

No. WHAUP-CS024/2017

November 10, 2017

Attention: Managing Director – Stock Exchange of Thailand
 Subject: Report of Financial Results for the third Quarter of 2017

WHAUP completed our 3Q2017 with a Net Income of Baht 569.9 million, a 207.9% increase from 3Q2016. Altogether, 9M2017 Net Income increased 204% from 9M2016 result.

1. RESULTS OF OPERATION FOR 3Q2017

Consolidated Financial Statements	3Q2016	3Q2017	Increase/(Decrease)	
	Baht million	Baht million	Baht million	%
Revenue from Sales and Services	371.2	406.2	35.0	9.4
- Operating Revenue ¹	370.6	404.2	33.7	9.1
- Other Income from Utilities Business ²	0.6	2.2	1.3	200.4
Costs of Sales and Services	(262.1)	(276.4)	(14.2)	5.4
Gross Profit	109.1	129.8	20.7	19.0
Gross Profit from Operation³	370.6	404.0	33.4	9.0
Other Income ⁴	32.0	22.2	(9.7)	(30.5)
Administrative Expenses	(15.8)	(28.8)	(13.0)	82.6
Finance Costs	(148.1)	(104.3)	43.8	(29.6)
Share of Profit from Investments in Associates and Joint Ventures	207.9	553.8	345.9	166.4
Income Tax (Expense) Income	0.0	(2.9)	(2.9)	N/M
Profit attributable to Owners of the Parent	185.1	569.9	384.8	207.9
Non-Controlling Interests	0.0	0.0	0.0	0.0

¹ Operating Revenue consists of Raw Water Sales, Industrial Water Sales, and Wastewater Treatment Services.

² Other Incomes from Utilities Business consists of Excessive Charge for additional Utilities demand and Service Fees for Wastewater Management.

³ Gross Profit from Operation excludes Other Income from Utilities Business.

⁴ Other Incomes mainly consists of Interest Income from Loans to GHECO-One and Dividends Received from Investments in Glow IPP Power Plant1.

KEY HIGHLIGHTS

- We witnessed solid performance from both Utilities and Power Business
- Utilities Business's Operating Revenue was Baht 404.2 million, a 9.1% increase YoY as planned reflected stable growth from both volume and price
- Share of Profit (Power Business) increased 166.4% YoY from 3Q2016 to record at Baht 553.8 million with foreign exchange translation of Baht 119.7 million
 - Gulf VTP operated full quarter. In addition, Gulf TS1 and Gulf TS2, our second and third of the four SPPs to COD this year, achieved COD in July, 2017 and September, 2017, respectively as per the planned schedule

- In Q32017, the Company issued the debentures for the first time to refinance existing bank loan to reduce finance cost in the amount of Baht 4,000 Million and decrease financial cost of Baht 43.8 million from same period last year.
- As of the end of 3Q2017, we had Baht 7,589.7 million of Net Interest-Bearing Debt. Our Net Interest-Bearing Debt to Equity ratio stood healthily at 0.62x.

Sbsequent Event:

- Gulf TS3, the 4th Joint Ventures SPP between WHA Energy Company Limited (a wholly owned subsidiary of WHAUP) and Gulf MP Company Limited at shareholding 25.01% and 74.99% respectively, achieved COD on November 1, 2017 with a total contracted capacity of 125.0 MW, increasing our Equity MW under Operation further to 478.4 MW.
- The company recently obtained right to develop natural gas distribution and retail projects in six Hemaraj industrial estates, starting with the WHA Eastern Seaboard NGD 2 project, scheduled to operate by 3Q2018.

PERFORMANCE BY BUSINESS

Utilities Business

Revenue from Sales and Services from Utilities Business in 3Q2017 of Baht 406.2 million has detail's as the table below.

Revenue	Consolidated financial statements for the period			
	3Q2016	3Q2017	Increase /(Decrease)	
	Baht million	Baht million	Baht million	%
Industrial Water Sales	269.8	297.4	27.6	10.2
Raw Water Sales	63.2	68.9	5.7	9.0
Wastewater Treatment Services	37.6	38.0	0.4	1.1
Other Incomes from Utilities Business ¹	0.6	2.2	1.5	200.4
Total Revenue from Sales and Services	371.2	406.2	35.0	9.4

¹ Other Incomes from Utilities Business consist of Excessive Charge for additional Utilities demand and Service Fees for Wastewater Management.

The changes mainly came from:

- i) the Utilities sales volume;
 - a. Raw Water sales volume increased by 3.0% YoY mainly from start operated of BGWHA-1 since 4Q'16 and increase in demand of existing customers.
 - b. Industrial Water sales volume increased by 7.0% YoY mainly from COD of Gulf VTP Gulf TS1 and Gulf TS2 Power Plant COD in May, July, and September 2017, respectively and increase in demand of existing customers.
- ii) The increase in the selling price of Raw Water and Industrial Water as well as the Wastewater Treatment service fees. In 3Q2017, on average, our water tariff of each product increased by 3.0% from same period last year.

- iii) Other income from Utilities Business which mainly represented one time Excessive Charge in this quarter was Baht 1.0 million.

Our Gross Profit Margins excluding Other Income from Utilities Business was Baht 127.9 million increased by 17.9% from 3Q2016 and its margins increased from 29.3% in 3Q2016 to 31.6% in 3Q2017 mainly due to increased selling volume and increased selling prices.

Power Business

- In 3Q2017, our Share of Profit from Investment in Associates and Joint Ventures (“Share of Profit from Investments”) and Dividend Income totalled at Baht 558.8 million, a 162.4% growth from 3Q2016.

The breakdown of the Company’s Share of Profit and Dividend Income by category of power plant were as follows:

By Category of Power Plant	3Q2016	3Q2017	Increase /(Decrease)	
	Baht million	Baht million	Baht million	%
IPP	253.8	422.6	168.8	66.5
SPP	(49.0)	122.5	171.5	-349.9
Alternative Energy	2.0	1.5	-0.4	-21.5
Power Plants under Constuction and Development	6.2	12.2	5.9	95.3
Share of Profit from Investments in Associates and Joint Ventures and Dividend Income	212.9	558.8	345.9	162.4

WHAUP is a strategic co-developer of power business. We currently have 447.1 equity MW under operation, and another 94.9 equity MW under construction. We partner with a number of key Thai and international power developers, namely the Glow Group, the Gulf Group, the B.Grimm Power Group, SUEZ and the Gunkul Group. WHAUP recognized Power Business performance in a form of 1) Share of Profit and 2) Dividend Income. Share of Profit is a net profit in proportion of our equity stake (%). Such Share of Profit is net of all relevant costs in the Associates or Joint Ventures.

The growth mainly came from the COD of projects:

Power plant	Type of power	Category of producer	Equity holding (%)	Contracted Capacity (MW)	Equity Capacity (MW)	COD
BGWHA-1	Gas-Fired Cogeneration	SPP	25.01	121.0	30.3	Nov 2016
Gulf VTP	Gas-fired Cogeneration	SPP	25.01	130.0	32.5	May 2017
Gulf TS1	Gas-fired Cogeneration	SPP	25.01	130.0	32.5	Jul 2017
Gulf TS2	Gas-fired Cogeneration	SPP	25.01	130.0	32.5	Sep 2017
Total				511.0	127.8	

IPP

- In 3Q2017, GHECO-One generated Baht 415.3 million of Share of Profit,
 - Resumes its normal operation since 6 February 2017 after planned major maintenance
 - According to the Power Purchase Agreement (“PPA”) with Electricity Generating Authority of Thailand (“EGAT”), which based on the principle that annual Availability Payment (“AP”) will not be lower in year of planned major maintenance, the Company expects higher Availability Payment (“AP”) during 2Q-4Q 2017 to fully compensate lower AP revenue in 1Q2017 if GHECO-One achieve Contracted Available Hours (“CAH”) of 2017
 - Outstanding plant availability after planned maintenance with “Interruption Free” Quarter.
- In 3Q2017, HuayHo Power generated Baht 4.1 million of Share of Profit to WHAUP

SPP

- In 3Q2017, Gulf JP NLL generated Baht 28.8 million of Share of Profit to WHAUP
- B.Grimm Power (WHA) 1, achieved its COD in November 2016, generated Baht 31.0 million of Share of Profit to WHAUP.
- Gulf VTP, achieved its COD on May 16, 2017, generated Baht 21.2 million of Share of Profit to WHAUP.
- Gulf TS1, achieved its COD on July 8, 2017, generated Baht 30.4 million of Share of Profit to WHAUP.
- Gulf TS2, achieved its COD on September 1, 2017, generated Baht 11.8 million of Share of Profit to WHAUP.

Alternative Energy

- Currently, WHAUP has 2.6 Equity MW of solar rooftop power under operation and generated Baht 1.5 million of Share of Profit to WHAUP

Projects under Construction and Development

- 4 out of 6 SPPs under the joint development with Gulf MP were scheduled to achieved COD this year. The first 3 SPPs, namely Gulf VTP, Gulf TS1, and Gulf TS2 have been COD on schedule. While Gulf TS3, the fourth SPPs is scheduled to achieved COD on November 1, 2017
- Another VSPP Waste to Energy project under development phase, namely Chonburi Clean Energy (CCE) with a total contracted capacity of 6.9 MW, representing 2.3 Equity MW, is scheduled to achieve COD in the 4Q2019
- For 3Q2017, Projects under Construction and Development generated Baht 12.2 million of Share of Profit to WHAUP, consisting of a share of loss from operation of Baht 7.9 million and gain on foreign exchange translation of Baht 20.1 million

Power plant	Type of power	Category of producer	Equity holding (%)	Contracted Capacity (MW)	Equity Capacity (MW)	COD
Gulf TS3	Gas-fired Cogeneration	SPP	25.01	125.0	31.3	Nov 2017
Gulf TS4	Gas-fired Cogeneration	SPP	25.01	125.0	31.3	Jan 2018
Gulf NLL2	Gas-fired Cogeneration	SPP	25.01	120.0	30.0	Jan 2019
CCE	Waste to Energy	VSPP	33.33	6.9	2.3	4Q2019
Total				376.9	94.9	

- Currently, there are no sign of delay of completion of the 4 power plants under construction
- The COD of power projects under construction will enhance our operating performance
 - No further loss from development cost to occur
 - Power projects to start to generate revenue
 - Power projects to consume large volume of water utilities

OVERALL PERFORMANCE

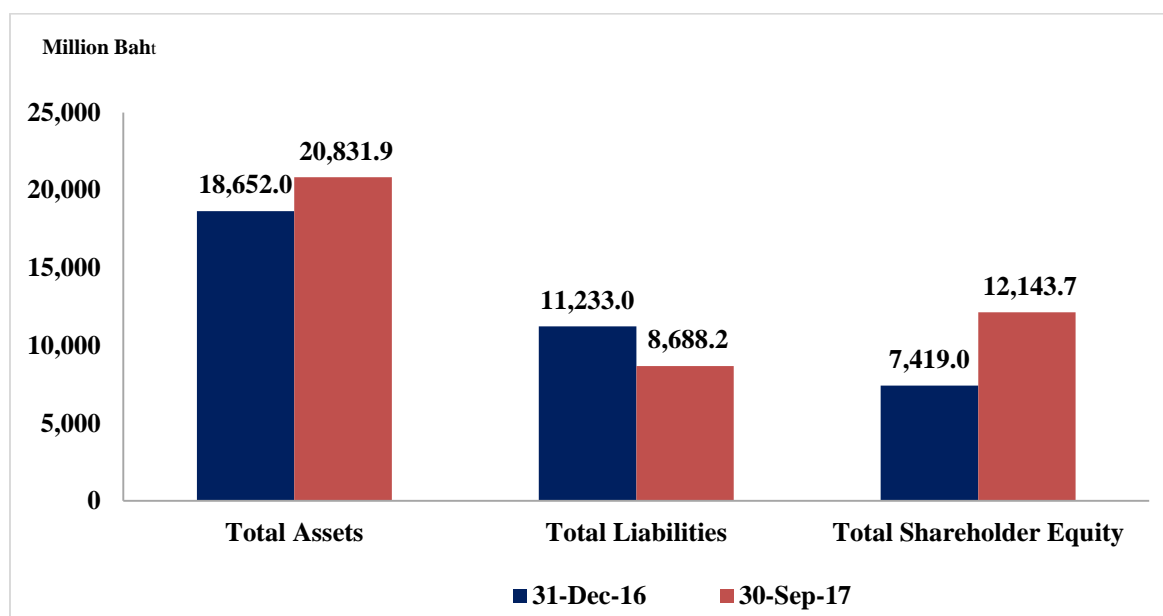
Operating Expense

- **Administrative Expenses** increased from Baht 15.8 million to Baht 28.8 million as the Company expanded our business portfolio which led to increase the number of management and staffs to drive the growth.
- **Finance Cost** decreased from Baht 148.1 million in 3Q2016, to Baht 104.3 million in 3Q2017 due to the loan repayment of Baht 4,000 which derived from bond issue on August 2017. Net Interest-bearing Debt in 3Q2017 was Baht 7,589.7 million, decrease from Baht 10,292.9 million in 3Q2016 presenting the Net Interest-bearing Debt-to-Equity ratio of 0.62x.

As a result, our 3Q2017 EBITDA was Baht 722.8 million, compared to Baht 378.8 million in 3Q2016, or a 90.8% growth YoY. EBITDA Margin improved from 62.0% in 3Q2016 to 73.6% in 3Q2017.

Our Net Profit attributable to Owners of the Parent increased to Baht 569.9 million, compared to Baht 207.9 million in 3Q2016, or a 207.9% increase. Net Profit Margin improved from 30.3% in 3Q2016 to 58.0% in 3Q2017.

2. FINANCIAL POSITION



The Consolidated Balance Sheet as of 30 September 2017 is summarized as follows.

Assets

As at 30 September 2017, the Company's total Assets amounted to Baht 20,831.9 million, increased by Baht 2,179.9 million from Baht 18,652.1 million at year-end 2016 mainly due to additional investment in 6 power projects under construction and industrial estate utilities.

The key elements of Assets in the Company's Consolidated Financial Statements consist of: (i) Investments in associates of Baht 10,550.4 million, (ii) Building and equipment (net) of Baht 3,009.2 million (iii) Goodwill of Baht 2,772.9 million, (iv) Intangible assets of Baht 1,998.9 million and (v) Short-term loans to related parties of Baht 974.8 million.

Liabilities

As of 30 September 2017, total Liabilities were Baht 8,688.2 million, decreased Baht 2,544.8 million from Baht 11,232.6 million at year-end 2016 mainly due to repayment long term loan borrowing from financial institutions of Baht 2,500 million.

Total Liabilities mainly consisted of Loans from Financial Institutions of Baht 3,932.5 million, Long-term borrowings debentures of Baht 3,992.8 million and Provision for Liabilities from the water business of Baht 298.1 million.

Shareholders' Equity

As of 30 September 2017, total Shareholders' Equity was Baht 12,143.7 million, an increase of Baht 4,724.7 million from Baht 7,419.5 million at the end of 2016, mainly driven by the increase in premium on share capital of Baht 2,557.8 million and increase in retain earning of Baht 1,543.2 million

As at 30 September 2017, the Company's Debt-to-Equity ratio was 0.72x, improved from 1.46x at the 3Q2016, while the Net Interest-bearing Debt-to-Equity ratio was 0.62x at 3Q2017, improved from 1.36x at 3Q2016 .

3. KEY FINANCIAL RATIOS

	For the Three Months ended on	
	30 September 2016	30 September 2017
Gross Profit Margin	29.4%	32.0%
Net Profit Margin ¹	30.3%	58.0%
Return on Equity	3.26%	6.26%
Debt/Equity Ratio	1.46x	0.72x
Net Interest-bearing Debt/Equity Ratio	1.36x	0.62x

¹ Net profit margin is calculated by dividing the Net Profit attributable to Owners of the Parent by Revenue from Sales and Services and Share of Profit from Investments in Associates and Joint Ventures and other income

4. SUBSEQUENT EVENTS

Gulf TS3 Company Limited, the fourth SPPs to COD this year, a joint venture between WHA Energy Company Limited (a wholly owned subsidiary of WHAUP) and Gulf MP Company Limited at shareholding 25.01% and 74.99% respectively, achieved COD on November 1, 2017. Gulf TS3 Power Plant had a contracted power capacity of 125 MW and a contracted steam capacity of 25 Ton/hour located in Hemaraj Eastern Seaboard Industrial Estate (“HESIE”), Pluakdaeng sub-district, Rayong province.

Please be informed accordingly.

Sincerely,

(Mr. Wisate Chungwatana)
Chief Executive Officer