



Ref. World 08-06/2018

World Corporation Public Company Limited.
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AmpurLumLukKa, PathumThani Province

20 August 2018

Subject: Clarification of 4rd Quarter 2018 operating results that posted a difference greater than 20% from the preceding year

To: Director and Manager the Stocks Exchange of Thailand

World corporation public company limited ("the Company") and its subsidiaries intend to engage in horizontal and vertical real estate development business as industrial and commercial real estate for sale and lease of short-term and long-term space. It also includes short and long-term rental services. Products are divided into 7 groups.

- Purchase and sale of land for commercial purposes, large, medium and small, for the company and the general public for development.
- Purchase, development, allocation and distribution of commercial land to the company and the general both inside and outside the industrial estate.
- Industrial and commercial projects for sale include industrial estate and commercial building.
- Residential projects for sale and lease of commercial space include condominiums.
- Business for rent and sale of commercial real estate (lands, warehouses, factories, small office buildings, large office building commercial buildings) with the general public.
- Development projects for industrial and commercial infrastructure services. This includes the sale of gas and water.
- Real estate project management business for the company and the general public.

The Company would like to report the operating results for the year ended 31 May 2018 which were audited by Certified Public Accountant as follows:

1. Total revenues were Baht 1,108.92 million, an increase of Baht 691.90 million or 165.92% from the same period of last year. This was due to the following: Revenue from sales of land plots of Bangpoo Industrial Estate (North) amounted to Baht 1,066.42 million. Baht in the period of 9 months (before the Company Sales of investments in Thai Bonnet Trading Zone Co., Ltd.) and sales of condominium units in Hat Yai amounted to Baht 27.28 million, which began in Q4.

Currently, the Company has three property development projects:

- Lamphun Industrial Estate (north), Lamphun, which started to recognize revenue in 2019.
- Condominium project in Hat Yai Songkhla province recognized revenue in this quarter as the first quarter.
- Condominium project in Patong Phuket is divided into two phases. Phase 1 is a condominium unit and is under sale. Phase 2 is in the process of being completed, but due to construction problems and weather conditions.

2. The total expenses amounted to Baht 1,411.45 million, an increase of Baht 1,162.16 million or 466.19% from the same period last year.

2.1 Cost of sales of real estate development business in the amount of Baht 891.17 million was caused by the cost of the Bangpoo Industrial Estate project of Baht 875.63 million, which was 70-80% of the selling price and the cost of condominium unit project in Hat Yai, Songkhla province at the cost of Baht 15.54 million at 70-75% of the selling price.

2.2 Selling expenses in the amount of Baht 64.19 million, mainly for the specific business tax paid on the land transfer date and commission on the sale [in the industrial estate project](#).

2.3 Administrative Expenses of Baht 53.89 Million. The items are usually staff salaries and fees related to the operation of industrial estate projects.

2.4 Extra expenses incurred in this quarter amounted to Baht 372.33 million

2.4.1 The extraordinary expenses incurred in this quarter were provision for doubtful accounts of short-term loans amounting to Baht 127.99 million.

2.4.2 The special expenses incurred in this quarter were disposals of investments in subsidiaries amounting to Baht 244.34 million resulting from the difference of the total value of consideration received from the net asset value of Thai Bonnet Trading Zone Co., Ltd.

2.5 Finance costs in the amount of Baht 8.34 million, mainly from interest paid on loans from financial institutions.

2.6 Income tax expenses amounting to Baht 21.49 million arise from the calculation of annual income tax and the calculation of deferred income tax due to the fact that the Company has different criteria for determining taxable incomes, resulting in deferred tax.

As a result, the Company's net loss from continuing operations for the year ended 31 May 2018 was Baht 302.53 million, net profit of Baht 167.73 million a decrease from the previous year, the amount to Baht 470.26 million or 280.37 percent.

In the fourth quarter, the extra expenses were not incurred from the normal operation of the company under item 2.4, as provision for doubtful accounts and Disposal of investments in subsidiaries in the previous year, the Company had gain on purchase of investment in subsidiaries.

Table showing net profit from normal operations. (After deducting special transactions)

(Millions Baht)

Transaction	31 May, 2018	31 May, 2017
Net profit (loss)	(302.53)	167.73
Deductions		
1. Reserve for doubtful accounts *	127.99	-
2. Differences on the purchase of investment in a subsidiary **	-	151.92
3. Difference from disposal of investment in subsidiary **	244.34	-
Net profit (loss) from normal operations	69.80	15.81

Notes * The Company has set aside allowance for doubtful accounts covering short-term loans as well as accrued interest receivables of its subsidiary, World Industrial Estate Co., Ltd. (formerly name, Suburb Estate Co., Ltd.). B). The short-term loan is a transaction that has occurred since the acquisition of this company because of the date of the share purchase. The management considers an expected return in the future, and it is considered a worthy the investment. However, after reviewing the net asset value and net debt at the end of the period, the Company did not receive any debt repayments in the past year and was not consulted or informed whenever the debt collection was due but not paid. As a result, the Company made provisions for doubtful accounts the amount of which only expected to have a minor effect on the company's profitability.

** The Company paid ordinary shares in Thai Bonnet Trading Zone Co., Ltd. at the price of Baht 200 million, compared to net assets at the acquisition date of Baht 351.92 million, resulting in gain the fair value is lower than the fair value of Baht 151.92 million. Based on the value of the registered and paid-up capital of Thai Bonnet Trading Zone Co., Ltd. of Baht 200 million. When the Company disposed of investment in Thai Bonnet Trading Zone Co., Ltd. at the price of Baht 230 million (considering the cash paid to purchase ordinary shares of Baht 200 million plus profit of Baht 30 million). As compared to the net assets at the sale date of Baht 474.34 million, the difference was a loss on sale of investment in subsidiary in the amount of Baht 244.34 million. As at the sale date, the Company recorded gain on disposal of investments in this subsidiary only in the amount of Baht 30 million.

As a result of the ordinary course of business for the year ended 31 May 2018, the Company's net profit from continuing operations of the parent company was Baht 69.80 million, an increase from the same period last year. Baht 53.99 million or 341.49%. The proportion of income increased. (As discussed in item 1). (As mentioned in item 2) because of the operating results of the industrial estate project in the past 9 months and the results of the Hat Yai project, which is recognized as revenue for the first year.

Please be informed accordingly.

Yours sincerely

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Authorized Information Officer