and power business. Since major business operations occur in Thailand, there has been presented segment information by business only.

2. Accounting policies (continued)

2.23 Adoption of new accounting policy

The accounting policies used in the preparation of annual financial statements for the year ended 31 December 2016 are consistent with those used in the preparation of prior year annual financial statements, except for the new accounting policy as following.

a) Business combination under common control

The transfer of water business within the Group (Note 30) fell within the scope of the business combination under common control. The Company has applied the accounting treatment according to the accounting guidance for business combination under common control. Assets and liabilities acquired are recognised at the predecessor carrying value right before the business combination. The differences between the acquisition value and the net book value are presented as surplus from business combination under common control in equity.

The consolidated financial statements for the year ended 31 December 2016 and 2015 were not be able to be adjusted retrospectively for the transfer of water business segment under common control. The company, thus, applied the exemption under Thai Accounting Standard 8 (revised 2015) "Accounting Policies, Changes in Accounting Estimates, and Errors" in doing the prospective adjustments.

For the transfer of power business, the Company did the retrospective adjustments for the business combination under common control. The retrospective adjustments were adjusted to 17 March 2015, the date on which the common control was established. This was not before beginning of the preceding comparative period (1 January 2015) (Note 3).

b) Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the transferred business at the date of transferring. Goodwill on transferring of business are separately reported in the statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to Cash-Generating Units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

3. Retrospective adjustments for business combination under control

During the year the water and electricity business segment of the parent company's group was transferred to the Company. The transfer of businesses were considered as business combination under common control. The business combination under common control are accounted for using the concept of Predecessor Accounting and retrospective adjustment to financial statements (Note 30).

Effects of retrospective adjustments pertaining to the business combination under common control to the financial statements for the year ended 31 December 2015 are as follows:

Statement of financial position as at 31 December 2015	Consolidated financial statements		
	As previously Reported Baht	Adjustments Baht	Restated Baht
Investments in associates	730,049,968	6,464,037,001	7,194,086,969
Investments in joint venture	553,245	264,165,607	264,718,852
Other long-term investments	-	309,086,276	309,086,276
Goodwill	-	2,162,207,653	2,162,207,653
Deferred tax liabilities	-	33,317,255	33,317,255
Non-controlling interest from business combination under common control	-	9,166,179,283	9,166,179,283

Statement of comprehensive income for the year ended 31 December 2015	Consolidated financial statements		
	As previously Reported Baht	Adjustments Baht	Restated Baht
Administrative expenses	34,282,411	11,359,011	45,641,422
Share of gain from investments in associates and joint ventures	9,149,894	992,974,309	1,002,124,203
Income tax expense	22,627,546	(2,204,427)	20,423,119

4. Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including the effects of changes in interest rate 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. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

4.1.1 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, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

4.1.2 Credit risk

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

4. Financial risk management (continued)

4.1 Financial risk factors (continued)

4.1.3 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.

4.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

5. Critical accounting estimates, assumptions 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.

5.1 Critical accounting estimates, assumptions

(a) Provision for liabilities from water business

The Group estimates the liabilities according to the Strategic Partnership Agreement and Right Lease Agreement to operate the industrial water business and the waste water management business by determining the demand of sales and services, price and relevant factors. The Group use future cash flow that expect to pay under the agreement and discounted with the rate which is reflected with related risk.

(b) Plant and equipment, and depreciation

In determining depreciation of plant and equipment the management is required to make estimates of the useful lives and residual values of plant and equipment and to review estimated useful lives and residual values when there are any changes.

5.2 Critical judgements in applying the entity's accounting policies

(a) Joint arrangement

The Group holds share over 50% of the voting rights of its joint arrangements, The Group has joint control over these arrangements as under the contractual agreements, unanimous consent is required from all parties to the agreements for all major decisions.

The Group's joint arrangements are structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangements are classified as a joint ventures.

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.

7. Segment information

The Group reported operating segments 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 factors used to identify the Group's reportable segments include types of products and services, and geographical areas. There are two reportable segments i.e. (1) water business and (2) power business.

The Board of Director assesses the performance of the operating segments based on revenues from segment. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The Group's revenues between segments are carried out at arm's length. The revenue from external parties reported to the Board of Director is measured in a manner consistent with that in the statement of comprehensive income.

7. Segment information (continued)

7.1 The information of revenue and profit in business segments for the years ended 31 December 2016 and 2015 were as follows:

	2016			2015 (Restated)		
	Utility Business Baht	Power Business Baht	Total Baht	Utility Business Baht	Power Business Baht	Total Baht
Sales income	1,303,820,276	-	1,303,820,276	852,948,971	-	852,948,971
Services income	163,698,886	-	163,698,886	-	-	-
Total	1,467,519,162	-	1,467,519,162	852,948,971	-	852,948,971
Gain from operations	472,812,964	(15,172,550)	457,640,414	217,802,408	(11,761,218)	206,041,190
Other income	8,019,091	66,396,528	91,914,619	307,326	10,708	318,034
Director's remuneration	(8,964,818)	-	(8,964,818)	-	-	-
Finance costs	(134,293,896)	(269,669,532)	(403,963,428)	(31,345,813)	(15,441,671)	(46,787,484)
Share of profit from investments in associates and joint ventures	-	962,451,696	962,451,696	-	1,002,124,203	1,002,124,203
(Expense) income tax expenses	(30,759,394)	(13,851,777)	(44,611,171)	(22,627,546)	2,204,427	(20,423,119)
Profit for the year	306,813,947	747,653,365	1,054,467,312	164,136,375	977,136,449	1,141,272,824
Non-controlling interest from business combination under common control			(684,992,413)			(984,156,602)
Net profit attributable to non-controlling interests			(45)			(31)
Net profit attributable to equity-holders of the parent			369,474,854			157,116,191

For the year ended 31 December 2016, the Group has 4 significant customers that are accounted for at least 10% each of the Group's total revenue from sales and services income from the utility segment, amounting Baht 443,274,030.

7. Segment information (continued)

7.2 Business segment information in the consolidated financial statements as of 31 December was as follows:

	2016			2015 (Restated)		
	Water Business Baht	Power Business Baht	Total Baht	Water Business Baht	Power Business Baht	Total Baht
Cash and cash equivalents	138,959,359	8,517,014	147,476,373	90,143,163	5,701,022	95,844,185
Investments in associates	-	8,202,340,466	8,202,340,466	-	7,194,086,969	7,194,086,969
Investments in joint ventures	-	247,595,655	247,595,655	-	264,718,852	264,718,852
Other long-term investments	-	295,175,582	295,175,582	-	309,086,276	309,086,276
Building and equipment, net	2,823,597,831	-	2,823,597,831	1,019,414,665	-	1,019,414,665
Right for production and distribution of industrial water, net	143,382,279	-	143,382,279	391,208,110	-	391,208,110
Intangible assets, net	2,025,436,573	-	2,025,436,573	-	-	-
Goodwill	610,669,873	2,162,207,653	2,772,877,526	-	2,162,207,653	2,162,207,653
Other	486,653,462	1,507,559,833	1,994,213,295	151,419,809	4,675,360	156,095,169
Total assets	6,228,699,377	12,423,396,203	18,652,095,580	1,652,185,747	9,940,476,132	11,592,661,879

8. Cash and cash equivalents

As at 31 December, cash and cash equivalents comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash	2,589,589	1,156,579	2,559,589	1,150,579
Deposits at financial institutions	144,886,784	94,687,606	53,775,520	38,934,697
Total	147,476,373	95,844,185	56,335,109	40,085,276

The interest rates on deposits are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 % per annum	2015 % per annum	2016 % per annum	2015 % per annum
Deposits held at call with banks	0.10 - 0.625	0.05 - 2.08	0.10 - 0.625	0.10 - 0.40

9. Trade and other receivables, net

As at 31 December, trade and other receivables, net comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade receivables from other parties	219,336,151	79,389,797	126,687,269	36,377,222
<u>Less</u> Allowance for doubtful account	(7,030)	(1,847,518)	(7,030)	(1,847,518)
Trade accounts receivable, net	219,329,121	77,542,279	126,680,239	34,529,704
Prepaid expenses	7,460,031	4,765,529	7,380,294	280,442
Accrued income	43,249,296	22,669,277	35,122,102	9,422,947
Other receivables	73,471,041	7,350,070	13,575,289	7,350,070
Receivables from related parties (Note 29.2)	4,379,711	1,144	34,757,948	8,347,144
Total	347,889,200	112,328,299	217,515,872	59,930,307

9. Trade and other receivables, net (continued)

As at 31 December, trade accounts receivable were classified by aging as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within due	211,292,352	69,664,835	118,643,470	26,652,260
Over due				
Up to 3 months	8,036,770	7,877,444	8,036,770	3,704,444
Over 3 - 6 months	-	436,499	-	4,609,499
Over 6 - 12 months	6,778	371,668	6,778	371,668
Over 12 months	251	1,039,351	251	1,039,351
Total	219,336,151	79,389,797	126,687,269	36,377,222
<u>Less</u> Allowance for doubtful accounts	(7,030)	(1,847,518)	(7,030)	(1,847,518)
Trade receivables, net	<u>219,329,121</u>	<u>77,524,279</u>	<u>126,680,239</u>	<u>34,529,704</u>

As at 31 December, outstanding amounts due from related parties can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within due	3,854,271	1,144	32,681,008	4,174,144
Over due				
Up to 3 months	525,440	-	2,076,940	4,173,000
Total	4,379,711	1,144	34,757,948	8,347,144
Receivables from related parties	<u>4,379,711</u>	<u>1,144</u>	<u>34,757,948</u>	<u>8,347,144</u>

10. Investments in subsidiaries, associates and interests in joint venture

10.1 Investments in associates

Associates	Country of incorporation	Type of business	Proportion of ordinary shares held by the Company (%)		Proportion of ordinary shares held by the Group (%)	
			2016	2015	2016	2015
Gulf JP NLL Company Limited	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf JP NLL 2 Company Limited	Thailand	Power plant operation and sale of electricity	-	-	25	-
Gulf Solar Company Limited and subsidiaries	Thailand	Holding company	-	-	25	25
Gulf Solar KKS Limited*	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf Solar BV Limited*	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf Solar TS1 Limited*	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf Solar TS2 Limited*	Thailand	Power plant operation and sale of electricity	-	-	25	25
Bowin Clean Energy Limited	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf VTP Company Limited	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf TS1 Company Limited	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf TS2 Company Limited	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf TS3 Company Limited	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gulf TS4 Company Limited	Thailand	Power plant operation and sale of electricity	-	-	25	25
Gheco-One Company Limited	Thailand	Power plant operation and sale of electricity	-	-	35	35

* Indirectly owned by the Group

10. Investments in subsidiaries, associates and interests in joint venture (continued)

10.1 Investments in associates (continued)

The movements of investments in associates for the year ended 31 December are as follows:

	Consolidated financial statement	
	2016 Baht	Restated 2015 Baht
Opening net book amount	7,194,086,969	424,346,026
Additions	731,180,404	6,829,010,051
Share of net profits after tax	928,595,923	988,533,870
Dividends received	(651,522,830)	(1,047,802,978)
Closing net book amount	<u>8,202,340,466</u>	<u>7,194,086,969</u>

Material associate

The associate of the Group which, in the opinion of the directors, is material to the Group is GHECO - One Company Limited. Summarised financial statements for material associate is as follows:

Summarised statement of financial position of GHECO-One

	2016 Baht	2015 Baht
Current assets		
Cash and cash equivalents	2,720,026,600	2,239,254,652
Other current assets (excluding cash)	<u>4,536,372,250</u>	<u>5,087,875,437</u>
Total current assets	<u>7,256,398,850</u>	<u>7,327,130,089</u>
Non-current assets	<u>34,191,778,841</u>	<u>35,148,069,172</u>
Current liabilities		
Financial liabilities (excluding trade payables)	6,622,574,276	6,113,047,142
Other current liabilities (including trade payables)	<u>619,369,404</u>	<u>1,187,260,127</u>
Total current liabilities	<u>7,241,943,680</u>	<u>7,300,307,269</u>
Non-current liabilities		
Financial liabilities	14,422,647,887	16,407,655,998
Other non-current liabilities	<u>295,205,790</u>	<u>297,702,865</u>
Total non-current liabilities	<u>14,717,853,677</u>	<u>16,705,358,863</u>
Net assets	<u>19,488,380,334</u>	<u>18,649,533,129</u>

10. Investments in subsidiaries, associates and interests in joint venture (continued)

10.1 Investments in associates (continued)

Summarised statement of comprehensive income of GHECO-One

	2016 Baht	2015 Baht
Revenue	11,722,404,672	13,422,529,690
Depreciation and amortisation	(1,085,163,608)	(1,094,959,730)
Interest income	11,880,406	8,384,381
Interest expense	(1,259,858,064)	(1,318,182,266)
Profit before income tax	(2,881,273,167)	(3,542,745,981)
Income tax expense	(1,423,560)	(151,251,504)
Profit for the year	2,879,849,607	3,391,494,477
Total comprehensive income	2,879,849,607	3,391,494,477
Dividends received from associate	651,350,835	1,018,727,352

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate.

Reconciliation of the summarised financial information of GHECO-One

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the material associate is as follows:

	2016 Baht	2015 Baht
Opening net assets	18,469,533,129	17,988,688,251
Profit for the year	2,879,849,607	3,391,494,477
Dividend	(1,861,002,402)	(2,910,649,599)
Closing net assets	19,488,380,334	18,469,533,129
Interest in associates (35%)	6,820,628,136	6,464,031,617
Carrying value	6,820,628,136	6,464,031,617

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	2016 Baht	2015 Baht
Total book value of the equity in associates are recorded by equity method per each non-significant	1,381,712,330	730,055,352
Total share from investment in associates Profit (loss) from continued operations	(79,351,432)	9,245,039

10. Investments in subsidiaries, associates and interests in joint venture (continued)

10.2 Investments in joint ventures

Joint venture	Incorporated country	Type of business	Proportion of ordinary shares held by the Company (%)		Proportion of ordinary shares held by the Group (%)	
			2016	2015	2016	2015
Glow Hemaraj Wind Company Limited*	Thailand	Power plant operation and sale of electricity	-	-	33	51
WHA Gunkul Green Solar Roof 1 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 2 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 3 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 4 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 5 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 6 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 8 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 9 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 10 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 16 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
WHA Gunkul Green Solar Roof 17 Co., Ltd.	Thailand	Power plant operation and sale of electricity	-	-	75	-
Eastern Seaboard clean Energy Co., Ltd	Thailand	Holding company	-	-	33	-
Chonburi Clean Energy Co., Ltd.	Thailand	Power generation from renewable energy	-	-	33	-
Rayong Clean Energy Co., Ltd.	Thailand	Power generation from renewable energy	-	-	33	-
Houay Ho Thai Company Limited	Thailand	Holding Company	-	-	51	51

All joint ventures are private companies and there are no quoted market price available for its shares.

* Indirectly owned by the Group

The movements of investments in joint ventures for the year ended 31 December are as follows:

	Consolidated financial statements	
	2016 Baht	Restated 2015 Baht
Opening net book value of the year	264,718,852	648,390
Additions	12,769,996	269,049,539
Disposals	(490,881)	-
Capital reductions	(53,824,378)	-
Exchange differences in financial statement translation	(9,433,707)	-
Share of net profits after tax	33,855,773	13,590,333
Dividend received	-	(18,569,410)
Closing net book value of the year	247,595,655	264,718,852

10. Investments in subsidiaries, associates and interests in joint venture (continued)

10.2 Investments in joint ventures (continued)

During the year 2016, the Group jointly invested in 16 companies. The Group has no commitments and contingent liabilities relating to the Group's interests in joint ventures.

Individually immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

	2016 Baht	Restated 2015 Baht
Aggregate carrying amount of individually immaterial joint ventures	247,595,655	264,718,852
Aggregate amounts of the Group's share of:		
Profit for the year	33,855,773	13,590,333
Other comprehensive income	(9,433,707)	-
Total comprehensive income	24,422,066	13,590,333

10.3 Investments in subsidiaries

Subsidiaries	Country of incorporation	Type of business	Proportion of ordinary shares held by the Company (%)		Proportion of ordinary shares held by the Group (%)	
			2016	2015	2016	2015
WHA Water Company Limited (Former "Hemaraj Water Co., Ltd")	Thailand	Water resources, development and management	99.99	99.99	-	-
WHA Energy Company Limited (Former "Hemaraj Energy Co., Ltd.")	Thailand	Holding company	99.99	99.99	-	-
WHA Energy 2 Company Limited (Former "Hemaraj Energy 2 Co., Ltd.")	Thailand	Holding company	-	-	99.99	-

The movements of investments in subsidiaries for the year ended 31 December are as follows:

	Separate financial statements	
	2016 Baht	2015 Baht
Opening net book amount	301,499,959	201,499,889
Additions	8,978,000,000	100,000,070
Closing net book amount	9,279,499,959	301,499,959

11. Building and equipment, net

	Consolidated financial statements								
	Buildings improvements	Building and structure	Tools	Equipment, furniture and fixtures	Raw water pipe	Industrial water production system	Waste water treatment systems	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2016									
Cost	1,955,328	45,696,186	50,196,327	348,648	579,185,217	451,040,589	-	125,706,583	1,254,128,878
Less Accumulated depreciation	(1,635,347)	(12,124,367)	(23,658,293)	(235,096)	(113,289,304)	(83,771,806)	-	-	(234,714,213)
Net book amount	319,981	33,571,819	26,538,034	113,552	465,895,913	367,268,783	-	125,706,583	1,019,414,665
For the year ended 31 December 2016									
Opening net book amount	319,981	33,571,819	26,538,034	113,552	465,895,913	367,268,783	-	125,706,583	1,019,414,665
Additions	77,570	5,420,561	7,181,462	1,765,879	12,319,626	345,796	-	109,104,706	136,215,600
Transfers in (out)	-	-	162,400	2,318,748	144,897,241	62,060,175	-	(209,438,564)	-
Addition from water business (Note 30.1)	3,117,887	218,882,272	52,604,742	-	1,016,225,000	290,954,657	207,306,222	-	1,789,090,780
Depreciation expense (Note 23)	(343,962)	(7,373,542)	(18,258,408)	(185,277)	(62,141,182)	(27,388,126)	(5,432,717)	-	(121,123,214)
Closing net book amount	3,171,476	250,501,110	68,228,230	4,012,902	1,577,196,598	693,241,285	201,873,505	25,372,725	2,823,597,831
At 31 December 2016									
Cost	5,150,785	269,999,019	110,144,931	4,433,275	1,752,627,084	804,401,217	207,306,222	25,372,725	3,179,435,258
Less Accumulated depreciation	(1,979,309)	(19,497,909)	(41,916,701)	(420,373)	(175,430,486)	(111,159,932)	(5,432,717)	-	(355,837,427)
Net book amount	3,171,476	250,501,110	68,228,230	4,012,902	1,577,196,598	693,241,285	201,873,505	25,372,725	2,823,597,831

11. Building and equipment, net (continued)

	Consolidated financial statements							
	Buildings improvements	Building and structure	Tools	Equipment, furniture and fixtures	Raw water pipe	Industrial water production system	Construction in progress	Total
At 1 January 2015								
Cost	1,955,328	46,191,186	48,937,999	396,448	433,758,904	303,581,469	197,269,253	1,032,090,587
Less Accumulated depreciation	(1,284,282)	(9,973,411)	(15,242,900)	(223,675)	(80,667,375)	(62,717,049)	-	(170,108,692)
Net book amount	671,046	36,217,775	33,695,099	172,773	353,091,529	240,864,420	197,269,253	861,981,895
For the year ended 31 December 2015								
Opening net book amount	671,046	36,217,775	33,695,099	172,773	353,091,529	240,864,420	197,269,253	861,981,895
Additions	-	-	1,355,028	-	5,029,225	-	216,293,538	222,677,791
Transfers in (out)	-	-	-	-	140,397,088	147,459,120	(287,856,208)	-
Disposals	-	(495,000)	(96,700)	(47,800)	-	-	-	(639,500)
Accumulated depreciation for disposals	-	158,128	96,697	47,799	-	-	-	302,624
Depreciation expense (Note 23)	(351,065)	(2,309,084)	(8,512,090)	(59,220)	(32,621,929)	(21,054,757)	-	(64,908,145)
Closing net book amount	319,981	33,571,819	26,538,034	113,552	465,895,913	367,268,783	125,706,583	1,019,414,665
At 31 December 2015								
Cost	1,955,328	45,696,186	50,196,327	348,648	579,185,217	451,040,589	125,706,583	1,254,128,878
Less Accumulated depreciation	(1,635,347)	(12,124,367)	(23,658,293)	(235,096)	(113,289,304)	(83,771,806)	-	(234,714,213)
Net book amount	319,981	33,571,819	26,538,034	113,552	465,895,913	367,268,783	125,706,583	1,019,414,665

11. Building and equipment, net (continued)

Separate financial statements										
		Buildings improvements	Building and structure	Tools	Equipment, furniture and fixtures	Raw water pipe	Industrial water production system	Waste water treatment systems	Construction in progress	Total
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2016										
Cost		1,955,328	45,696,186	46,554,029	348,648	554,241,759	240,855,108	-	125,706,583	1,015,357,641
Less Accumulated depreciation		(1,635,347)	(12,124,367)	(20,835,492)	(235,096)	(108,754,089)	(19,847,957)	-	-	(163,432,348)
Net book amount		319,981	33,571,819	25,718,537	113,552	445,487,670	221,007,151	-	125,706,583	851,925,293
For the year ended 31 December 2016										
Opening net book amount		319,981	33,571,819	25,718,537	113,552	445,487,670	221,007,151	-	125,706,583	851,925,293
Additions		77,570	5,420,561	6,080,196	1,765,879	12,319,626	345,796	-	109,104,706	135,114,334
Transfers in (out)		-	-	162,400	2,318,748	144,897,241	62,060,175	-	(209,438,564)	-
Addition from water business (Note 30.1)		3,117,887	218,882,272	52,604,742	-	1,016,225,000	290,954,657	207,306,222	-	1,789,090,780
Depreciation expense (Note 23)		(343,962)	(7,373,542)	(18,089,028)	(185,277)	(61,027,456)	(20,236,675)	(5,432,717)	-	(112,688,657)
Closing net book amount		3,171,476	250,501,110	66,476,847	4,012,902	1,557,902,081	554,131,104	201,873,505	25,372,725	2,663,441,750
At 31 December 2016										
Cost		5,150,785	269,999,019	105,401,367	4,433,275	1,727,683,626	594,215,736	207,306,222	25,372,725	2,939,562,755
Less Accumulated depreciation		(1,979,309)	(19,497,909)	(38,924,520)	(420,373)	(169,781,545)	(40,084,632)	(5,432,717)	-	(276,121,005)
Net book amount		3,171,476	250,501,110	66,476,847	4,012,902	1,557,902,081	554,131,104	201,873,505	25,372,725	2,663,441,750

11. Building and equipment, net (continued)

	Separate financial statements							
	Buildings improvements Baht	Building and structure Baht	Tools Baht	Equipment, furniture and fixtures Baht	Raw water pipe Baht	Industrial water production system Baht	Construction in progress Baht	Total Baht
At 1 January 2015								
Cost	1,955,328	46,191,186	46,002,907	396,448	408,815,446	93,395,988	197,269,253	794,026,556
Less Accumulated depreciation	(1,284,282)	(9,973,411)	(12,798,647)	(223,675)	(77,795,057)	(9,302,474)	-	(111,377,546)
Net book amount	671,046	36,217,775	33,204,260	172,773	331,020,389	84,093,514	197,269,253	682,649,010
For the year ended 31 December 2015								
Opening net book amount	671,046	36,217,775	33,204,260	172,773	331,020,389	84,093,514	197,269,253	682,649,010
Additions	-	-	647,822	-	5,029,225	-	216,293,538	221,970,585
Transfers in (out)	-	-	-	-	140,397,088	147,459,120	(287,856,208)	-
Disposals	-	(495,000)	(96,700)	(47,800)	-	-	-	(639,500)
Accumulated depreciation for disposals	-	158,128	96,697	47,799	-	-	-	302,624
Depreciation expense (Note 23)	(351,065)	(2,309,084)	(8,133,542)	(59,220)	(30,959,032)	(10,545,483)	-	(52,357,426)
Closing net book amount	319,981	33,571,819	25,718,537	113,552	445,487,670	221,007,151	125,706,583	851,925,293
At 31 December 2015								
Cost	1,955,328	45,696,186	46,554,029	348,648	554,241,759	240,855,108	125,706,583	1,015,357,641
Less Accumulated depreciation	(1,635,347)	(12,124,367)	(20,835,492)	(235,096)	(108,754,089)	(19,847,957)	-	(163,432,348)
Net book amount	319,981	33,571,819	25,718,537	113,552	445,487,670	221,007,151	125,706,583	851,925,293

As at 31 December 2016 and 2015, the Company has fully-depreciated property, plant and equipment still in use. The cost before accumulated depreciation expense of the assets are Baht 7.87 million and Baht 7.11 million, respectively.

Depreciation expense of consolidated financial statement Baht 121,123,214 (2015: Baht 64,908,145) has been charged in "cost of sales" Baht 121,001,154 (2015: Baht 64,908,145) and Baht 122,060. (2015: Nil) in "administrative expenses".

Depreciation expense of separate financial statement Baht 112,688,657 (2015: Baht 52,357,426) has been charged in "cost of sales" Baht 112,566,597 (2015: Baht 52,357,426) and Baht 122,060 (2015: Nil) in "administrative expenses".

12. Right to operate and distribute industrial water, net

The company had entered into a contract to obtain the right to produce and distribute industrial water. The contractual period is 25 years from 1 July 2008 to 30 June 2033.

For the year ended 31 December the movements of right for production and distribution of industrial water are as follows:

	Consolidated and Separate financial statements	
	2016 Baht	2015 Baht
Opening balance as at 1 January		
Cost	559,000,000	559,000,000
<u>Less</u> Accumulated amortization	(167,791,890)	(145,431,890)
Net book amount	<u>391,208,110</u>	<u>413,568,110</u>
For the year ended 31 December		
Opening net book amount	391,208,110	413,568,110
Decrease for the year	(235,763,639)	-
Amortisation for the year (Note 23)	(12,062,192)	(22,360,000)
Closing net book amount	<u>143,382,279</u>	<u>391,208,110</u>
Ending balance as at 31 December		
Cost	217,300,000	559,000,000
<u>Less</u> Accumulated amortization	(73,917,721)	(167,791,890)
Net book amount	<u>143,382,279</u>	<u>391,208,110</u>

Decreasing during the year arose from the termination of 25-year right to operate and distribute industrial water because the Company had acquired the 50-year right to operate and distribute industrial water (Note 30).

13. Intangible assets, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
As at 1 January				
Cost	-	-	-	-
<u>Less</u> Accumulated amortisation	-	-	-	-
Net book amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
For the year ended 31 December				
Opening net book amount	-	-	-	-
Additions from business combination (Note 30.1)	2,052,469,461	-	2,052,469,461	-
Amortisation charge (Note 23)	(27,032,888)	-	(27,032,888)	-
Closing net book amount	<u>2,025,436,573</u>	<u>-</u>	<u>2,025,436,573</u>	<u>-</u>
As at 31 December				
Cost	2,052,469,461	-	2,052,469,461	-
<u>Less</u> Accumulated amortisation	(27,032,888)	-	(27,032,888)	-
Net book amount	<u>2,025,436,573</u>	<u>-</u>	<u>2,025,436,573</u>	<u>-</u>

14. Goodwill

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Opening balance	2,162,207,653	-	-	-
Business combination (Note 30.1)	610,669,873	2,162,207,653	610,669,873	-
Closing balance	2,772,877,526	2,162,207,653	610,669,873	-

Goodwill is allocated to the Group's Cash-Generating Units (CGUs) identified according to business segment as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Power business	2,162,207,653	2,162,207,653	-	-
Water business	610,669,873	-	610,669,873	-
	2,772,877,526	2,162,207,653	610,669,873	-

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Power business (%)	Water business (%)
Gross margin	-	34 - 35
Growth rate	13.40	7.10
Discount rate	6.86	8.11

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The recoverable amount will be equal to the carrying amount if the key assumptions used for value-in-use changes to be as follows:

	Power business (%)	Water business (%)
Gross margin	-	16.80
Growth rate	11.50	6.50
Discount rate	8.80	15.18

15. Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Deferred tax assets:				
to be recovered within 12 months	10,579,703	5,704,320	6,853,329	5,704,320
to be recovered after more than 12 months	587,567,724	511,480	591,294,098	511,480
	<u>598,147,427</u>	<u>6,215,800</u>	<u>598,147,427</u>	<u>6,215,800</u>
Deferred tax liabilities:				
to be settled within 12 months	(25,349,818)	-	(7,124,191)	-
to be settled after more than 12 months	(754,520,256)	(33,317,255)	(742,210,769)	-
	<u>(779,870,074)</u>	<u>(33,317,255)</u>	<u>(749,334,960)</u>	<u>-</u>
Deferred income tax (net)	<u>(181,722,647)</u>	<u>(27,101,455)</u>	<u>(151,187,533)</u>	<u>6,215,800</u>

The movements in the deferred income tax account are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Opening balance	(27,101,455)	6,994,909	6,215,800	6,974,598
Business combination (Note 30.1)	(166,923,664)	(35,521,682)	(166,923,664)	-
Recognised to profit or loss (Note 24)	10,773,007	1,425,318	9,110,447	(758,798)
Recognised to other comprehensive income	1,529,465	-	409,884	-
Closing balance	<u>(181,722,647)</u>	<u>(27,101,455)</u>	<u>(151,187,533)</u>	<u>6,215,800</u>

15. Deferred income tax (continued)

The movements in deferred income tax assets and deferred income tax liabilities are as follows:

	Consolidated financial statements				
	At 1 January 2015 Baht	Restated Business combination Baht	Recognised to profit or loss Baht	Recognised to comprehensive income Baht	Restated At 31 December 2015 Baht
Deferred income tax assets					
Allowance for doubtful debt	203,270	-	166,233	-	369,503
Time difference from income reorganisation	6,053,225	-	(348,905)	-	5,704,320
Provision for repair and maintenance	621,188	-	(621,188)	-	-
Employee benefit obligations	117,226	-	24,751	-	141,977
	6,994,909	-	(779,109)	-	6,215,800
Deferred income tax liabilities					
Fair value adjustment from long-term investment	-	(35,521,682)	2,204,427	-	(33,317,255)
	-	(35,521,682)	2,204,427	-	(33,317,255)
Deferred income tax, net	6,994,909	(35,521,682)	1,425,318	-	(27,101,455)

15. Deferred income tax (continued)

The movements in deferred income tax assets and deferred income tax liabilities are as follows: (continued)

	Consolidated financial statements				
	Restated At 31 December 2015 Baht	Business combination Baht	Recognised to profit or loss Baht	Recognised to comprehensive income Baht	At 31 December 2016 Baht
Deferred income tax assets					
Allowance for doubtful debt	369,503	-	(368,098)	-	1,405
Time difference from income reorganisation	5,704,320	-	(5,704,320)	-	-
Employee benefit obligations	141,977	-	(6,522)	1,529,463	1,664,918
Prepayment for right	-	548,800,000	(8,292,142)	-	540,507,858
Provision liabilities from water business	-	52,588,384	3,384,862	-	55,973,246
	6,215,800	601,388,384	(10,986,220)	1,529,463	598,147,427
Deferred income tax liabilities					
Exclusive right	-	(410,493,892)	5,406,581	-	(405,087,311)
Assets under exclusive right	-	(357,818,156)	13,570,507	-	(344,247,649)
Fair value adjustment from long-term investment	(33,317,255)	-	2,782,141	-	(30,535,114)
	(33,317,255)	(768,312,048)	21,759,229	-	(779,870,074)
Deferred income tax, net	(27,101,455)	(166,923,664)	10,773,009	1,529,463	(181,722,647)

15. Deferred income tax (continued)

The movements in deferred income tax assets and deferred income tax liabilities are as follows: (continued)

	Separate financial statements									
	At 1 January 2015		Recognised to other comprehensive income		At 31 December 2015		Business combination		Recognised to profit or loss	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Deferred income tax assets										
Allowance for doubtful debt	203,270	166,233	-	-	369,503	-	-	(368,098)	-	1,405
Time difference from income reorganisation	6,053,225	(348,905)	-	-	5,704,320	-	-	(5,704,320)	-	-
Provision for repair and maintenance	600,877	(600,877)	-	-	-	-	-	-	-	-
Employee benefit obligations	117,226	24,751	-	-	141,977	-	-	1,113,057	409,884	1,664,918
Prepayment for right	-	-	-	-	-	-	548,800,000	(8,292,142)	-	540,507,858
Provision liabilities from water business	-	-	-	-	-	-	52,588,384	3,384,862	-	55,973,246
	6,974,598	(758,798)	-	-	6,215,800	601,388,384	(9,866,641)		409,884	598,147,427
Deferred income tax liabilities										
Exclusive right	-	-	-	-	-	(410,493,892)	5,406,581		-	(405,087,311)
Assets under exclusive right	-	-	-	-	-	(357,818,156)	13,570,507		-	(344,247,649)
	-	-	-	-	-	(768,312,048)	18,977,088		-	(749,334,960)
Deferred income tax, net	6,974,598	(758,798)	-	-	6,215,800	(166,923,664)	9,110,447		409,884	(151,187,533)

16. Trade and other payables

As at 31 December, trade and other payables consisted of:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade payable from other parties	29,594,925	44,375,797	25,990,430	41,909,513
Trade payable from related parties (Note 29.2)	66,185,520	56,122,042	66,177,674	30,602,109
Accrued interest expense from financial institutions	147,388,701	-	147,388,701	-
Accrued interest expense from related parties (Note 29.2)	-	335,671	-	-
Accrued expenses	32,644,012	31,631,971	31,360,827	20,700,936
Others	235,924	-	235,924	-
Total	<u>276,049,082</u>	<u>132,465,481</u>	<u>271,153,556</u>	<u>93,212,558</u>

17. Borrowings

	Consolidated and Separate financial statements
	2016 Baht
Current	
Current portion of long-term borrowings from financial institutions	<u>2,491,534,108</u>
	<u>2,491,534,108</u>
Non-current	
Long-term borrowings from financial institutions	<u>7,929,904,298</u>
	<u>7,929,904,298</u>
	<u>10,421,438,406</u>

On 14 July 2016, the Company had entered into a long-term loan agreement with financial institution in credit facility of Thai Baht 10,499 million. The long-term loan bear interest at 4.2% per annum for the first two years, at MLR minus 1.5% per annum for the third year and at MLR minus 1.0% per annum for the rest of agreement. The interest and principle will be paid annually, starting from March 2017.

The movements of borrowings from financial institutions for the year ended 31 December 2016 are as follows:

	Consolidated and Separate financial statement Baht
Opening balance	-
Additional	10,499,000,000
Deferred direct finance cost	(104,990,000)
Amortisation of deferred direct finance cost	<u>27,428,406</u>
Closing balance	<u>10,421,438,406</u>

17. Borrowings (continued)

Long-term loan agreement with financial institution Baht 10,499 million expose to fixed interest rate risk at 4.2% per annum for the first two years and floating interest rate risk at MLR minus 1.5% per annum for the third year till maturity date.

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

	Consolidated and Separate financial statements
	2016 Baht
6 months or less	-
6-12 months	-
1-5 years	7,427,525,589
Over 5 years	2,993,912,817
	<u>10,421,438,406</u>

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

	Consolidated and Separate financial statements
	2016 %
Long-term loans from financial institutions	3.58

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

	Consolidated and Separate financial statements
	2016 Baht
Carrying amounts	10,421,438,406
Fair values	10,425,034,530

The fair value of current loans equal their carrying amount, as the impact of discounting is not significant.

Maturity of long-term loans is as follows:

	Consolidated and Separate financial statements
	2016 Baht
Within 1 year	-
Between 2 years and 5 years	4,935,991,481
Over 5 years	2,993,912,817
	<u>7,929,904,298</u>

18. Provision for liabilities from water business

Provision for liabilities from water business represents the annual right lease fees to be paid according to the Strategic Partnership Agreement and Right Lease Agreement to operate the industrial water business and the waste water management business. The annual right lease fees are calculated as 1% for the first-three years and 3% for the fourth-fiftieth year of revenue from water business before deduction of expenses over the contract period.

Movements of provision for liabilities from water business for the year ended 31 December 2016 are as follows:

	Consolidated and Separate financial statements Baht
Opening net book amount	-
Estimated increase during the year (Note 30.1)	262,941,920
Payments made during the year	(5,836,571)
Interest expense	22,760,880
Closing net book value	<u>279,866,229</u>

19. Employee Benefit Obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Retirement benefits	8,324,585	709,884	8,324,585	709,884

The movement of employee benefit obligation for the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
As at 1 January	709,884	586,130	709,884	586,130
Current service cost	104,953	100,326	1,019,815	100,326
Interest cost	28,372	23,428	28,372	23,428
Payments made during the year	(165,940)	-	(165,940)	-
Transferring employees between the Group	-	-	4,683,036	-
Actuarial loss on defined employee benefit plans	7,647,316	-	2,049,418	-
As at 31 December	8,324,585	709,884	8,324,585	709,884

19. Employee Benefit Obligations (continued)

Post-employment benefit expenses which are recognised as income or expense in operating profit in the statement of comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current service costs	104,953	100,326	1,019,815	100,326
Interest costs	28,372	23,428	28,372	23,428
Actuarial loss on defined employee benefit plans	7,647,316	-	2,049,418	-
Total employee benefits expenses	7,780,641	123,754	3,097,605	123,754

Actuarial loss for the years 2016 and 2015 were included in other comprehensive income in statement of comprehensive income.

The principal actuarial assumptions used were as follows:

	Consolidated and Separate financial statements	
	2016	2015
Discount rate	2.44%	4.00%
Salary increase rate	6.63%	5.42-6.55%
Retirement age	55 years old	55 years old
Staff turnover rate		
- Age under 31 years old	13.00%	9.00%
- Age 31 - 40 years old	11.00%	9.00%
- Age 41 - 50 years old	3.00%	9.00%
- Age Over 50 years old	0.00%	0.00%

The effects to the retirement benefit obligation as at 31 December 2016 are as follows:

	Consolidated and Separate financial statements		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 6.93%	Increase by 7.89%
Salary growth rate	1%	Increase by 7.49%	Decrease by 6.74%
Staff turnover rate	1%	Decrease by 7.36%	Increase by 4.50%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method).

At the end of the reporting period of calculating the retirement benefit obligation recognised within the statement of financial position.

The weighted average durations of the retirement benefit obligation as at 31 December 2016 and 2015 are 8.1 and 8.5 years, respectively.

19. Employee Benefit Obligations (continued)

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated and Separate financial statements
	2016 Baht
Less than 1 year	1,981,484
Between 1 - 2 years	-
Between 2 - 5 years	4,620,391
Over 5 years	31,452,739
Total benefits expected to be paid	38,054,614

20. Legal reserve

	Consolidated and Separate financial statements	
	2016 Baht	2015 Baht
At 1 January	34,896,716	33,242,599
Appropriation during the year	1,354,715	1,654,117
At 31 December	36,251,431	34,896,716

Under the public limited company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 % of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 % of the registered capital. The legal reserve is non-distributable.

21. Share capital

	Authorised Share capital		Issued and paid-up share capital	
	Share	Baht	Share	Baht
Opening balance 2015	64,500,000	645,000,000	64,500,000	645,000,000
Capital increase	-	-	-	-
Closing balance 2015	64,500,000	645,000,000	64,500,000	645,000,000
Capital increase	380,500,000	3,180,000,000	255,500,000	2,555,000,000
Change in par value	320,000,000	-	320,000,000	-
Closing balance 2016	765,000,000	3,825,000,000	640,000,000	3,200,000,000

On 28 March 2016, the Extraordinary Shareholders' Meeting No. 1/2016 approved an increase in the Company's share capital by issuing 100,000,000 ordinary shares at a par value of Baht 10, fully paid-up. The Company has registered the increase in share capital to the Ministry of Commerce on 30 March 2016.

On 26 May 2016, the Extraordinary Shareholders' Meeting No. 2/2016 approved an increase in the Company's share capital by issuing 155,500,000 ordinary shares at a par value of Baht 10, fully paid-up. The Company has registered the increase in share capital to the Ministry of Commerce on 27 May 2016.

On 5 July 2016, the Board of Director's Meeting No.6/2016 approved the reduction of par value from Baht 10 per share to Baht 5 per share, resulting in the increase in number of shares from 320,000,000 shares to 640,000,000 shares and the increase of registered share capital of Baht 625,000,000. This resulted in an increase in registered share capital from Baht 3,200,000,000 to Baht 3,825,000,000 by the issuing 125,000,000 ordinary shares at a par value of Baht 5. The Company has registered the increase in share capital to the Ministry of Commerce on 10 August 2016.

22. Finance costs

	Consolidated financial statement		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term borrowing from finance institutions	231,598,000	-	231,598,000	-
Short-term borrowings from related parties	126,439,809	46,787,484	124,153,865	31,345,813
Others	45,925,619	-	22,760,880	-
Total finance costs	403,963,428	46,787,484	378,512,745	31,345,813

23. Expense by nature

	Consolidated financial statement		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost of raw water	630,265,782	436,753,415	564,099,842	183,107,154
Employee benefit expense	49,281,802	5,638,915	49,281,802	5,638,915
Depreciation and amortisation	160,218,294	87,268,145	151,783,737	74,717,426
Professional fee	1,594,617	1,800,000	1,225,626	1,800,000
Management and director remuneration	8,964,818	-	8,964,818	-

24. Income tax expense

Reconciliation of income tax expenses and the results of accounting profit using the basic tax rate of the year presents as follow:

	Consolidated financial statement		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit before income tax expense	1,099,078,483	1,161,695,943	17,983,853	99,778,376
Share of net profit from investments - equity method	(962,451,696)	(1,002,124,203)	-	-
	136,626,787	159,571,740	17,983,853	99,778,376
Tax calculated at a tax rate of 20% (2015: 20%)	27,325,357	31,914,348	3,596,770	19,955,675
Impact:				
Tax exempt from BOI	(12,631,741)	(17,012,414)	-	-
Income not subject to tax	-	-	(30,099,994)	(17,999,996)
Adjustments in respect of prior year	3,917,598	2,808,835	-	-
Income not subject to tax	25,999,957	2,712,350	17,392,777	830,306
Income tax expense (income)	44,611,171	20,423,119	(9,110,447)	2,785,985

24. Income tax expense (continued)

Income tax expenses for the year ended 31 December summarises below;

	Consolidated financial statement		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current tax on profit for the year	51,466,580	19,039,602	-	2,027,187
Adjustments in respect of prior year	3,917,598	2,808,835	-	-
Deferred tax (Note 15)	(10,773,007)	(1,425,318)	(9,110,447)	758,798
Total	44,611,171	20,423,119	(9,110,447)	2,785,985

25. Earnings per share

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit attributable to ordinary shareholders of the Company (Baht)	369,474,854	157,116,191	27,094,300	96,992,391
Weighted average number of ordinary shares outstanding (shares)	466,456,284	129,000,000	466,456,284	129,000,000
Basic earnings per share (Baht per share)	0.79	1.22	0.06	0.75

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.

26. Dividends per share

For the year ended 31 December 2015, the Group's dividend paid and dividend per share consist of:

Dividend	Approved by	Dividend paid (Baht)	per share (Baht)	Payment date
Year 2015				
Dividend from retained earning of March 2015	The Board of Directors' Meeting held on 25 June 2015	32,250,000	0.50	16 July 2015
Total dividend paid in year 2015		32,250,000	0.50	

27. Commitments

27.1 Capital commitments

Capital commitment at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated and Separate financial statements	
	2016 Baht	2015 Baht
Construction in progress – industrial water production system	65,874,049	57,079,274
	<u>65,874,049</u>	<u>57,079,274</u>

27.2 Operating lease commitments

The Company has the obligations under long-term lease agreements for vehicles, office building and land with the term of contracts for 5 years, 3 years and 30 years, respectively. The obligations for rental payments are as follow:

	Consolidated financial statement		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than 1 year	10,063,922	340,260	8,604,569	340,260
Later than 1 year but not later than 5 years	35,158,987	1,268,414	29,219,970	1,268,414
Over 5 years	200,661,710	-	152,863,455	-
Total	<u>245,884,619</u>	<u>1,608,674</u>	<u>190,687,994</u>	<u>1,608,674</u>

27.3 Commitments and contingencies liabilities

A subsidiary has obligations regarding guarantee under condition of the standby letters of credit issued by the Group according to the joint operation agreement with power group in the total amount of Baht 2,033 million.

28. Assets pledged as collaterals

Company	Assets pledged as collaterals	Collaterals
WHA Energy Company Limited	Investment in ordinary shares of associates - Gulf JP NLL Company Limited amounted to 34.61 million shares - Gulf Solar Company Limited amounted to 0.37 million shares - Bowin Clean Energy Company Limited amounted to 3.50 million shares - Gulf VTP Company Limited amounted to 16.63 million shares - Gulf TS1 Company Limited amounted to 17.36 million shares - Gulf TS2 Company Limited amounted to 17.61 million shares - Gulf TS3 Company Limited amounted to 16.61 million shares - Gulf TS4 Company Limited amounted to 16.38 million shares	Borrowings by Gulf JP NLL Co., Ltd. Borrowings by Gulf Solar Co., Ltd. Borrowings by Bowin Clean Energy Co., Ltd. Borrowings by Gulf VTP Co., Ltd. Borrowings by Gulf TS1 Co., Ltd. Borrowings by Gulf TS2 Co., Ltd. Borrowings by Gulf TS3 Co., Ltd. Borrowings by Gulf TS4 Co., Ltd.
WHA Energy 2 Company Limited	Investment in ordinary shares of associates - Gheco-One Company Limited amounted to 406.84 million Shares Other long-term investment - Glow IPP Company Limited amounted to 14.25 million shares	Borrowings by Gheco-One Co., Ltd. Borrowings by Glow IPP Co., Ltd.

29. Related-party transactions

Individuals and enterprises 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 individuals and related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

29.1 Revenue and expenses

During the year ended 31 December 2016 and 2015, the Group has significant related-party transactions that can be summarised as follows:

	Consolidated financial statement		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<u>Ultimate parent company</u>				
Revenue from sales and services	26,400	-	26,400	-
<u>Parent company</u>				
Revenue from sales and services	66,252	-	66,252	-
Raw water cost	30,009,778	11,395,770	30,009,778	11,395,770
Amortisation of right for production and distribution of water	612,493	2,484,000	612,493	2,484,000
Management fee	6,334,200	33,230,246	5,850,000	27,933,446
Land rental	1,810,962	-	1,810,962	-
Finance costs	126,439,885	46,787,485	123,754,515	31,345,813
<u>Subsidiaries</u>				
Revenue from sales and services	-	-	227,667,757	-
Interest income	-	-	28,437,836	673,179
Management income	-	-	17,400,000	7,800,000
Dividend income	-	-	150,499,970	89,999,982
Finance costs	-	-	399,349	-
<u>Associates</u>				
Revenue from sales and services	17,655,361	-	17,655,361	-
<u>Subsidiaries under parent group</u>				
Revenue from sales and services	7,353,928	3,598	7,353,928	3,598
Interest income	59,357,392	-	-	-
Management fee	2,745,000	-	2,745,000	-
Dividend income	673,851,587	-	-	-
Raw water cost	592,482,361	425,357,645	534,090,065	171,711,384
Amortisation of right for production and distribution of water	11,449,699	19,876,000	11,449,699	19,876,000
Land rental	2,816,855	-	1,714,494	-

29. Related-party transactions (continued)

29.2 Balances with related parties

	Consolidated financial statement		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<u>Trade receivables - related parties</u>				
Ultimate parent company	4,708	-	4,708	-
Subsidiaries	-	-	30,378,237	8,346,000
Associates	2,881,374	-	2,881,374	-
Subsidiaries under parent group	1,493,629	1,144	1,493,629	1,144
Total	4,379,711	1,144	34,757,948	8,347,144
<u>Accrued income from related parties</u>				
Subsidiaries	-	-	9,580,991	-
Subsidiaries under parent group	305,000	-	305,000	-
Total	305,000	-	9,885,991	-
<u>Accrued interest income from related parties</u>				
Subsidiaries	-	-	13,543,189	-
Associates	56,334,562	-	-	-
Total	56,334,562	-	13,543,189	-
<u>Advance to related parties</u>				
Subsidiaries under parent group	32,100	-	32,100	-
<u>Others receivables</u>				
Ultimate parent company	245,758	-	245,758	-
Subsidiaries	5,601,361	-	5,601,361	-
Joint ventures	17,104,379	-	-	-
Total	22,951,498	-	5,847,119	-
<u>Trade and other payables from related parties</u>				
Parent company	3,630,455	18,787,632	3,630,455	16,091,232
Subsidiaries under parent group	62,555,065	37,334,410	62,547,219	14,510,877
Total	66,185,520	56,122,042	66,177,674	30,602,109
<u>Accrued interest expense - related parties</u>				
Parent company	-	335,671	-	-

29. Related-party transactions (continued)

29.2 Balances with related parties (continued)

	Consolidated financial statement		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<u>Accrued expense-related parties</u>				
Parent company	2,799,852	18,530,979	2,286,252	15,577,779
Subsidiaries under parent group	14,840,462	11,680,626	14,840,462	4,640,848
Total	17,640,314	30,211,605	17,126,714	20,218,627
<u>Advanced received from related parties</u>				
Associates	-	28,521,600	-	28,521,600

29.3 Short-term loan to related parties

Short-term loan to related parties has due at call and bearing interest rate at MLR-0.5% per annum. The movement of short-term loan to related parties for the year ended 31 December is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	-	-	-	15,000,000
Additional	1,432,900,000	-	783,346,506	20,000,000
Repayments	-	-	(190,360,883)	(35,000,000)
Closing balance	1,432,900,000	-	592,985,623	-

29.4 Short-term loan from related parties

Short-term loan from related parties is in Thai baht currency has due at call, bearing interest rate at MLR-0.5% per annum and has not collateral.

The movement of short-term loan to related parties for the year ended 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	1,272,500,000	782,000,000	762,000,000	510,000,000
Additional	11,258,612,908	600,500,000	11,303,612,908	273,000,000
Repayments	(12,531,112,908)	(110,000,000)	(12,065,612,908)	(21,000,000)
Closing balance	-	1,272,500,000	-	762,000,000

29. Related-party transactions (continued)

29.5 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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term benefits	8,964,818	-	8,964,818	-
Post-employment benefits	1,313,183	-	1,131,183	-
Total	10,096,001	-	10,096,001	-

30. Transfer of business under common control

30.1. Water business transfer

On 30 March 2016, the water business segment of the parent company's group was transferred to the Company. The Company received the right to product and distribute water business and waste water management with the Group which are included Hemaraj Land and Development Public Company Limited, Eastern industrial Estate Company Limited, Hemaraj Eastern Seaboard Industrial Estate Company Limited, Hemaraj Rayong Industrial Land Company Limited, and Hemaraj Saraburi Industrial Land Company Limited for 50 years in each project from the contract commencement date. The transaction was a business combination under common control.

However, the assets acquired from the transfer of water business segment are under leasehold right.

Consideration paid, identified assets and liabilities are presented as follows:

The transfer of water business segment on 30 March 2016 was considered as business combination under common control and was accounted for using "Predecessor Accounts". The amounts of consideration paid assets, and liabilities acquired from the transfer of water business segment are as follows:

	Baht
Fixed assets - water system (Note 11)	1,789,090,780
Exclusive right (Note 13)	2,052,469,461
Deferred tax liabilities (Note 15)	(166,923,664)
Goodwill (Note 14)	610,669,873
Identified assets, net	4,285,306,450
Consideration paid	(2,744,000,000)
Contingent consideration - provision arising from right lease agreement in water business (Note 18)	(262,941,920)
Consideration paid, net	(3,006,941,920)
Surplus from business combination under common control	1,278,364,530

30. Transfer of business under common control (continued)

30.2 Power Business Transfer

On 27 May 2016, Hemaraj Energy 3 Company Limited (a subsidiary of Hemaraj Land and Development Public Company Limited that wholly owns WHA Energy 2 Company Limited (Formerly "Hemaraj Energy 2 Company Limited") which is a shareholder of GHECO - One Company Limited, Houay Ho Thai Company Limited and Glow IPP Company Limited, all three of whom are in the Group's energy business segment) was acquired (under the entire business transfer) by WHA Energy Company Limited (Formerly "Hemaraj Energy Company Limited"), the Company's subsidiary. In doing so, WHA Energy Company Limited received the transfer of entire business of WHA Energy 2 Company Limited from Hemaraj Energy 3 Company Limited. The value of WHA Energy 2 Company Limited's business transferred to WHA Energy Company Limited was Baht 7,500,752,675. Then, on 29 June 2016, WHA Energy Company Limited also acquired the entire business of the followings :

- WHA Gunkul Green Solar Roof 1 Co., Ltd.
- WHA Gunkul Green Solar Roof 2 Co., Ltd.
- WHA Gunkul Green Solar Roof 3 Co., Ltd.
- WHA Gunkul Green Solar Roof 4 Co., Ltd.
- WHA Gunkul Green Solar Roof 5 Co., Ltd.
- WHA Gunkul Green Solar Roof 6 Co., Ltd.
- WHA Gunkul Green Solar Roof 8 Co., Ltd.
- WHA Gunkul Green Solar Roof 9 Co., Ltd.
- WHA Gunkul Green Solar Roof 10 Co., Ltd.
- WHA Gunkul Green Solar Roof 16 Co., Ltd.
- WHA Gunkul Green Solar Roof 17 Co., Ltd.

The value of those companies was Baht 56,555,011. This is an acquisition of shares under common control.

The values of net assets acquired under common control on 27 May 2016 and 29 June 2016 previously recognised by the ultimate parent company were as follows:

	Baht
Trade and other receivables	17,356,372
Investments in associates	7,123,413,546
Investments in joint ventures	224,677,662
Other long-term investments, net	303,499,194
Trade and other payables	(299,650)
Deferred tax liabilities	(32,199,837)
Goodwill	<u>2,162,207,653</u>
Net identified assets	9,798,654,940
Non-controlling interest	(20)
Total consideration paid	<u>(7,500,460,919)</u>
Surplus from business combination under common control	<u>2,298,194,001</u>

Entering into the Strategic Partnership Agreement to operate utilities and power business including a right lease agreement to operate industrial water and waste water treatment, an entire business transfer, and acquisition of shares on 30 March 2016, 27 May 2016 and 29 June 2016, respectively, as mentioned above were the Group's business restructuring. This is considered as a business combination under common control because the same ultimate controlling shareholders control both transferee and transferor before and after the transfer dates, and that control was not transitory.

Business combinations of entities or businesses under common control are accounted for using the concept of Predecessor Accounting. The assets and liabilities acquired are recognised at the carrying amounts that were previously recognised by the carrying and ultimate parent company. Any difference between the fair value of the consideration paid and the carrying and ultimate parent company at the acquisition date is recognised directly in equity until disposal of the investment under "Surplus from business combination under common control".

30. Transfer of business under common control (continued)

30.2 Power Business Transfer (continued)

Consolidated financial statement for the year ended 31 December 2016 were prepared by using prospective adjustments for the business transfer under common control of water business due mainly to some limited information necessary for the retrospective adjustments. Thus, the Company applied the exemption under Thai Accounting Standard 8 (revised 2015) "Accounting Policies, Changes in Accounting Estimates and Errors".

Goodwill of water business and power business arising from transfer of business under common control are initially recognised from acquisition of subsidiary of the ultimate parent company of the Group. The goodwill of water business is allocated as the same portion as exclusive right and goodwill of power business is allocated as a whole.

31. Benefits from the Board of Investment of Thailand ("BOI")

For the year ended 31 December 2016 and 2015, the Group has received the benefits from the Board of Investment of Thailand (BOI) for public utilities and basis services production of water supply for industry, 1 certificate.

Significant privileges consist of:

- 1) Tax exemption on the profit that the Company 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 Company has loss from the operation, BOI allows the Company to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Company can also choose to deduct the loss in one year or multiple years combine.
- 2) The Group does not need to include dividend received from a BOI-promoted entity to calculate the income tax expenses during the exemption period.
- 3) Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as mentioned in 1 above.
- 4) 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.
- 5) Deduction on investment cost (25% of investment cost that is not included in the normal depreciation rate).

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

Services income for promoted and non-promoted activities for the years ended 31 December 2016 and 2015 can be classified as follows:

	Consolidated financial statements					
	2016 (In Thousand Baht)			2015 (In Thousand Baht)		
	Promoted activity	Non-promoted activity	Total	Promoted activity	Non-promoted activity	Total
Sale income	369,360	934,460	1,303,820	482,888	370,061	852,949
Services income	-	163,699	163,699	-	-	-
	<u>369,360</u>	<u>1,098,159</u>	<u>1,467,519</u>	<u>482,888</u>	<u>370,061</u>	<u>852,949</u>

Independent Practitioner's Assurance Report on the Compilation of Pro Forma Consolidated Financial Information

**To The Board of Directors of WHA Utilities and Power Public Company Limited
(Formerly "Hemaraj Clean Water Company Limited")**

Report on Compilation of Pro Forma Consolidated Financial Information Included in a Prospectus

I have conducted assurance engagement to report on the compilation of the pro forma consolidated financial information of WHA Utilities and Power Public Company Limited and its subsidiaries which has been prepared by the management of the Company. The pro forma consolidated financial information consists of the pro forma consolidated statements of comprehensive income for the years ended 31 December 2016 and 2015 and the explanatory notes to the pro forma consolidated financial information. The applicable criteria on the basis of which the management has compiled the pro forma financial information are described in notes to the pro forma consolidated financial information no. 3 and no. 4.

The pro forma consolidated financial information has been compiled by the management to illustrate the impact of the events or transactions set out in notes to the pro forma consolidated financial information no. 3 and no. 4 on the Company's consolidated financial performance for the years ended 31 December 2016 and 2015, as if the events or transactions had taken place on 1 January 2015. As part of this process, information about the Company's consolidated financial performance have been extracted by the management from the Company's audited financial statements and its subsidiaries for the years ended 31 December 2016 and 2015, on which an audit report for the year ended 31 December 2016 and 2015 has been published.

Management's Responsibility for the Pro Forma Financial Information

The management is responsible for compiling the pro forma consolidated financial information on the basis of the applicable criteria and assumptions which are described in notes to the pro forma consolidated financial information no. 3 and no. 4.

Practitioner's Responsibilities

My responsibilities is to express an opinion, as required by The Stock Exchange of Thailand, about whether the pro forma consolidated financial information has been compiled, in all material respects, by the management on the basis of the applicable criteria and assumptions which are described in notes to the pro forma consolidated financial information no. 3 and no. 4.

I conducted this engagement in accordance with Thai Standard on Assurance Engagements (TSAE) no. 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus. This standard requires that I comply with ethical requirements including plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria and assumptions as described in notes to the pro forma consolidated financial information no. 3 and no. 4.

For the purposes of this engagement, I am not responsible for recorrecting or reissuing any reports or expressing opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have I, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

The pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken as at specific date selected for purposes of the illustration. Accordingly, I do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria and assumptions involves performing procedures to assess whether the applicable criteria and assumptions used by the management in the compilation of the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on my judgment, having regard to the my understanding of the nature of the Company's business, the event or transactions in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

My procedure also includes evaluating the overall presentation of the pro forma consolidated financial information.

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

Opinion

In my opinion, the pro forma consolidated financial information has been compiled, in all material respects, in accordance with the applicable criteria and assumptions which are described in notes to the pro forma consolidated financial information no. 3 and no. 4.

Guidance on public communication and distribution

The pro forma financial information of WHA Utility and Power Public Company Limited and its subsidiaries was prepared for the initial public offering as part of the approval process by the Securities and Exchange Commission and for inclusion in the prospectus. I have not conducted my review in accordance with Generally Accepted Auditing Standards and any other guidance from other countries, so my review procedures are not in accordance with those standards. Therefore, this report should not be referred to in other countries or used for purposes other than the aforementioned purpose. I have no duty or taking responsibility and have refused to take responsibility to any person for use or reference to this report in any part of business transactions including trading securities other than use for the aforementioned purpose.

This report is solely for the purpose set forth in the preceding paragraph and is not to be used for any other purpose or to be distributed to any other parties.

A handwritten signature in blue ink, appearing to read 'Nattaporn'.

Nattaporn Phan-Udom

Certified Public Accountant (Thailand) No. 3430
PricewaterhouseCoopers ABAS Ltd.

Bangkok
27 February 2017

Pro Forma Consolidated Statement of Comprehensive Income

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)
For the years ended 31 December 2016 and 2015

	Notes	2016 Baht	2015 Baht
Revenue from sales	4 a)	1,399,867,747	1,368,163,464
Revenue from services	4 a)	200,401,938	184,134,689
Cost of sales	4 a)	(927,559,514)	(937,320,579)
Cost of services	4 a)	(133,675,629)	(130,930,206)
Gross profit		539,034,542	484,047,368
Other income	4 b)	129,930,146	100,621,033
Administrative expenses	4 c)	(73,353,548)	(51,098,821)
Finance costs	4 d)	(565,045,679)	(537,941,086)
Share of profit from investments in associates and interests in joint ventures	4 e)	962,451,696	1,212,663,792
Profit before income tax expenses		993,017,157	1,208,292,286
Income tax (expense) income	4 f)	(25,105,856)	12,396,712
Profit for the year		967,911,301	1,220,688,998
Other comprehensive income:			
Items that have not been reclassified to profit or loss			
Actuarial loss on defined employee benefit plans		(6,117,853)	-
Currency translation differences		(9,433,707)	-
Other comprehensive income for the year, net of tax		(15,551,560)	-
Total comprehensive income for the year		952,359,741	1,220,688,998
Profit attributable to:			
Owners of the parent		967,911,256	1,220,688,967
Non-controlling interests		45	31
Total profit for the year		967,911,301	1,220,688,998
Total comprehensive income attributable to:			
Owners of the parent		952,359,696	1,220,688,967
Non-controlling interests		45	31
Total comprehensive income for the year		952,359,741	1,220,688,998
Earnings per share			
Basic earnings per share	4 h)	1.51	1.91

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

Notes to the pro forma Consolidated Financial Information

WHA Utilities and Power Public Company Limited
(Formerly “Hemaraj Clean Water Company Limited”)
For the years ended 31 December 2016 and 2015

1. General information

WHA Utilities and Power Public Company Limited (Formerly “Hemaraj Clean Water Company Limited”) (“the Company”) was incorporated under the Civil and Commercial Code of Thailand on 30 June 2008 and has registered the conversion to a public company limited on 10 August 2016. Hemaraj Land and Development Public Company Limited (the Parent Company) owns 99.99% of the Company's shares, and WHA Corporation Public Company Limited is the ultimate parent company of the Group.

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’. WHA Utilities and Power Public Company Limited is the parent company of the Group.

The Group's major business is to produce and distribute industrial water, provide wastewater treatment services, and invest in power business.

Before restructuring, the Group produced and distributed industrial water and invested in certain power companies, some of which were the Parent Group's businesses. During 2015 until present, the Parent Group has been restructuring its businesses to increase each business unit's management efficiency by transferring the whole of its water and power businesses to the Group. Related transactions during the period ended 30 June 2016 are:

- On 30 March 2016, the Company entered into a strategic partnership agreement, including right lease agreements for producing and distributing industrial water and wastewater treatment services in the industrial estate and the industrial land of related companies with the Parent Company and related parties. In doing so, the Parent Group's water business was transferred to the Company so that the Company has the rights to conduct a water, as mutually agreed, for 50 years from the contract date.
- On 27 May 2016, Hemaraj Energy 3 Company Limited (a subsidiary of Hemaraj Land and Development Public Company Limited that wholly owns WHA Energy 2 Company Limited (Formerly “Hemaraj Energy 2 Company Limited”) which is a shareholder of GHECO - One Company Limited, Houay Ho Thai Company Limited, and Glow IPP Company Limited, which are in the Group's power business segment) was acquired (under an entire business transfer) by WHA Energy Company Limited (Formerly “Hemaraj Energy Company Limited”), the Company's subsidiary. In doing so, WHA Energy Company Limited received the transfer of entire business of WHA Energy 2 Company Limited from Hemaraj Energy 3 Company Limited. Then on 29 June 2016, shares of the following companies were transferred to WHA Energy Company Limited. This was an acquisition of shares under common control.
 - WHA GUNKUL Green Solar Roof 1 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 2 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 3 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 4 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 5 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 6 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 8 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 9 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 10 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 16 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 17 Co., Ltd.

After restructuring, the Group operate all of the Parent Group's water business, as well as its power businesses.

The Company's head office is on the 24th floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang subdistrict, Suanluang district, Bangkok, 10250.

This pro forma consolidated financial information was authorised by the Company's management on 27 February 2017.

2. Objectives for preparing pro forma consolidated financial information

This pro forma consolidated financial information was prepared by the Company's management. The objective is to use it as a component in the Company's prospectus, which is a requirement for an initial public offering from the Board of the Securities and Exchange Commission to domestic and foreign investors. Also, it is meant to represent the significant impact on the pro forma consolidated financial information as if the transfer of the water and power businesses under the group restructuring (business combination under common control) that had been occurred.

The objective of preparation is to report on the impact of significant events or transactions on the financial information of the Company and its subsidiaries that weren't adjusted, as if the acquisitions actually occurred on the dates as noted. Thus, the consolidated financial information is not an indicator measuring the Company's actual performance that would have occurred because the pro forma consolidated financial information was prepared using the assumptions from events that has not been occurred. So, the pro forma consolidated financial information may not be appropriate for objectives other than the ones mentioned above.

3. Basis to prepare the pro forma consolidated financial information

3.1 Guidelines to prepare the pro forma consolidated financial information

This pro forma consolidated financial information was prepared to provide information regarding the pro forma consolidated statement of comprehensive income for the years ended 31 December 2016 and 2015.

To present the pro forma consolidated financial information, the Company presents only the pro forma consolidated statement of comprehensive income without the pro forma consolidated statement of financial position, the pro forma consolidated statement of changes in shareholder's equity, the pro forma consolidated statement of cash flow, and notes to the pro forma consolidated financial information in accordance with Thai financial reporting standards. The accounting policies are consistent with those used in the financial statements, except for the assumptions used when preparing the pro forma consolidated financial information as mentioned in Notes 3 and 4.

An English version of the pro forma consolidated financial information has been prepared from the Thai language version. If there's a conflict or a difference in interpretation between the two languages, the Thai language pro forma consolidated financial information will take precedence.

3.2 Sources of information to prepare the pro forma consolidated financial information

The pro forma consolidated statement of comprehensive income was prepared by using the financial information as follows:

- The audited consolidated statement of comprehensive income of the Company and its subsidiaries for the years ended 31 December 2016 and 2015, prepared in accordance with Thai financial reporting standards.
- The audited statement of comprehensive income for the years ended 31 December 2016 and 2015 of the related parties regarding the water and power businesses that were transferred to the Group including:
 - Hemaraj Land and Development Public Company Limited
 - Eastern Industrial Estate Company Limited
 - Hemaraj Eastern Seaboard Industrial Estate Company Limited
 - Hemaraj Saraburi Industrial Land Company Limited
 - Hemaraj Rayong Industrial Land Company Limited

3. Basis to prepare the pro forma consolidated financial information (Cont'd)

3.2 Sources of information to prepare the pro forma consolidated financial information

The pro forma consolidated statement of comprehensive income was prepared by using the financial information as follows:

- The assumptions related to the water and power business transfers that occurred after the date of this pro forma consolidated financial information, including the relevant transactions in the business transfer, are summarised in Note 4.

3.3 Business combinations under common control

Entering into the Strategic Partnership Agreement to acquire the right to operate water and power businesses, including a right lease agreement for industrial water production and distribution, and wastewater treatment in industrial estates and industrial zones and an acquisition of investment in associates and joint ventures on 30 March 2016, 27 May 2016 and 29 June 2016, respectively, were considered a business combination under common control because the same ultimate controlling shareholders control both the transferee and transferor before and after the transfer dates.

For business combinations under common control, the assets and liabilities acquired are recognised at the carrying amounts of the ultimate parent company. The difference between consideration paid and the carrying amount at the business transfer date is recognised directly in equity under "Surplus from business combination under common control".

The consolidated financial information of the Company and its subsidiaries, including its comparative consolidated financial information prepared in accordance with Thai financial reporting standards, was prepared by using prospective adjustments for the water business transfer due mainly to having only limited necessary information for the retrospective adjustments. Consequently, the Company applied the exemptions under Thai Accounting Standard 8 (revised 2015): 'Accounting Policies, Changes in Accounting Estimates and Errors'. For the power business transfer under common control, the Group did retrospective adjustments to 17 March 2015, the first date on which common control was established under the ultimate parent company, which is shorter period than the beginning date of the preceding comparative period (1 January 2015). Thus, the financial results of that financial information did not reflect the financial results of all of the transferred businesses. Therefore, the Group has prepared the pro forma consolidated financial information as supplementary financial information.

4. Significant assumptions in preparing the pro forma consolidated financial information

The significant assumptions in preparing the pro forma consolidated financial information for the years ended 31 December 2016 and 2015 are:

a) Revenue and cost of sales and services

The pro forma consolidated financial information was prepared based on the assumption that the Group acquired businesses from related parties' transferring the whole of their water and power businesses as at 1 January 2015. So, the operation of transferring the water businesses (revenues and its costs) and power businesses (sharing of profit (loss) and dividend income) were recognised in the pro forma consolidated statement of comprehensive income since 1 January 2015.

Revenue and cost of sales and services in the pro forma consolidated financial information included the revenue and cost of sales and related services of the related parties which are transferred their businesses to the Company, eliminated related transactions that wouldn't occur after the business restructuring, and adjusted the significant related transactions, as previously agreed, that would occur after the business restructuring, to reflect the cost structure after the business restructuring as follows:

- The increment of raw water cost according to the new raw water sale and purchase agreement for 50 years by replacing the previous agreement.
- Depreciation and amortisation expense are related to the right to produce and distribute water as described in Note 4 (g) instead of the existing amount.
- Direct staff costs related to producing and distributing water including transferred staff instead of the management fee charged from the parent company.
- Land lease fee charged for land where industrial water production occurs from related parties.

The details of the adjustments to the cost of sales and services for the year ended 31 December 2016 are:

	(Unit: Baht Thousand)				
	Raw water cost	Depreciation and amortisation	Direct staff costs	Other costs	Total
Cost of sales and services per the consolidated financial statements	630,266	160,096	25,326	133,823	949,511
Adjustments:					
- Cost of sales and services of the related parties who transferred water business	109,155	16,790	9,741	29,454	165,140
- Eliminate related transactions	(70,887)	-	-	-	(70,887)
- Increment of raw water costs	5,189	-	-	-	5,189
- Reversal of transactions	-	(16,790)	(9,741)	-	(26,531)
- Depreciation and amortisation	-	35,989	-	-	35,989
- Direct staff costs	-	-	1,892	-	1,892
- Other costs	-	-	-	932	932
Cost of sales and services per pro forma financial information	673,723	196,085	27,218	164,209	1,061,235

4. Significant assumptions in preparing the pro forma consolidated financial information

a) Revenue and cost of sales and services (Cont'd)

The details of the adjustments to the cost of sales and services for the year ended 31 December 2015 are:

	(Unit: Baht Thousand)				
	Raw water cost	Depreciation and amortisation	Direct staff costs	Other costs	Total
Cost of sales and services per the consolidated financial statements	436,754	87,261	5,639	71,612	601,266
Adjustments:					
- Cost of sales and services of the related parties who transferred water business	513,337	63,219	25,271	100,617	702,444
- Eliminate related transactions	(330,672)	-	-	-	(330,672)
- Increment of raw water costs	22,119	-	-	-	22,119
- Reversal of transactions	-	(63,219)	(25,271)	(5,576)	(94,066)
- Depreciation and amortisation	-	145,664	-	-	145,664
- Direct staff costs	-	-	17,767	-	17,767
- Other costs	-	-	-	3,729	3,729
Cost of sales and services per pro forma financial information	641,538	232,925	23,406	170,382	1,068,251

b) Other income

Other income mainly consists of dividend and interest income are:

	(Unit: Baht Thousand)	
	31 December 2016	31 December 2015
Dividend income	22,501	-
Interest income	101,881	100,590
Others	5,548	31
Total other income	129,930	100,621

Dividend income

Dividend income is received from other long-term investments that were transferred to the Company as part of the power business transfer under common control, as if the Group had invested in those other long-term investments on 1 January 2015. For preparing the pro forma consolidated financial information, the dividend income is the same as that received by the related parties who transferred their businesses to the Company as reported in the audited financial statements for the years ended 31 December 2016 and 2015 of those related parties.

Interest income

Interest income is the interest on a loan to an associate that is payable on demand and carries a rate of 7% per annum. This loan represent the shareholder loan which are contributed base on their equity proportion under the joint venture agreement has been transferred as a part of the power business transfer on 27 May 2016. This pro forma consolidated financial information assumes that the Group had this loan on 1 January 2015.

4. Significant assumptions in preparing the pro forma consolidated financial information (Cont'd)

c) Administrative expenses

Administrative expenses in the pro forma consolidated statement of comprehensive income includes administrative fees charged from related parties base on the agreements signed after the transfer of the water and power businesses in order to reflect the actual costs incurred in the operation of the water and power businesses which are transferred.

Administrative expenses are:

	(Unit: Baht Thousand)	
	31 December 2016	31 December 2015
Management fees	6,733	16,800
Amortised acquisition costs of other long-term investments	13,911	13,873
Staff costs	34,582	9,184
Professional fees	7,441	2,510
Others	10,687	8,732
Total administrative expenses	73,354	51,099

Management fees

The management fees consist of expenses to engage the parent company to provide financial services, procurement, personnel and information and technology services. The Group used the stated rates in the service agreements as the basis of preparation.

Amortised acquisition costs of other long-term investments

Amortised acquisition costs of other long-term investments represent the amortisation of the purchase price allocation according to the value of the investment acquisition recognised by the ultimate parent company. The Group used the same figures as the ultimate parent company recorded in the financial periods after 17 March 2015. For the financial periods before 17 March 2015, the actual amortised rate per day was used in calculations and was adjusted to the value as of 1 January 2015. This was to reflect the share of net profit from investments, including the amortised purchase price allocation of related investments in the pro forma consolidated financial information, which was calculated based on the same method of recognition.

Staff costs

In February 2016, the Parent Group transferred employees who worked for the water business to the Company. So, the staff costs in the pro forma consolidated comprehensive income statement include staff costs that relate to those transferred employees, which are based on the expenses actually incurred and recognised in the comprehensive income statement of the related parties in each period before the water business are transferred.

Professional fees

Professional fees consist of audit fee, legal fee, and technical service fees that actually occurred in each financial year.

4. Significant assumptions in preparing the pro forma consolidated financial information (Cont'd)

d) Interest expenses

Interest from loans

Regarding to the water and power businesses' operation, the Company's sources of fund are presented as follows:

	(Unit : Baht million)
Capital increase on 28 March 2016	1,000
Capital increase on 26 May 2016	1,555
Loan from Parent Company	10,499
Total	13,054

By these source of fund, the Group has completely acquired and operated the water and power businesses as planned. The interest expenses were calculated from the loans amounting to 10,499 million which is the outstanding loans from the Parent Company. On 14 July 2016, the Company entered into new loans from financial institutions with the same amount which repaid such loans as described in Note 6. The Company is assumed to have obtained this Baht 10,499 million loan on 1 January 2015 at which time it was assumed to have acquired the water and power businesses.

The loan that was used to calculate interest expenses in the pro forma consolidated financial information was assumed to be from the loans from the Parent Company and payable on demand until 13 July 2016. The loans bear an interest rate equal to the average interest rate for each year of the ultimate parent company, which is different from the interest rate on the new loans from financial institutions, as described in Note 6. Interest expenses were calculated by using the effective interest method.

For the interest expense of the period from 14 July 2016 onwards was calculated from the actual loan balance and interest rate per loan agreement with financial institutions as described in Note 6.

Interest on provision for liabilities from the water business

Under the right lease agreement for industrial water production and distribution and for wastewater treatment services in industrial estates and industrial zones, the Company have to pay an annual right lease fee to operate water business at the rate stated in the agreement.

This obligation is part of the cost for the water business acquisition on 30 March 2016. The Company estimated the provision for the right lease fee for the fifty-year period of the agreement and used a discounted rate for the present value of that obligation by recording in full amount as a provision for liabilities from the water business at the transaction date. The Company annually review the estimated amount. The difference has been adjusted to the statement of comprehensive income (if any).

For the pro forma consolidated financial information, the Company used the provision for liabilities from the water business as at 30 March 2016 as the principal amount calculate interest expenses on the provision for liabilities from the water business and use the discount rate as the interest rate.

Interest expenses on the provision for liabilities from the water business for the years ended 31 December 2016 and 2015 were Baht 22.64 million and Baht 32.27 million, respectively.

4. Significant assumptions in preparing the pro forma consolidated financial information (Cont'd)

e) Share of profit from investments in associates and interests in joint ventures

The Company recognised a share of net profit from investments in associates and interests in joint ventures by assuming that the Group held its interest in the transferred power business investments on 1 January 2015. The share of profit from these transferred investments in the pro forma consolidated financial information in each year is the same amount as the share profit from investments that the related parties, who transferred these investments to the Group, reported in their audited financial statements for the financial year ended 31 December 2015.

For business combinations under common control, the assets and liabilities acquired are recognised at the carrying amounts that were previously recognised by the ultimate parent company. Therefore, in preparing the pro forma consolidated financial information, the Group recognised the purchase price allocation of the transferred power business at the same amount recognised by the ultimate parent company. This includes the amortisation of that purchase price allocation from 17 March 2015, which is the first day on which those transferred power businesses were under common control of the ultimate parent company. For the amortisation of the purchase price allocation from 1 January 2015 to 16 March 2015, the Company used the actual amortising rate per day as a basis for calculation and adjusted for the value as of 1 January 2015. This is so that the pro forma consolidated financial information reflects the share of net profit from investments, including the amortised purchase price allocation of those investments, which was calculated on the same basis.

f) Income tax

Income tax and deferred income tax are calculated using the effective rate applicable to the Company and its subsidiaries.

g) Depreciation and amortisation

Depreciation in the pro forma consolidated statement of comprehensive income is calculated by using the straight line method over the estimated useful life of assets and their book value recognised by the ultimate parent company as of 17 March 2015 as a basis to calculate depreciation during the period from 1 January 2015 to 16 March 2015. It assumed that the plants and equipment relating to the transferred water business have been transferred to the Company on 1 January 2015 and considered as the best amount under the constraint of the book value allocation. After 17 March 2015 (the first day on which the transferred businesses were under the common control of the ultimate parent company), depreciation was calculated according to the actual time of acquisition or disposition, which is the same as the records of the ultimate parent company.

Amortisation is the amortisation of intangible assets, which is the right to conduct a water business for 50 years from the effective date of the agreement, are using the straight-line method over the right lease period of each project. The right leases were assumed transferred to the Company on 1 January 2015 for the completed projects and operating project.

For the depreciation and amortisation in the pro forma consolidated financial information for the year ended 31 December 2016 was based on the actual depreciation and amortisation charged as reported in the consolidated statement of comprehensive income of the Company and its subsidiaries and adjusted with the above assumptions for the first three-month period.

4. Significant assumptions in preparing the pro forma consolidated financial information (Cont'd)

h) Share capital

In relation to the assumption that the transfer of businesses under common control (the acquisition of the water and power businesses) was made on 1 January 2015, thus in preparing the pro forma statement of consolidated comprehensive, it assumed that the Company reduced its share price and also increased its registered share capital as described in Note 6 proposed for acquiring the water and power businesses on 1 January 2015 as well.

From the above assumption, the number of ordinary shares used to calculate basic earnings per share in the pro forma consolidated comprehensive income statement is the number of issued and paid-up ordinary shares after the Group's business restructuring was completed. After the share price reduction and share capital increase, the Company's issued and paid-up ordinary shares was 640 million shares.

5. Adjustments to the pro forma statement of consolidated comprehensive income

Pro forma consolidated statement of comprehensive income for the year ended 31 December 2016:

	(Unit: Baht Thousand)			
	Consolidated financial statement of WHA Utilities and Power Public Company Limited (formerly "Hemarat Clean Water Company Limited") (*)	Adjustments to the pro forma consolidated financial information from assumptions	Elimination	Pro forma consolidated financial information
Revenue from sales	1,303,820	166,935	(70,887)	1,399,868
Revenue from services	163,699	36,703	-	200,402
Cost of sales	(851,269)	(147,177)	70,887	(927,559)
Cost of services	(98,242)	(35,434)	-	(133,676)
Gross profit	518,008	21,027	-	539,035
Other income	91,914	38,016	-	129,930
Administrative expenses	(69,333)	(4,021)	-	(73,354)
Finance costs	(403,963)	(161,083)	-	(565,046)
Share of gain from investments in associates and interest in joint ventures	962,452	-	-	962,452
Profit before income tax expenses	1,099,078	(106,061)	-	993,017
Income tax (expense) income	(44,611)	19,505	-	(25,106)
Profit for the year	1,054,467	(86,556)	-	967,911
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial loss on defined employee benefit plans	(6,118)	-	-	(6,118)
Currency translation differences	(9,433)	-	-	(9,433)
Other comprehensive income for the year, net of tax	(15,551)	-	-	(15,551)
Total comprehensive income for the year	1,038,916	(86,556)	-	952,360

5. Adjustments to the pro forma statement of consolidated comprehensive income (Cont'd)

Pro forma consolidated statement of comprehensive income for the year ended 31 December 21016: (Cont'd):

(Unit: Baht thousand)

	Consolidated financial statement of WHA Utilities and Power Public Company Limited (formerly "Hemaraj Clean Water Company Limited") (*)	Adjustments to pro forma consolidated financial information from assumptions	Elimination	Pro forma consolidated financial information
Profit attributable to:				
Owners of the parent	369,475	598,436	-	967,911
Non-controlling interest from business combination under common control	684,992	(684,992)	-	-
Non-controlling interests	-	-	-	-
Total income for the year	1,054,467	(86,556)	-	967,911
Total comprehensive income attributable to:				
Owners of the parent	353,924	598,436	-	952,360
Non-controlling interest from business combination under common control	684,992	(684,992)	-	-
Non-controlling interests	-	-	-	-
Total comprehensive income for the year	1,038,916	(86,556)	-	952,360

(*) The consolidated financial statements as at 31 December 2016 were audited and prepared in accordance with Thai financial reporting standards.

5. Adjustments to the pro forma statement of consolidated comprehensive income (Cont'd)

Pro forma consolidated statement of comprehensive income for the year ended 31 December 2015:

(Unit: Baht thousand)

	Consolidated financial statement of WHA Utilities and Power Public Company Limited (formerly "Hemara Clean Water Company Limited") (**)	Adjustments to the pro forma consolidated financial information from assumptions	Elimination	Pro forma consolidated financial information
Revenue from sales	852,949	845,886	(330,672)	1,368,163
Revenue from services	-	184,135	-	184,135
Cost of sales	(601,266)	(666,727)	330,672	(937,321)
Cost of services	-	(130,930)	-	(130,930)
Gross profit	251,683	232,364	-	484,047
Other income	318	100,303	-	100,621
Administrative expenses	(34,619)	(16,480)	-	(51,099)
Finance costs	(46,788)	(491,153)	-	(537,941)
Share of gain from investments in associates and interest in joint ventures	9,150	1,203,514	-	1,212,664
Profit before income tax expenses	179,744	1,028,548	-	1,208,292
Income tax (expense) income	(22,628)	35,025	-	12,397
Profit for the year	157,116	1,063,573	-	1,220,689
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gain on defined employee benefit plans	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	157,116	1,063,573	-	1,220,689

5. Adjustments to the pro forma statement of consolidated comprehensive income (Cont'd)

Pro forma consolidated statement of comprehensive income for the year ended 31 December 2015 (Cont'd):

(Unit: Baht thousand)

	Consolidated financial statement of WHA Utilities and Power Public Company Limited (formerly "Hemaraj Clean Water Company Limited") (**)	Adjustments to pro forma consolidated financial information from assumptions	Elimination	Pro forma consolidated financial information
Profit attributable to:				
Owners of the parent	157,116	1,063,573	-	1,220,689
Non-controlling interests	-	-	-	-
Total income for the year	157,116	1,063,573	-	1,220,689
Total comprehensive income attributable to:				
Owners of the parent	157,116	1,063,573	-	1,220,689
Non-controlling interests	-	-	-	-
Total comprehensive income for the year	157,116	1,063,573	-	1,220,689

(**) The consolidated financial statements as at 31 December 2015 were audited and prepared in accordance with Thai financial reporting standards.

6. Significant event which related to the financial information used for the preparation of the proforma financial information

Decrease and increase of share capital

- On 28 March 2016, Extraordinary Shareholders' Meeting No. 1/2016 approved an increase in the Company's share capital by issuing 100,000,000 ordinary shares at a par value of Baht 10, fully paid-up. The Company registered the share capital increase with the Ministry of Commerce on 30 March 2016.
- On 26 May 2016, Extraordinary Shareholders' Meeting No. 2/2016 approved an increase in the Company's share capital by issuing 155,500,000 ordinary shares at a par value of Baht 10, fully paid-up. The Company registered the share capital increase with the Ministry of Commerce on 27 May 2016.
- On 5 July 2016, the Board of Director's Meeting No.6/2016 approved the reduction of par value from Baht 10 per share to Baht 5 per share, resulting in the increase in number of shares from 320,000,000 shares to 640,000,000 shares and the increase of registered share capital of Baht 625,000,000. This resulted in an increase in registered share capital from Baht 3,200,000,000 to Baht 3,825,000,000 by the issuing 125,000,000 ordinary shares at a par value of Baht 5.

6. Significant event which related to the financial information used for the preparation of the proforma financial information (Cont'd)

Investments related to the transfer of business

- On 30 March 2016, the water business segment of the Parent Company's group was transferred to the Company, so that the Company received the right to operate a water business for 50 years from the contract commencement date.
- On 27 May 2016, Hemaraj Energy 3 Company Limited (a subsidiary of Hemaraj Land and Development Public Company Limited that wholly owns WHA Energy 2 Company Limited (Formerly "Hemaraj Energy 2 Company Limited") which is a shareholder of GHECO - One Company Limited, Houay Ho Thai Company Limited, and Glow IPP Company Limited, which are in the Group's power business segment) was acquired (under an entire business transfer) by WHA Energy Company Limited (Formerly "Hemaraj Energy Company Limited"), the Company's subsidiary. In doing so, WHA Energy Company Limited received the transfer of entire business of WHA Energy 2 Company Limited from Hemaraj Energy 3 Company Limited. The value of WHA Energy 2 Company Limited's business transferred to WHA Energy Company Limited was Baht 7,500.47 million. Then, on 29 June 2016, shares of the following companies were also acquired by WHA Energy Company Limited, with the value of Baht 56.56 million. This is an acquisition of shares under common control.
 - WHA GUNKUL Green Solar Roof 1 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 2 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 3 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 4 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 5 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 6 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 8 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 9 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 10 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 16 Co., Ltd.
 - WHA GUNKUL Green Solar Roof 17 Co., Ltd.

Conversion of the Company to a public company limited and change in the Company's name

- On 5 July 2016, Board of Directors' Meeting No. 6/2016 approved the conversion of the Company to a public company limited and the change in the Company's name to WHA Utilities and Power Public Company Limited. The Company registered the conversion to a public company limited and the name change with the Ministry of Commerce on 10 August 2016.

Long-term borrowings

- On 30 March 2016, 27 May 2016, and 30 May 2016, the Company additional borrowed a total Baht 10,510 million from the Parent Company to acquire the water and power businesses. These borrowings bear an interest rate of MLR minus an agreed fixed rate per annum as noted in the promissory notes and are due at call.
- On 5 July 2016, Board of Directors' Meeting No. 6/2016 approved long-term loan from financial institution at Baht 10,499 million to repay the loan from the Parent Company. On 14 July 2016, the Company entered into loan agreement with a financial institution at Baht 10,499 million by bearing a fixed interest rate, MLR minus agreed fixed rates per annum as noted in the agreement for the period from 14 July 2016 to 28 February 2018 and for the remaining periods, respectively and defined to repay within 5 years.



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Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1) showing in www.set.or.th, www.sec.or.th or in the website of WHA Utilities and Power Public Company Limited www.wha-up.com