

20 February 2018

Re: To clarify the financial statements as of 31 December 2017
 To: President
 The Stock Exchange of Thailand

WHA Corporation Public Company Limited (the "Company") submitted its separate financial statement and its consolidated financial statement for the year of 2017 ended on 31 December 2017 which were audited by the auditor. The Company hereby clarifies the changes in the performance as follows:

FINANCIAL PERFORMANCE

Consolidated Financial Statements	2016	2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Total Revenue ¹	19,325.0	12,410.0	(6,915.0)	(35.8%)
Total Cost	11,414.6	5,001.5	(6,413.1)	(56.2%)
Gross Profit ²	7,446.9	6,475.5	(971.4)	(13.0%)
Net Profit	2,898.2	3,266.4	368.3	12.7%

¹ Including other income and share of profit from investments in associates and JVs

² Gross profit including share of profit from investments in associates and JVs

During 2017, the Company reported the record-high net profit of THB 3,266.4 mm, which increased by THB 368.3 mm or 12.7%, compared to the same period of last year.

KEY HIGHLIGHTS

- The growth of gross profit was 87.0% y-o-y mainly attributable to the higher revenue from industrial land sale and improved profitability from 36.1% to 51.1%. The significant improvement of such GPM was as a result of the increase in land sale price.
- The gross profit margin from the asset monetization to WHART increase from 25.2% to 44.7% due mainly to the fact that WHART solely used the debt funding from financial institution which is deemed lower cost of fund compared to the fund raised from investors to acquire the asset from the Company.
- Share of profit from associates and joint ventures increased by 95.1% because there have been a completion of COD of 4 SPPs in this year i.e. Gulf VTP achieved on schedule the second quarter of 2017, Gulf TS1 and Gulf TS2 in the third quarter of 2017 and Gulf TS3 in the last quarter of this year, adding our Equity MW under operation, at the end of 2017, to 478.4 MW from 349.6 as the end of last year. There has also been full-year recognition of Bowin Clean Energy's performance which achieved COD in late 2016.
- Financial costs decreased by 33.5%, mainly from the fact that the Company has repaid the loan since late last year until this year as well as refinancing of the loan with lower financial cost.
- Completion of WHAUP's listing to Stock Exchange of Thailand (SET) by Initial Public Offering (IPO) in the second quarter of 2017.

- TRIS rating announced the company rating of WHA at “A-“ with “Stable” outlook in the fourth quarter in 2017.
- Successful conversion of WHAPF to WHART in the fourth quarter of 2017.

PERFORMANCE BY BUSINESS

Rental Properties Business

	2016	2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Rental Revenue	1,688.7	1,148.3	(540.4)	(32.0%)
Gross Profit	1,143.5	650.4	(493.1)	(43.1%)
Gross Profit Margin	67.7%	56.6%		
GPM before adjustment with PPA	69.0%	57.5%		
Revenue from Sale of Investment Properties	11,737.2	3,079.3	(8,657.8)	(73.8%)
Gross Profit	3,617.9	1,310.9	(2,307.0)	(63.8%)
Gross Profit Margin	30.8%	42.6%		
GPM before adjustment with PPA	45.3%	44.2%		

1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers and factories** during the year of 2017 was THB 1,148.3 mm, which decreased by THB 540.4 mm or 32.0% from the same period of previous year. The main reason was due to the large number of assets monetization to HREIT and WHART last year, thereby reducing the leasable area.
- **Gross profit from rental and service of warehouses, distribution centers and factories** during the year of 2017 was THB 650.4 mm, which decreased by THB 493.1 mm or 43.1% from the same period of last year because of the decrease in leasable area from assets monetization to WHART and HREIT in the end of 2016. Moreover, the gross profit margin in the third quarter of 2017 was 56.6%. This gross margin had accounted for the fair value adjustment of the acquired business according to the accounting standards under WHA level. However, the genuine gross margin in 2017 was at 57.5% for the warehouse rental and service business which decreased from 69.0% last year, mainly due to change in product mix between Built-to-Suit and Ready-built facilities.

2. Sale of Investment Properties

- **Income from sale of investment properties** during the year of 2017 was THB 3,079.3 mm, which decreased by 8,657.8 mm or 73.8%, compared to the same period of last year, mainly resulting from the asset monetization to only WHART, totaling rental area of approx. 85,867 sq.m., compared to 2016, which the Company monetized assets to both WHART and HREIT, totaling rental area of approx. 420,455 sq.m.
- **Gross profit from sale of investment properties** during the year of 2017 was THB 1,310.9 mm, which decreased by THB 2,307.0 mm or 63.8%, compared to the same period of pervious year, mainly due to

the decrease of income from sale of investment properties. Nonetheless the gross profit margin has improved from 30.8% last year to 42.6% this year, resulting from improvement of GPM from asset monetization to WHART from 25.2% to 44.7% due mainly to the fact that WHART solely used the debt funding from financial institution which is deemed lower cost of fund compared to the fund raised from investors to acquire the asset from the Company.

Industrial Development Business

	2016	2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	2,425.5	3,210.8	785.3	32.4%
Gross Profit	876.7	1,639.9	763.2	87.0%
Gross Profit Margin	36.1%	51.1%		
GPM before adjustment with PPA	49.3%	56.6%		

Income from sales of real estate during the year of 2017 stood at THB 3,210.8 mm, which increased by THB 785.3 mm or 32.4% from the same period of last year as the result of higher land transfer in 2017, compared to last year.

Gross profit from sale of real estate stood at THB 1,639.9 mm during the year of 2017, which increased by THB 763.2 mm or 87.0% from the same period of previous year. The main reason was increase in revenue as well as improvement of gross profit margin, which was 51.1% in 2017. Moreover this gross margin had accounted for the fair value adjustment of the acquired business according to the accounting standards under WHA level. However, the genuine gross margin in 2017 was at 56.6%, compared to 49.3% in the same period of previous year. This was from higher average selling price and having gross margin for land transfer in this year.

Utilities & Power Business

	2016	2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	2,004.0	2,075.2	71.2	3.6%
Gross Profit	802.6	910.9	108.3	13.5%
Gross Profit Margin	40.1%	43.9%		
GPM before adjustment with PPA	43.5%	47.2%		
Share of Profit from Investments in Power Associates	961.9	1,926.5	964.5	100.3%

Utilities income during the year of 2017 was THB 2,075.2 mm, which increased by THB 71.2 mm or 3.6%, compared to the same period of last year. If excluding the one-time excessive charge considered as one-off item, the utilities income still increased significantly from THB 1,788.2 mm last year to THB 1,939.1 mm in this year, which increased by THB 150.8 mm or 8.4%, compared to the same period of previous year. This was mainly from higher water demand from completion of COD of 5 SPPs since the fourth quarter of last year until this year.

Gross profit from utilities services was THB 910.9 mm during 2017, which increased by THB 108.3 mm or 13.5% from the same period of last year. Moreover, the gross profit margin in 2017 was 43.9%. This gross margin had accounted for the fair value adjustment of the acquired business according to the accounting standards under WHA level. However, the genuine gross margin in 2017 was at 47.2% for the utilities business which increased from 43.5% last year, resulting from change in product mix between industrial/processing water and raw water.

Share of Profit from Investments in Associates from Power Business during the year of 2017 was THB 1,926.5 mm, which increased by THB 964.5 mm or 100.3%, compared to the same period of last year, arising from a completion of COD of 4 SPPs in this year i.e. Gulf VTP achieved on schedule the second quarter of 2017, Gulf TS1 and Gulf TS2 in the third quarter of 2017 and Gulf TS3 in the last quarter of this year, adding our Equity MW under operation, as the end of 2017, to 478.4 MW from 349.6 as the end of last year. There has also been full-year recognition of Bowin Clean Energy's performance which achieved COD in late 2016.

Other Income

	2016	2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Dividend and Management income	259.9	471.6	211.6	81.4%
Others	203.5	461.3	257.9	126.7%
Total other income	463.4	932.9	469.5	101.3%

Other income in 2017 stood at THB 932.9 mm, which increased by THB 469.5 mm or 101.3% from the same period of last year. The breakdowns are the details below:

- **Dividend and management income** in the year of 2017 was THB 471.6 mm, which increased by THB 211.6 mm or 81.4% from the same period of 2016. This was as the results of the increase in acquisition fees from conversion of WHAPF to WHART in the fourth quarter of 2017 as well as the increase in dividend received from investment in REITs and REIT management fee, in tandem with the growth in asset size.
- **Other income** in the year of 2017 stood at THB 461.3 mm, which increased by THB 257.9 mm or 126.7%, compared to the same period of the previous year as a result of right of way charged in industrial estates totaling of THB 208.7 mm in the third quarter of this year.

Expenses analysis

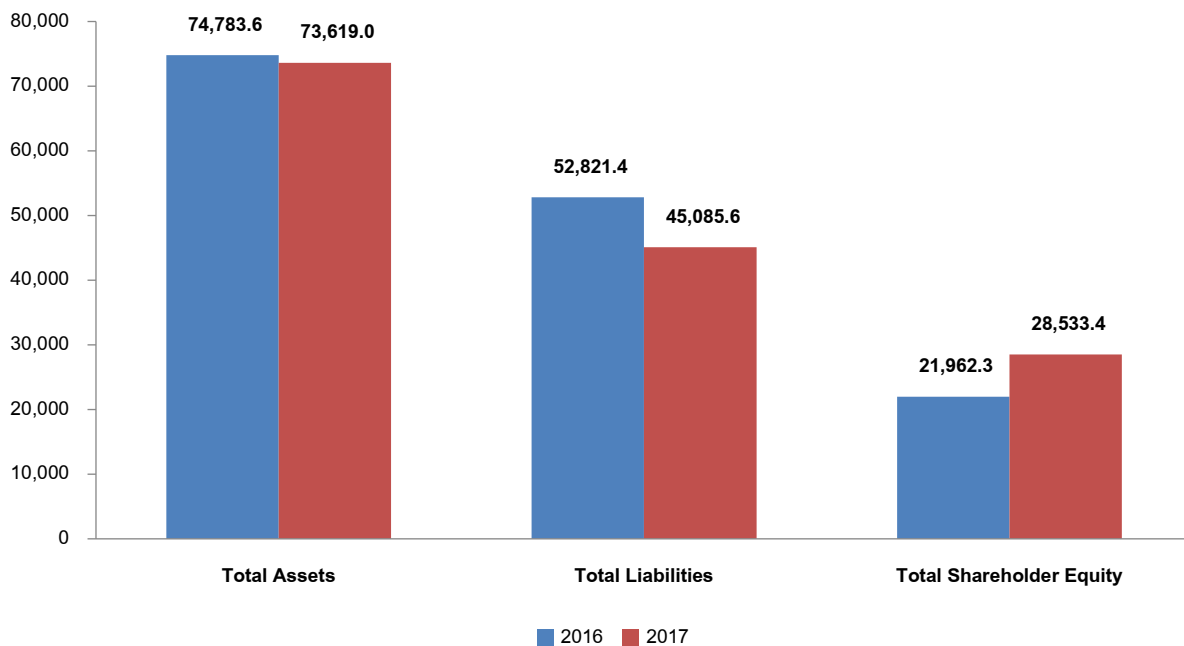
	2016	2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Selling expense	223.4	317.2	93.8	42.0%
Administrative expense	1,271.9	1,385.2	113.3	8.9%

Finance costs	2,432.2	1,616.5	(815.6)	(33.5%)
Total expense	3,927.4	3,318.9	(608.5)	(15.5%)

- **Selling expense** in 2017 stood at THB 317.2 mm, which increased by THB 93.8 mm or 42.0% from the same period of last year, mainly due to the higher land transfer. The selling expense includes the expense associated with the land sale including the transaction costs and taxes from land transfer as well as the marketing and promotion expenses.
- **Administrative expense** in 2017 stood at THB 1,385.2 mm, which increased by THB 113.3 mm or 8.9% from the same period of last year, mainly due to increase in salary, resulting from increase in the number of staff to serve the business expansion.
- **The finance costs** in 2017 was THB 1,616.5 mm, which decreased by THB 815.6 mm or 33.5% from the same period of previous year, because the Company has repaid the loan since late last year until this year as well as refinancing of the loan with lower financial cost.

FINANCIAL POSITION

Unit : THB mm



The changes in Consolidated Balance Sheet as of 31 December 2017 are summarized as follows.

Assets

As of 31 December 2017, the Company had total assets of THB 73,619.0 mm, which decreased by THB 1,164.7 mm from THB 74,783.6 mm as of 31 December 2016. The main reasons are as follows:

1. Decrease in short-term investments of THB 1,539.6 mm, which was mainly from the Company divested some investment units to repay loan from financial institutions and debentures.
2. Decrease in short-term loans to related parties of THB 401.1 mm, mainly from the loan repayment from the joint venture.
3. Decrease in cost of real estate development (net) of THB 908.1 mm, due to land transfer during this year. Nonetheless the Company has further developed in the industrial land during this period as well.
4. Increase in investments in associates of THB 2,411.5 mm due to raising of share of profit from investments in associates and capital increase in associates proportionately.
5. Increase in investments in joint ventures of THB 168.3 mm, due to capital increase in joint ventures proportionately.
6. Increase in properties, plants and equipment of THB 553.5 mm, mainly from increase in assets from data center business during this year, amounting to THB 304.6 mm.
7. Decrease in investment properties (net) of THB 1,603.6 mm, resulting from assets monetization to WHART in the fourth quarter of 2017. Moreover the reclassification of assets, totaling 21 units of Ready-Built Factories and Warehouses, will be monetized to HREIT as well as the reclassification of a project, which will be sold to our customer in the first quarter of 2018. Nonetheless the Company has invested more in the investment properties during this period as well.
8. Increase in non-current assets held for sale of THB 835.2 mm due to the reclassification of assets, which will be sold HREIT and our customer as mentioned above.

Liabilities

As of 31 December 2017, the Company had total liabilities of THB 45,085.6 mm, which decreased by THB 7,735.8 mm from THB 52,821.4 mm as of 31 December 2016. Furthermore, if considering the interest-bearing debt, it amounted THB 34,398.5 mm, decreased by THB 7,596.6 mm from THB 41,995.1 mm. The main reasons are as follows:

1. Decrease in short-term loans from financial institutions of THB 1,864.7 mm, mainly due to short-term loan repayment of THB 2,500 mm during this year, however the Company has issued B/E and P/N (net) totaling of THB 640.0 mm.
2. Long-term financial institutions loans repayment (net) of THB 6,484.5 mm, resulting from loan repayment of THB 2,500 mm by using WHAUP's IPO proceeds. Moreover WHAUP has issued debenture, totaling of THB 4,000 mm, which has lower interest rate, to re-finance long-term loan as well.
3. Decrease in trade and other payables of THB 456.8 mm, mainly due to decrease in income received in advance.
4. Increase in debentures (net) of THB 752.7 mm. Because during this year the Company has issued debenture, totaling of THB 6,600.0 mm. However the Company has also repaid some debentures as well.
5. Increase in liabilities related directly to non-current assets held for sale of THB 32.3 mm, mainly from the reclassification of liabilities to synchronize with the reclassification of the assets as mentioned above.
6. Decrease in deposits from long-term lease agreement of THB 35.8 mm. This was mainly caused from the deposits which have transfer to WHART as assets monetization. Moreover the reclassification of liabilities to synchronize with the reclassification of the assets as mentioned above. However there was a bit increase in deposits from long-term lease agreement as a result of the new contracts that the Company has secured during this period.

Shareholder's equity

As of 31 December 2017, the Company had total shareholder's equity of THB 28,533.4 mm, which increased by THB 6,571.1 mm from THB 21,962.3 mm as of 31 December 2016, mainly from increase in non-controlling interest in WHAUP after its IPO.

Cash flow analysis

	2016	2017
	THB mm	THB mm
Net cash generated (used in) from operating activities	(1,581.3)	1,760.6
Net cash generated (used in) from investing activities	10,167.5	2,144.2
Net cash generated (used in) from financing activities	(8,491.2)	(4,596.6)
Net increase in cash and cash equivalents	95.0	(691.9)
Cash and cash equivalents - ending balance	2,635.4	1,919.7

1. Cash flows from operating activities

The Company had cash inflows (outflows) from operating activities during the year of 2017 was THB 1,760.6 mm which increased by THB 3,342.0 mm, compared to same period of last year, mainly from decrease in financial costs and increase in normal profit before tax expense.

2. Cash flows from investing activities

The Company had cash inflows (outflows) from investing activities during the year of 2017 stood at THB 2,144.2 mm, which decreased by THB 8,023.4 mm, compared to same period of last year, mainly from decrease in net proceeds from assets monetization to WHART. Because there has been asset monetization to only WHART, totaling rental area of approx. 85,867 sq.m., compared to the year of 2016, having asset monetization to both WHART and HREIT, totaling rental area of approx. 420,455 sq.m.

3. Cash flows from financing activities

The Company had cash inflows (outflows) from financing activities during the year of 2017 was THB (4,596.6) mm, which increased by THB 3,894.6 mm, compared to same period of last year, mainly resulting from the proceeds from WHAUP's listing by initial public offering (IPO), however the Company has repaid the short-term loan, long-term loan and debentures repayment as well as cash dividend payment.

Please be informed accordingly.

Sincerely yours,

WHA Corporation Public Company Limited

(Mr. Arttavit Chalermsoyayakorn)

Chief Financial Officer