

10 May 2018

Re: To clarify the financial statements as of 31 March 2018
 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 first quarter of 2018 ended on 31 March 2018 which were reviewed by the auditor. The Company hereby clarifies the changes in the performance over 20% as follows:

FINANCIAL PERFORMANCE

Consolidated Financial Statements	Q1 2017	Q1 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Total Revenue ¹	1,365.1	3,447.1	2,082.0	152.5%
Total Cost	519.0	1,528.4	1,009.4	194.5%
Gross Profit ²	846.1	1,918.6	1,072.5	126.8%
Net Profit	80.8	779.9	699.1	865.5%

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

In the first quarter of 2018, the Company had the net profit of THB 779.9 mm, which increased by THB 699.1 mm or 865.5 %, compared to the same period of the last year.

KEY HIGHLIGHTS

- Total revenue increased by 152.5%, mainly from increase in revenue from sale of real estate and increase in revenue from sale of investment properties resulting from the asset monetization to Hemaraj Leasehold Real Estate Investment Trust (HREIT), totaling rental area of approx. 55,131 sq.m. on 4 January 2018
- Share of profit from associates and joint ventures increased by 162.3%, according to the number of days in operation of GHECO-One compared to the previous year that had a planned maintenance. Moreover, there have also been a completion of COD of 5 SPPs since the second quarter of 2017 to the first quarter of 2018, adding the Company’s Equity MW under operation to 510.5 MW
- Financial costs decreased by 30.8 %, mainly from the fact that the Company has repaid the loan since late year of 2016. In addition, TRIS rating announced the company rating of WHA at “A-” with “Stable” outlook in the fourth quarter in 2017, resulting in decrease of the Company’s financial costs.

PERFORMANCE BY BUSINESS

Rental Properties Business

	Q1 2017	Q1 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Rental Revenue	273.0	244.3	(28.7)	(10.5%)
Gross Profit	151.3	118.4	(32.9)	(21.7%)
Gross Profit Margin	55.4%	48.5%		
GPM before adjustment with PPA	57.0%	49.2%		
Revenue from Sale of Investment Properties	132.1	1,449.0	1,316.9	996.9%
Gross Profit	20.5	611.1	590.7	2,888.2%
Gross Profit Margin	15.5%	42.2%		
GPM before adjustment with PPA	15.5%	57.3%		

1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers and factories** during the first quarter of 2018 was THB 244.3 mm, which decreased by THB 28.7 mm or 10.5% from the same period of previous year. The main reason was due to the asset monetization to WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART) and HREIT in the late 2017 and the beginning of 2018 respectively, thereby reducing the leasable area.
- **Gross profit from rental and service of warehouses, distribution centers and factories** during the first quarter of 2018 was THB 118.4 mm, which decreased by THB 32.9 mm or 21.7% from the same period of previous year because of the decrease in leasable area from asset monetization to WHART and HREIT in the late 2017 and the beginning of 2018 respectively. The gross profit margin in the first quarter of 2018 was 48.5%. 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 first quarter of 2018 was at 49.2% for the warehouse rental and service business which decreased from 57.0% in the same period of previous 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 first quarter of 2018 was THB 1,449.0 mm, which increased by 1,316.9 mm or 996.9%, compared to the same period of previous year, mainly resulting from the asset monetization to HREIT, totaling rental area of approx. 55,131 sq.m. on 4 January 2018 and the Ready-built factory sale to customer of 1 project.
- **Gross profit from sale of investment properties** during the first quarter of 2018 was THB 611.1 mm, which increased by THB 590.7 mm or 2,888.2%, compared to the same period of previous year, mainly due to the increase of income from sale of investment properties as mentioned before. Nonetheless the gross profit margin has improved from 15.5 % in the first quarter of 2017 to 42.2 % in the first quarter of

2018, resulting from from asset monetization to HREIT. 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 first quarter of 2018 was at 57.3 %.

Industrial Development Business

	Q1 2017	Q1 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	-	416.2	416.2	n.a.
Gross Profit	-	181.6	181.6	n.a.
Gross Profit Margin	-	43.6%		
GPM before adjustment with PPA	-	63.8%		

Income from sales of real estate during the first quarter of 2018 stood at THB 416.2 mm, while, the Company did not recognize the revenue from the sales of real estate due to no transfer of land for the Industrial Development Business during that period.

Gross profit from sale of real estate stood at THB 181.6 mm during the first quarter of 2018 with the gross profit margin of 43.6 %. However, 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 first quarter of 2018 was at 63.8%.

Utilities & Power Business

	Q1 2017	Q1 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	554.3	515.0	(39.4)	(7.1%)
Gross Profit	278.6	219.0	(59.6)	(21.4%)
Gross Profit Margin	50.3%	42.5%		
GPM before adjustment with PPA	53.3%	45.8%		
Total Share of Profit from Investments in Power Associates	251.2	658.9	407.7	162.3%
- Share of Profit from Investments in Power Associates	27.3	419.4	392.1	1,438.1%
- Unrealized Gain (Loss) from Exchange Rate	223.9	239.5	15.6	7.0%

Utilities income during the first quarter of 2018 was THB 515.0 mm, which decreased by THB 39.4 mm or 7.1%, compared to the same period of previous year, mainly due to the one-time excessive charge amounting of THB 86.0 mm recognized during the first quarter of 2017 considered as one-off item. However, if excluding the one-time excessive charge considered as one-off item, the utilities income increased by THB 46.4 mm or 9.9%, compared to the same period of previous year. This was mainly from higher water demand from completion of COD of 5 SPPs since the second quarter of last year until the first quarter of this year.

Gross profit from utilities services was THB 219.0 mm during the first quarter of 2018, which decreased by THB 59.6 mm or 21.4% from the same period of previous year. The gross profit margin in the first quarter of 2018 was 42.5%. 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 first quarter of 2018 was at 45.8 % for the utilities business which decreased from 53.3 % in the same period of previous year, resulting from the one-time excessive charge in the first quarter of 2017 as mention above while there was no such income in the first quarter of 2018.

Share of Profit from Investments in Associates from Power Business during the first quarter of 2018 was THB 658.9 mm, which increased by THB 407.7 mm or 162.3 %, compared to the same period of previous year, according to the number of days in operation of GHECO-One compared to the previous year that had a planned maintenance. In addition, there have also been a completion of COD of 5 SPPs since the second quarter of 2017 to the first quarter of 2018, adding the Company's Equity MW under operation to 510.5 MW. Moreover, the Company had an unrealized foreign exchange gain amounting of THB 239.5 mm. However, considering only the share of profits from investment in associated companies from power business, excluding such unrealized gain on foreign exchange, the Company's share of profits from investment in associated from power business still increased by THB 392.1 mm compared to the same period of the previous year.

Other Income

	Q1 2017	Q1 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Dividend and Management income	77.1	48.1	(29.0)	(37.6%)
Others	12.8	18.6	5.9	46.1%
Total other income	136.9	127.3	(9.6)	(7.0%)

Other income during the first quarter of 2018 stood at THB 127.3 mm, which decreased by THB 9.6 mm or 7.0 % from the same period of previous year. The breakdowns are the details below:

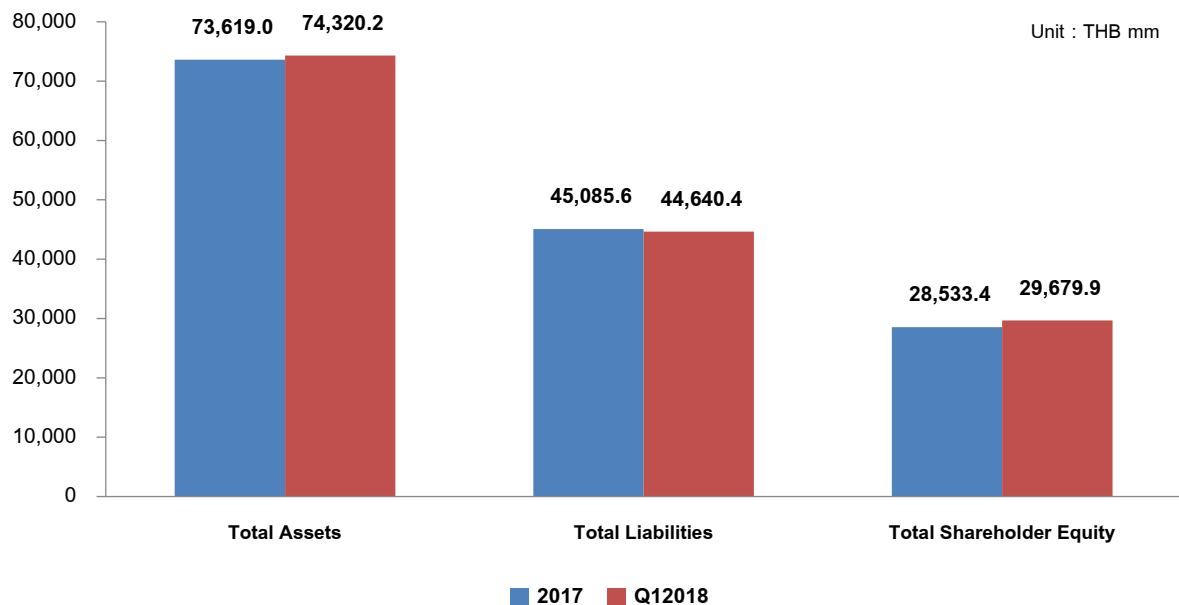
- **Dividend and management income** during the first quarter of 2018 was THB 48.1 mm, which decreased by THB 29.0 mm or 37.6% from the same period of previous year, mainly due to the fact that during the first quarter of 2018, there was no dividend from GLOW IPP power plant compared to THB 24.9 mm in the same period of previous year.
- **Other income** during the first quarter of 2018 stood at THB 18.6 mm, which increased by THB 5.9 mm or 46.1%, compared to the same period of the previous year.

Expenses analysis

	Q1 2017	Q1 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Selling expense	32.9	47.3	14.4	43.8%
Administrative expense	293.5	268.0	(25.5)	(8.7%)
Finance costs	452.9	313.4	(139.5)	(30.8%)
Total expense	779.3	628.7	(150.6)	(15.5%)

- **Selling expense** during the first quarter of 2018 was THB 47.3 mm, which increased by THB 14.4 mm or 43.8% from the same period of previous year, mainly due to the higher land transfer compared to the same period of previous year.
- **Administrative expense** during the first quarter of 2018 was THB 268.0 mm, which decreased by THB 25.5 mm or 8.7% from the same period of previous year, mainly due the impairment of asset, arising from the asset that was sold below its fair value recorded as the book value of asset, according to the accounting standard. While there was no impairment of asset during the first quarter of 2018.
- **The finance costs** during the first quarter of 2018 was THB 313.4 mm, which decreased by THB 139.5 mm or 30.8% from the same period of previous year, mainly from the fact that the Company has repaid the loan since late year of 2016. In addition, TRIS rating announced the company rating of WHA at “A-” with “Stable” outlook in the fourth quarter in 2017, resulting in decrease of the Company’s financial costs.

FINANCIAL POSITION



The changes in Consolidated Balance Sheet as of 31 March 2018 are summarized as follows.

Assets

As of 31 March 2018, the Company had total assets of THB 74,320.2 mm, which increased by THB 701.3 mm from THB 73,619.0 mm as of 31 December 2017. The main reasons are as follows:

1. Increase in Cash and cash equivalents of THB 1,010.3 mm mainly due to the asset monetization to HREIT, totaling rental area of approx. 55,131 sq.m. on 4 January 2018
2. Increase in investments in associates of THB 768.7 mm due to raising of share of profit from investments in associates and capital increase in associates proportionately.
3. Increase in investments in joint ventures of THB 152.1 mm, due to capital increase in joint ventures proportionately.
4. Decrease in short-term investments of THB 438.9 mm, which was mainly from the Company divested some investment units to manage the liquidity
5. Decrease in cost of real estate development (net) of THB 198.0 mm, due to land transfer during this year. Nonetheless the Company has further developed in the industrial land during this period as well.
6. Decrease in investment properties (net) of THB 745.9 mm, resulting from the reclassification of assets, totaling will be monetized to WHART of 2 projects. 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 133.31 mm due to the reclassification of assets, which sold to HREIT totaling rental area of approx. 55,131 sq.m. on 4 January 2018 and the Ready-built factory and land sale to client of 1 project, resulting in the decrease of non-current assets held for sale by THB 835.2 mm. However, during the first quarter of 2018, the Company reclassified asset which will be monetized to WHART, resulting in the increase of non-current assets held for sale by THB 702.1 mm.

Liabilities

As of 31 March 2018, the Company had total liabilities of THB 44,640.4 mm, which decreased by THB 445.2 mm from THB 45,085.6 mm as of 31 December 2017. Furthermore, if considering the interest-bearing debt, it amounted THB 33,791.0 mm, decreased by THB 607.5 mm from THB 34,398.5 mm. The main reasons are as follows:

1. Decrease in short-term loans from financial institutions of THB 403.0 mm, mainly due to short-term loan repayment of THB 1,200.0 mm during the first quarter of 2018, however the Company has issued B/E totaling of THB 800.0 mm.
2. Decrease in debentures (net) of THB 208.8 mm, mainly due to the fact that the Company has repaid some debentures in the first quarter of 2018
3. Decrease in other non-current liabilities of THB 103.1 mm, mainly due to the decrease of deferred withholding tax and deferred VAT liabilities
4. Increase in deferred revenue of THB 281.1 mm. This was mainly caused from the asset monetization to HREIT which is the leasehold of 30 years and renew for another 30 years. The lease of land is considered as an operation lease because land is usually given unlimited economic benefits and recorded as the deferred income.

Shareholder's equity

As of 31 March 2018, the Company had total shareholder's equity of THB 29,679.9 mm, which increased by THB 1,146.5 mm from THB 28,533.4 mm as of 31 December 2017, mainly from increase of the Company's retained earnings

Cash flow analysis

	Q1 2017	Q1 2018
	THB mm	THB mm
Net cash generated (used in) from operating activities	(475.7)	(333.3)
Net cash generated (used in) from investing activities	1,853.0	2,056.0
Net cash generated (used in) from financing activities	(1,313.7)	(712.4)
Net increase in cash and cash equivalents	63.5	1,010.3
Cash and cash equivalents - ending balance	2,698.9	2,930.0

1. Cash flows from operating activities

The Company had cash inflows (outflows) from operating activities for 3 months ended the first quarter of 2018 was THB (333.3) mm which decreased of outflow by THB 142.5 mm, compared to same period of previous year, mainly from the Company's earnings before income tax was THB 1,289.9 mm which increased by THB 1,223.1 mm from the first quarter of 2017.

2. Cash flows from investing activities

The Company had cash inflows (outflows) from investing activities for 3 months ended the first quarter of 2018 was THB 2,056.0 mm, which increased by THB 203.0 mm, compared to same period of previous year, mainly from the proceeds from disposals of building improvement and equipment, resulting from assets monetization to HRIET totaling rental area of approx. 55,131 sq.m. on 4 January 2018.

3. Cash flows from financing activities

The Company had cash inflows (outflows) from financing activities for 3 months ended the first quarter of 2018 was THB (712.4) mm, which decreased in outflow by THB 601.3 mm, compared to same period of previous year, mainly resulting from the proceeds from short-term borrowings amounting of THB 800.0 mm.

Please be informed accordingly.

Sincerely yours,

WHA Corporation Public Company Limited

(Mr. Arttavit Chalernsaphayakorn)

Chief Financial Officer