

10 August 2018

Re: To clarify the financial statements as of 30 June 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 second quarter of 2018 and 6 months ended on 30 June 2018 which were reviewed by the auditor. The Company hereby clarifies the changes in the performance over 20% as follows:

#### FINANCIAL PERFORMANCE FOR 3 MONTHS AND 6 MONTHS ENDED 30 JUNE 2018

Consolidated Financial Statements	Q2 2017	Q2 2018	Increase/(Decrease)		1H 2017	1H 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Total Revenue <sup>1</sup>	3,407.7	2,023.4	(1,384.3)	(40.6%)	4,772.8	5,470.5	697.7	14.6%
Total Cost	1,248.6	859.8	(388.8)	(31.1%)	1,767.6	2,388.2	620.6	35.1%
Gross Profit <sup>2</sup>	2,159.1	1,163.7	(995.5)	(46.1%)	3,005.2	3,082.3	77.1	2.6%
Net Profit	972.4	303.0	(669.3)	(68.8%)	1,053.1	1,082.9	29.8	2.8%
Normalized Total Revenue <sup>3</sup>	3,308.7	2,338.8	(969.9)	(29.3%)	4,433.9	5,535.2	1,101.3	24.8%
Normalized Net Profit <sup>3</sup>	903.1	523.8	(379.3)	(42.0%)	815.9	1,128.2	312.4	38.3%

<sup>1</sup> Including other income and share of profit from investments in associates and JVs

<sup>2</sup> Gross profit including share of profit from investments in associates and JVs

<sup>3</sup> Excluding FX impact

In the first half of 2018, the Company had the net profit of THB 1,082.9 mm, which increased by THB 29.8 mm or 2.8%, compared to the same period of the last year. If excluding FX impact, the normalized net profit increased by THB 312.1 mm or 38.3%. If considering only 3-month period ending 30 June 2018, the net profit was THB 303.0 mm, which decreased by THB 669.3 mm or 68.8%, however if excluding the FX impact, the normalized net profit was decreased by THB 379.3 mm or 42.0%. Such impact from FX losses was only accounting implication and did not affect the Company's cash flow or its operating performance.

#### KEY HIGHLIGHTS

- Total revenue and share of profit from investments in associates increased by 14.6%. However, if excluding the FX impact, normalized total revenue and share of profit from investments in associates increased by 24.8%, mainly from increase in revenue from sale of investment properties resulting from the asset monetization to Hemaraj Leasehold Real Estate Investment Trust (HREIT) and increase in normalized share of profit from investments in power associates. Such impact from FX losses was only accounting implication and did not affect the Company's cash flow or its operating performance.

- Share of profit from investments in power associates decreased by 3.3%. However, if excluding the FX impact, normalized share of profit from associates and joint ventures increased by 62.3%, 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. Such impact from FX losses was only accounting implication and did not affect the Company's cash flow or its operating performance.
- Finance costs decreased by 25.3%, 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

	Q2 2017		Q2 2018		Increase/(Decrease)		1H 2017		1H 2018		Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Rental Revenue	275.6	238.1	(37.6)	(13.6%)	548.6	482.4	(66.2)	(12.1%)				
Gross Profit	165.6	124.6	(41.0)	(24.8%)	316.9	243.0	(73.9)	(23.3%)				
Gross Profit Margin	60.1%	52.3%			57.8%	50.4%						
GPM before adjustment with PPA	61.0%	53.0%			59.0%	51.1%						
Revenue from Sale of Investment Properties	-	-	-	n.a.	132.1	1,449.0	1,316.9	996.9%				
Gross Profit	-	-	-	n.a.	20.5	611.1	590.7	2,888.2%				
Gross Profit Margin	n.a.	n.a.			15.5%	42.2%						
GPM before adjustment with PPA	n.a.	n.a.			53.9%	57.3%						

### 1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers and factories** for 3 months and 6 months ended the second quarter of 2018 stood at THB 238.1 mm and THB 482.4 mm, which decreased by 13.6% and 12.1%, respectively, 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** for 3 months and 6 months ended the second quarter of 2018 stood at THB 124.6 mm and THB 243.0 mm, which decreased by 24.8% and 23.3%, respectively, 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 for 3 months and 6 months for the second quarter of 2018 were 52.3% and 50.4%, respectively. 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 were at 53.0% and 51.1%, respectively. The decrease in genuine gross margin, compared to the same period of last year, was 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 half 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 factory sale to customer of 1 project.
- **Gross profit from sale of investment properties** during the first half of 2018 was THB 611.1 mm, which increased by THB 590.7 mm or 2,888.2%, compared to the same period of pervious 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 half of 2017 to 42.2 % in the first half of 2018, resulting 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 half of 2018 was at 57.3 %.

### Industrial Development Business

	Q2 2017	Q2 2018	Increase/(Decrease)		1H 2017	1H 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Revenue	1,789.8	816.8	(972.9)	(54.4%)	1,789.8	1,233.0	(556.7)	(31.1%)
Gross Profit	949.2	380.9	(568.3)	(59.9%)	949.2	562.5	(386.6)	(40.7%)
Gross Profit Margin	53.0%	46.6%			53.0%	45.6%		
GPM before adjustment with PPA	59.6%	47.4%			59.6%	54.0%		

**Income from sales of real estate** for 3 months and 6 months ended the second quarter of 2018 were THB 816.8 mm and THB 1,233.0 mm, which decreased by 54.4% and 31.1%, respectively, from the same period of previous year. Because of the decrease in land transfer, compared to the same period of last year.

**Gross profit from sale of real estate** for 3 months and 6 months ended the second quarter of 2018 were THB 380.9 mm and THB 562.5 mm, having gross profit margins at 46.6% and 45.6%, respectively. However, these gross margins had accounted for the fair value adjustment of the acquired business according to the accounting standards under WHA level. However, the genuine gross margins were at 47.4% and 54.0%, respectively.

### Utilities & Power Business

	Q2 2017	Q2 2018	Increase/(Decrease)		1H 2017	1H 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Revenue	495.7	523.1	27.5	5.5%	1,050.0	1,038.1	(11.9)	(1.1%)
Gross Profit	199.5	241.6	42.2	21.1%	478.1	460.7	(17.4)	(3.6%)
Gross Profit Margin	40.2%	46.2%			45.5%	44.4%		
GPM before adjustment with PPA	43.7%	49.4%			48.8%	47.6%		
<b>Share of Profit from Investments in Power Associates</b>	<b>686.2</b>	<b>247.8</b>	<b>(438.4)</b>	<b>(63.9%)</b>	<b>937.3</b>	<b>906.6</b>	<b>(30.7)</b>	<b>(3.3%)</b>
- Normalized Share of Profit from Investments in Power Associates	587.2	563.1	(24.0)	(4.1%)	598.4	971.3	373.0	62.3%
- FX Gain (Loss)	99.0	(315.3)	(414.3)	(418.5%)	339.0	(64.7)	(403.7)	(119.1%)

**Utilities income** during 3-month period ended second quarter of 2018 was THB 523.1 mm, which increased by THB 27.5 mm or 5.5%, compared to the same period of previous year. For the first 6 months of 2018, the income was at THB 1,038.1 mm, which decreased by THB 11.9 mm or 1.1% %, compared to the same period of previous year. However, if excluding the excessive charge considered as one-off item, the utilities income for 6-month period increased by THB 90.2 mm or 9.6% growth, 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, together with the increase in demand of existing customers.

**Gross profit from utilities services** for 3 months ended the second quarter of 2018 was THB 241.6, which increased by THB 42.2 mm or 21.1% from the same period of previous year. For the first 6 months of 2018, the gross profit was at THB 460.7 mm, which decreased by THB 17.4 mm or 3.6%, compared to the same period of previous year. The gross profit margin for 3 months and 6 months were 46.2% and 44.4%, respectively. 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 margins were at 49.4% and 47.6%, respectively.

**Share of Profit from Investments in Associates from Power Business** for 3 months and 6 months ended the second quarter of 2018 were THB 247.8 mm and THB 906.6 mm, which decreased by 63.9% and 3.3%, respectively, compared to the same period of previous year, mainly due to the impact of FX and insurance claim in the second quarter of 2017. If considering only the normalized share of profit from investments in associates from power business for the 6 months increased by 62.3% according to the number of days in operation of GHECO-One compared to the previous year that had a planned maintenance. In addition, there has 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. Such impact from FX losses was only accounting implication and did not affect the Company's cash flow or its operating performance.

## Other Income

	Q2 2017	Q2 2018	Increase/(Decrease)		1H 2017	1H 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
<b>Dividend and Management income</b>	<b>94.1</b>	<b>109.5</b>	<b>15.4</b>	<b>16.3%</b>	<b>171.2</b>	<b>157.6</b>	<b>(13.6)</b>	<b>(7.9%)</b>
Others	57.0	72.5	15.5	27.2%	116.8	151.6	34.9	29.8%
<b>Total other income</b>	<b>151.1</b>	<b>182.0</b>	<b>30.8</b>	<b>20.4%</b>	<b>288.0</b>	<b>309.3</b>	<b>21.2</b>	<b>7.4%</b>

**Other income** for 3 months and 6 months ended the second quarter of 2018 stood at THB 182.0 mm and THB 309.3 mm, which increased by 20.4% and 7.4%, respectively, from the same period of previous year. The breakdowns are the details below:

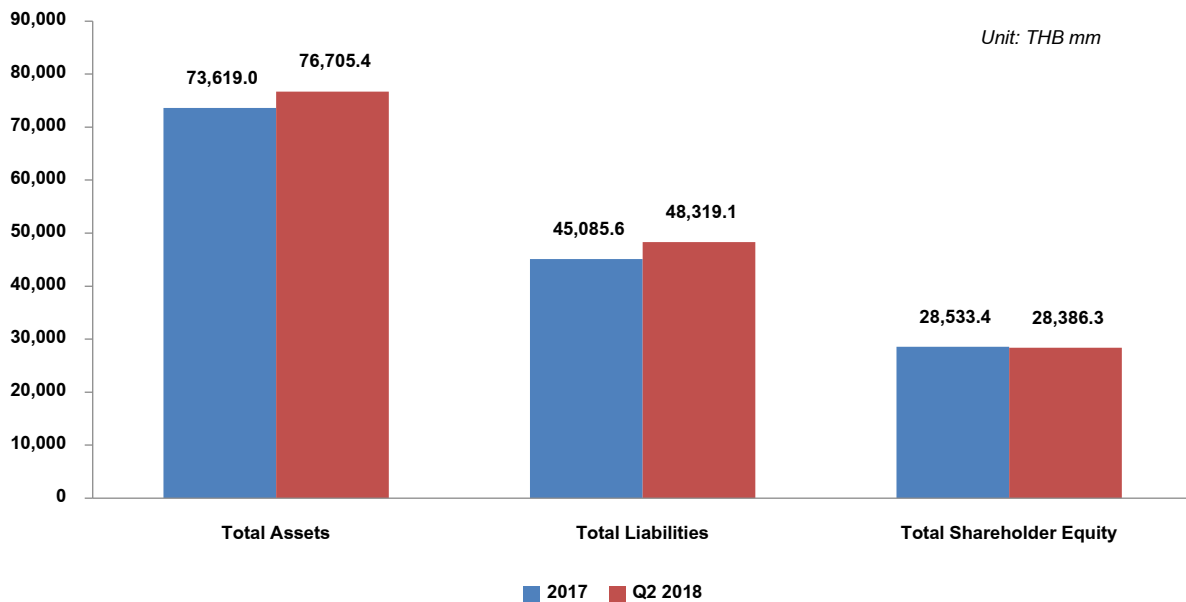
- **Dividend and management income** for 3 months ended the second quarter of 2018 was THB 109.5 mm, which increased by THB 15.4 mm or 16.3% from the same period of previous year. However, for 6 months, it was THB 157.6 mm, decreased THB 13.6 mm or 7.9%, mainly due to the dividend received from HREIT during 2017 versus net cash paid from HREIT was in the form of capital reduction during 2018.
- **Other income** for 3 months and 6 months ended the second quarter of 2018 stood at THB 72.5 mm and THB 151.6 mm, which increased by 27.2% and 29.8%, respectively, from the same period of previous year.

## Expenses analysis

	Q2 2017	Q2 2018	Increase/(Decrease)		1H 2017	1H 2018	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Selling expense	161.2	68.4	(92.9)	(57.6%)	194.1	115.7	(78.5)	(40.4%)
Administrative expense	306.3	314.6	8.3	2.7%	599.8	582.6	(17.3)	(2.9%)
Finance costs	418.9	337.9	(81.0)	(19.3%)	871.8	651.3	(220.5)	(25.3%)
<b>Total expenses</b>	<b>886.5</b>	<b>720.9</b>	<b>(165.6)</b>	<b>(18.7%)</b>	<b>1,665.7</b>	<b>1,349.6</b>	<b>(316.2)</b>	<b>(19.0%)</b>

- **Selling expense** for 3 months and 6 months ended the second quarter of 2018 stood at THB 68.4 mm and THB 115.7 mm, which decreased by 57.6% and 40.4%, respectively, from the same period of previous year, mainly due to the lower land transfer compared to the same period of previous year.
- **Administrative expense** for 3 months ended the second quarter of 2018 was THB 314.6 mm, which increased by THB 8.3 mm or 2.7% from the same period of previous year. Besides, for 6 months, the expenses was THB 582.6 mm, decreased by THB 17.3 mm or 2.9%, mainly because the Company recognized the impairment of asset in the first quarter of 2017, according to the accounting standard.
- **Finance costs** for 3 months and 6 months ended the second quarter of 2018 stood at THB 337.9 mm and THB 651.3 mm, which decreased by 19.3% and 25.3%, respectively, 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 30 June 2018 are summarized as follows.

### Assets

As of 30 June 2018, the Company had total assets of THB 76,705.4 mm, which increased by THB 3,086.4 mm from THB 73,619.0 mm as of 31 December 2017. The main reasons are as follows:

1. Increase in short-term investment of THB 1,854.5 mm mainly due to the Company's cash management by investing the mutual funds.
2. Increase in investments in associates of THB 1,022.5 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 178.3 mm, due to capital increase in joint ventures proportionately.
4. Increase in other long-term investment (net) of THB 204.6 mm, mainly because the Company invested in Supernap (Thailand) Company Limited during the second quarter of 2018.
5. Increase in other non-current asset (net) of THB 486.1 mm, mainly due to advance payment for the land.
6. Decrease in short-term loan to related parties of THB 214.8 mm, because of having loan repayment from the associates in power business.
7. Decrease in investment properties (net) of THB 740.8 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.
8. Decrease in non-current assets held for sale of THB 133.1 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 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.



9. Decrease in other current asset of THB 341.4 mm, due to the decrease in account receivable from Revenue Department.

### Liabilities

As of 30 June 2018, the Company had total liabilities of THB 48,319.1 mm, which increased by THB 3,233.5 mm from THB 45,085.6 mm as of 31 December 2017. Besides, if considering the interest-bearing debt, it amounted THB 38,038.9 mm, increased by THB 3,604.4 mm from THB 34,398.5 mm. The main reasons are as follows:

1. Decrease in short-term loans from financial institutions of THB 178.2 mm, mainly due to short-term loan repayment of THB 2,000.0 mm during this period, however the Company has issued B/E or P/N totaling of THB 1,820.0 mm.
2. Decrease in long-term loans from financial institutions of THB 3,936.9 mm, mainly due to the refinancing, amounting of THB 4,000.0 mm by bond issuance.
3. Decrease in other current liabilities of THB 123.3 mm, due to the decrease in accrued withholding tax.
4. Increase in debentures (net) of THB 7,755.5 mm, mainly due to bond issuance of THB 8,000.0 mm during this period, however the Company has repaid expired bond totaling of THB 200.0 mm as well.
5. Increase in deferred revenue of THB 230.0 mm. This was mainly caused from the asset monetization to HREIT which was the leasehold of 30 years and renewal 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 30 June 2018, the Company had total shareholder's equity of THB 28,386.3 mm, which decreased by THB 147.1 mm from THB 28,533.4 mm as of 31 December 2017, because the Company had cash dividend payment. However, there was the increase in retained earnings during this period as well.

### Cash flow analysis

	1H 2017	1H 2018
	THB mm	THB mm
Net cash generated (used in) from operating activities	270.9	(90.1)
Net cash generated (used in) from investing activities	1,574.7	(831.4)
Net cash generated (used in) from financing activities	(847.2)	1,933.2
<b>Net increase in cash and cash equivalents</b>	<b>998.5</b>	<b>1,011.7</b>
<b>Cash and cash equivalents - ending balance</b>	<b>3,631.3</b>	<b>2,950.4</b>

#### 1. Cash flows from operating activities

The Company had cash inflows (outflows) from operating activities for 6 months ended the second quarter of 2018 was THB (90.1) mm which decreased of inflow by THB 361.0 mm, compared to same period of previous year, mainly from adjustment of gain from disposal of investment property which will be recognized as cash proceeds from disposals of investment property in the cash flow from investing activities.

## **2. Cash flows from investing activities**

The Company had cash inflows (outflows) from investing activities for 6 months ended the second quarter of 2018 was THB (831.4) mm, which increased of outflow by THB 2,406.1 mm, compared to same period of previous year, mainly from the decrease in cash proceeds from sale of short-term investments.

## **3. Cash flows from financing activities**

The Company had cash inflows (outflows) from financing activities for 6 months ended the second quarter of 2018 was THB 1,933.2 mm, which increased in inflow by THB 2,780.4 mm, compared to same period of previous year, mainly resulting from bond issuance of THB 8,000.0 mm in the second quarter. However, there was the long-term loan refinancing of THB 4,000.0 mm as well.

Please be informed accordingly.

Sincerely yours,

WHA Corporation Public Company Limited

(Mr. Arttavit Chalermsoyayakorn)

Chief Financial Officer