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LWH/ACC/17/08/LT073

August 11, 2017

Subject : Clarification for the three month period ended June 30, 2017 operating results.

To Director and Manager of the Stock Exchange of Thailand

Referring to the submission of the reviewed financial statements for quarter 2/2017 of Wiik & Hoeglund Public Company Limited “the Company”, the management would like to clarify the operating results for the period three month ended June 30, 2017 of the Company and its subsidiary had changed over 20% with compare the same period last year, in the quarter 2/2017 the Company had profit before income tax expenses amount of 30.48 million Baht and net profit amount of 27.58 million Baht compared to 38.67 million Baht and 38.41 million Baht respectively in the quarter 2/2016 due to the major reasons as follows;

1. Incomes from the production and installation of the pipeline increased from the quarter 2/2016 by 0.60 million Baht or 0.20% from the result of;

1.1 Domestic sales and services revenue increased by 10.80 million Baht or 4.26%

1.2 Export sales and services revenue decreased by 10.20 million Baht or 22.18%

2. Incomes from the water management business increased from the quarter 2/2016 by 12.23 million Baht were the income from Siam Eastern Industrial Park project which started to recognize income from June 2016 and Wellgrow Industrial Estate project which started to recognize from 5<sup>th</sup> June 2017.

3. Other income for the quarter 2/2017 decreased in the amount of 5.52 million Baht. The major decrease came from export expenses relating to decrease of export sales revenue mentioned in 1.2.

4. Cost of goods sold and services increased in the amount of 18.89 million Baht or 8.06% with compare the quarter 2/2016 from the result of,

4.1 Incomes from the production and installation of the pipeline had cost increased by 11.07 million Baht. The major reasons were increasing in raw material prices and depreciation from investing new machine.

4.2 The water management business had cost increased by 7.82 million Baht relating to increase of revenue.

5 . Selling and Administrative expenses decreased from the quarter 2/2016 in the amount of 6.00 million Baht or percentage of 16.50. The major decrease came from decreasing of export expenses as mentioned in 3.

6. Finance cost increased from the quarter 2/2016 in amount of 2.62 million Baht. The major increase came from long-term loans used for investment in water management project of its subsidiary.

7. Income tax expense increased from the quarter 2/2016 in amount of 2.64 million Baht due to the Company had taxable profit for the three month period. However, the Company still has retained deficit within 5 years from the loss year (As at June 30, 2017, the balance was 41 million Baht) Such loss, according to Thai Accounting standard No.12, requires the Company to recognize as deferred income tax assets with the income tax income in the previous accounting period and if the deficit is used to offset the profit in any period make record income tax expense with deferred income tax assets.

**Other information**

- Jobs has not delivered of the Company and its subsidiary as at June 30, 2017

(Unit : Million Baht)	30 June 2017	30 June 2016	30 June 2015
Sale and installation of the pipeline business group	756.45	615.45	528.42
Water management business group (for the ended year)	49.18	29.21	-
<b>Total</b>	<b>805.63</b>	<b>644.66</b>	<b>528.42</b>

- During the quarter 2/2017, its subsidiary has received an investment promotional certificate in the business industrial water for the Wellgrow project.

Yours Truly,  
WIJK & HOEGLUND PUBLIC CO., LTD.

Mr. Wiboon Sangwithayanon  
Chief Executive Officer