

10 November 2017

Re: To clarify the financial statements as of 30 September 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 third quarter of 2017 ended on 30 September 2017 which were reviewed by the auditor. The Company hereby clarifies the changes in the performance over 20% as follows:

FINANCIAL PERFORMANCE

Consolidated Financial Statements	Q3 2016	Q3 2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Total Revenue ^{/1}	1,408.0	1,586.1	178.1	12.6%
Share of Profit from Investments in Associates and JVs	220.5	563.4	342.9	155.6%
Total Cost	621.7	691.7	70.0	11.3%
Gross Profit	686.7	558.2	(128.5)	(18.7%)
Net Profit	42.6	505.8	463.3	1,088.5%

/1 Including other income

In the third quarter of 2017, the Company had the net profit of THB 505.8 mm, which increased by THB 463.3 mm or 1,088.5%, compared to the same period of the last year.

KEY HIGHLIGHTS

- Total revenue increased by 12.6%, mainly from increase in income from sale of real estate and other income.
- Share of profit from associates and joint ventures increased by 155.6%, arising from increase in available payment from GHECO-One, according to the Power Purchase Agreement (“PPA”) which is based on the principle that annual Availability Payment (“AP”) will not 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. In first quarter of 2017, GHECO-One had a planned maintenance for 45 days, thereby allowing them to recognize the revenue from Availability Payment (“AP”) higher. There have also been a completion of COD of 4 SPPs since the fourth quarter of last year i.e. Bowin Clean Energy performed in the fourth quarter of 2016, Gulf VTP achieved on schedule the second quarter of 2017, Gulf TS1 and Gulf TS2 in this quarter, adding our Equity MW under operation to 447.1 MW from 319.3 MW in the same period of last year.
- Financial costs decreased by 35.3%, mainly from loan repayment from proceeds of assets monetization to REITs in the fourth quarter of 2016, loan repayment of THB 5,000 mm from WHAUP’s IPO proceeds in the second quarter of 2017 and debentures settlement, maturing in the third quarter of 2017, amounting to THB 4,185 mm, which carried higher interest rate.

PERFORMANCE BY BUSINESS

Rental Properties Business

	Q3 2016	Q3 2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	464.3	305.8	(158.5)	(34.1%)
Gross Profit	318.7	174.8	(143.9)	(45.2%)
Gross Profit Margin	68.6%	57.2%		
GPM before adjustment with PPA	69.7%	57.6%		

Rental and service income from warehouses, distribution centers and factories in the third quarter of 2017 was THB 305.8 mm, which decreased by THB 158.5 mm or 34.1% 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 in the third quarter of 2017 was THB 174.8 mm, which decreased by THB 143.9 mm or 45.2% 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 57.2%. 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 the third quarter of 2017 was at 57.6% for the warehouse rental and service business which decreased from 69.7% last year, mainly due to change in product mix between Built-to-Suit and Ready-built facilities.

Industrial Development Business and Sale of Investment Properties

	Q3 2016	Q3 2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	317.2	445.1	127.9	40.3%
Gross Profit	133.6	170.3	36.7	27.5%
Gross Profit Margin	42.1%	38.3%		
GPM before adjustment with PPA	54.0%	52.8%		

Income from sales of real estate in the third quarter of 2017 stood at THB 445.1 mm, which increased by THB 127.9 mm or 40.3% from the same period of last year. This was mainly attributable to, during this quarter the Company had transferred the land, having higher average selling price compared to the third quarter of previous year. Moreover the Company had transferred a warehouse to joint ventures of THB 72.3 mm in this quarter.

Gross profit from sale of real estate stood at THB 170.3 mm for the third quarter of 2017, which increased by THB 36.7 mm or 27.5% from the same period of previous year. The main reason was increase in revenue. Moreover, the gross profit margin in the third quarter of 2017 was 38.3%. 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 the third quarter of 2017 was at 52.8%, compared to 54.0% in the same period of previous year. Notwithstanding if excluding revenue from a warehouse transfer, the repeating gross profit margin and genuine gross margin from sale of land in industrial estates would be 44.6% and 61.9%, respectively.

Utilities & Power Business

	Q3 2016	Q3 2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	526.9	499.0	(27.9)	(5.3%)
Gross Profit	234.4	213.1	(21.3)	(9.1%)
Gross Profit Margin	44.5%	42.7%		
GPM before adjustment with PPA	47.8%	46.2%		
Share of Profit from Investments in Power Associates	210.7	552.4	341.7	162.2%

Utilities income in the third quarter of 2017 of THB 499.0 mm, which decreased by THB 27.9 mm or 5.3%, compared to the same period of last year, resulting from the one-time excessive charge which collects from the industrial customers for their additional utilities demand, has decreased from THB 71.1 mm to THB 1.1 mm, however, income from sale of raw and industrial water and wastewater treatment service fees grew from THB 455.7 mm to THB 497.9 mm due to higher water demand from completion of COD of 4 SPPs since the fourth quarter of last year.

Gross profit from utilities services in the third quarter of 2017 was THB 213.1 mm, which decreased by THB 21.3 mm or 9.1% from the same period of last year. This was mainly from decrease in one-time excessive charge. Moreover, the gross profit margin in the third quarter of 2017 was 42.7%. 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 the third quarter of 2017 was at 46.2% for the utilities business which decreased from 47.8% last year, from decrease in one-time excessive charge, notwithstanding the increase in volume and selling price.

Share of Profit from Investments in Power Associates in the third quarter of 2017 was THB 552.4 mm, which increased by THB 341.7 mm or 162.2%, compared to the same period of last year, arising from increase in available payment from GHECO-One, according to the Power Purchase Agreement (“PPA”) which is based on the principle that annual Availability Payment (“AP”) will not 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. In first quarter of 2017, GHECO-One had a planned maintenance for 45 days, thereby allowing them to recognize the revenue from Availability Payment (“AP”) higher. There have also been a completion of COD of 4 SPPs since the fourth quarter of last year i.e. Bowin Clean Energy performed in the fourth quarter of 2016, Gulf VTP achieved on schedule the second quarter of 2017, Gulf TS1 and Gulf TS2 in this quarter, adding our Equity MW under operation to 447.1 MW from 319.3 MW in the same period of last year.

Other Income

	Q3 2016	Q3 2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Dividend and Management income	56.7	71.3	14.6	25.7%
Others	42.9	264.9	222.0	517.4%
Total other income	99.6	336.2	236.6	237.5%

Other income for the third quarter of 2017 stood at THB 336.2 mm, which increased by THB 236.6 mm or 237.5% from the same period of last year. The breakdowns are the details below:

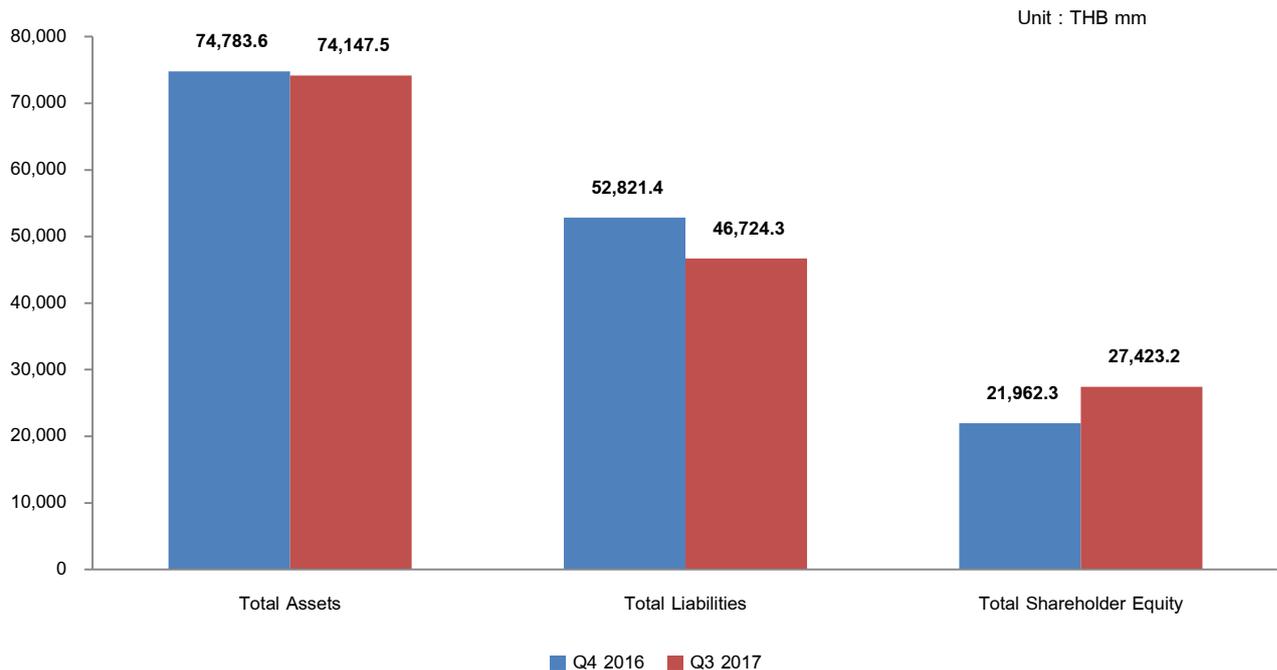
- **Dividend and management income** in the third quarter of 2017 were THB 71.3 mm, which increased by THB 14.6 mm or 25.7% from the same period of 2016. This was as the results of the increase in dividend received from investment in REITs and REIT management, in tandem with the growth in asset size.
- **Other income** in the third quarter of 2017 stood at THB 264.9 mm, which increased by THB 222.0 mm or 517.4%, 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

Expenses analysis

	Q3 2016	Q3 2017	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Selling expense	40.2	40.9	0.7	1.5%
Administrative expense	245.5	270.7	25.2	10.3%
Finance costs	628.2	406.1	(222.1)	(35.3%)
Total expense	913.9	717.7	(196.2)	(21.5%)

1. **Selling expense** in the third quarter of 2017 stood at THB 40.9 mm, which increased by THB 0.7 mm or 1.5% from the same period of last year. The selling expenses of the company composed of marketing expenses and promotion expenses associated with land sale in industrial estates.
2. **Administrative expense** in the third quarter of 2017 stood at THB 270.7 mm, which increased by THB 25.2 mm or 10.3% 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.
3. **The finance costs** in the third quarter of 2017 was THB 406.1 mm, which decreased by THB 222.1 mm or 35.3% from the same period of previous year, because of loan repayment from proceeds of assets monetization to REITs in the fourth quarter of 2016, loan repayment of THB 5,000 mm from WHAUP's IPO proceeds in the second quarter of 2017 and debentures settlement, maturing in the third quarter of 2017, amounting to THB 4,185 mm, which carried higher interest rate.

FINANCIAL POSITION



The changes in Consolidated Balance Sheet as of 30 September 2017 are summarized as follows.

Assets

As of 30 September 2017, the Company had total assets of THB 74,147.5 mm, which decreased by THB 636.2 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 1,825.4 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 451.3 mm, mainly from the loan repayment from the joint venture.
3. Decrease in investments in available-for-sale of THB 227.1 mm, mainly from decrease in market capitalization of property funds and REITs after the market price decreased during this year.
4. Increase in investments in associates of THB 2,343.5 mm due to raising of share of profit from investments in associates and capital increase in associates.
5. Increase in properties, plants and equipment of THB 434.3 mm, mainly from increase in assets from data center business, amounting to THB 257 mm.
6. Decrease in investment properties (net) of THB 1,821.5 mm, mainly due to the reclassification of assets, comprising of WHA Mega Logistics Center Chonlaharnpichit KM.3, WHA Mega Logistics Center Bangna Trad KM.19, Omada Aerospace Factory Rayong and WHA Mega Logistics Lamlukka, which will be monetized to WHART in the fourth quarter of 2017. Additional assets will be monetized to HREIT of 21 units in the fourth quarter of 2017. Nonetheless the Company has invested more in the investment properties during this period as well.
7. Increase in non-current assets held for sale of THB 2,229.6 mm due to the reclassification of assets, which will be sold to WHART and HREIT as mentioned above.

Liabilities

As of 30 September 2017, the Company had total liabilities of THB 46,724.7 mm, which decreased by THB 6,096.7 mm from THB 52,821.4 mm as of 31 December 2016. The main reasons are as follows:

1. Decrease in short-term loans from financial institutions of THB 564.8 mm, mainly due to short-term loan repayment and B/E settlement of THB 2,500 mm and THB 1,160 mm respectively during this year, however the Company has issued B/E and P/N totaling of THB 3,100 mm.
2. Long-term financial institutions loans repayment of THB 6,488.9 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. Increase in debentures (net) of THB 1,221.4 mm. Because during this year the Company has issued debenture, totaling of THB 6,600 mm. However the Company has also repaid some debentures of THB 5,385 mm.
4. Increase in liabilities related directly to non-current assets held for sale of THB 86.2 mm, mainly from the reclassification of liabilities to synchronize with the reclassification of the assets as mentioned above.
5. Decrease in deposits from long-term lease agreement of THB 66.3 mm. This was caused from 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 30 September 2017, the Company had total shareholder's equity of THB 27,423.6 mm, which increased by THB 5,461.3 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

	Q3 2016	Q3 2017
	THB mm	THB mm
Net cash generated (used in) from operating activities	(894.0)	483.6
Net cash generated (used in) from investing activities	(1,134.6)	764.4
Net cash generated (used in) from financing activities	2,045.9	(2,132.6)
Net increase in cash and cash equivalents	17.3	(884.6)
Cash and cash equivalents - ending balance	2,557.3	1,757.7

1. Cash flows from operating activities

The Company had cash inflows (outflows) from operating activities for 9 months ended the third quarter of 2017 was THB 483.6 mm which increased by THB 1,377.5 mm, compared to same period of last year, mainly from decrease in financial costs and increase in profit before tax expense.

2. Cash flows from investing activities

The Company had cash inflows (outflows) from investing activities for 9 months ended the third quarter of 2017 stood at THB 764.4 mm, which increased by THB 1,899.0 mm, compared to same period of last year, mainly from increase in net proceeds from short-term investment disposal. The Company has also received proceeds from short-term loans to related parties as the result of loan repayment from the joint venture. However the Company had the increase of payments of investments in associates.

3. Cash flows from financing activities

The Company had cash inflows (outflows) from financing activities for 9 months ended the third quarter of 2017 was THB (2,132.6) mm, which decreased by THB 4,178.5 mm, compared to same period of last year, mainly due to loan repayment of financial institutions and also debentures. Moreover the Company has paid cash dividend to shareholder in the second quarter of 2017, amounting to THB 2,200 mm.

Please be informed accordingly.

Sincerely yours,

(Mr. Arttavit Chalermasaphayakorn)
Chief Financial Officer