

8 August 2019

Re: To clarify the financial statements as of 30 June 2019
 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 2019 ended on 30 June 2019 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 2019

Consolidated Financial Statements	Q2 2018	Q2 2019	Increase/(Decrease)		1H 2018	1H 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Total Revenue ¹	2,023.4	3,074.1	1,050.7	51.9%	5,470.5	6,877.1	1,406.6	25.7%
Total Cost	859.8	881.0	21.2	2.5%	2,388.2	3,495.2	1,107.0	46.4%
Gross Profit ²	981.7	1,884.0	902.3	91.9%	2,784.6	2,957.9	173.3	6.2%
Net Profit	303.0	1,051.9	748.9	247.1%	1,082.9	1,458.5	375.6	34.7%
Normalized Total Revenue ³	2,338.8	2,911.8*	573.1	24.5%	5,535.2	6,620.6*	1,085.4	19.6%
Normalized Net Profit ³	523.8	938.3*	414.6	79.2%	1,128.2	1,279.0*	150.7	13.4%

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

³ Excluding FX impact

* Including accounting impact from TFRS 15 accounting standard

During 3 months and 6 months ended the second quarter of 2019, the Company had the net profit of THB 1,051.9 and 1,458.5 mm, which increased by 748.9 and THB 375.6 mm or 247.1% and 34.7%, respectively, compared to the same period of the last year.

KEY HIGHLIGHTS

- Total revenue increased by 51.9% and 25.7% during 3 months and 6 months ended the second quarter of 2019, respectively, mainly from increase in revenue from sale of investment properties and increase in revenue from industrial land sale. However, if excluding the FX impact, normalized total revenue and share of profit from investments in associates increased by 24.5% 19.6%, respectively.
- Revenue from industrial land sale increased by 48.2% and 32.3% during 3 months and 6 months ended the second quarter of 2019, mainly from higher land transfer which came from higher backlog. Moreover, the gross profit margin improved to 61.4% and 57.0%, respectively, due to higher average selling price and better construction cost management.
- Revenue from sale of investment properties increased by 45%, compared to the same period of last year. As the Company recorded deferred revenue from selling assets to WHA Business Complex Freehold and Leasehold Real Estate Investment Trust ("WHABT") on 6 November 2015 and have

undertaken in guaranteeing minimum EBITDA of the REIT, thus, their significant risk and reward were not transferred to the buyer. However, during the period 2019, the Company has reconsidered the remaining guarantee EBITDA and found that existing risk and reward were insignificant. The Company has therefore reversed deferred revenue amounting to THB 2,100.6 mm to statement of comprehensive income for this period.

- Financial costs decreased by 17.6% and 14.5% during 3 months and 6 months ended the second quarter of 2019, due to lower weighted average cost of fund mainly from issuance of recent bonds with lower interest rate.

PERFORMANCE BY BUSINESS

Rental Properties Business

	Q2 2018	Q2 2019	Increase/(Decrease)		1H 2018	1H 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Rental Revenue	238.1	218.0	(20.1)	(8.4%)	494.0	493.9	(0.1)	(0.0%)
Gross Profit	124.6	127.5	2.9	2.3%	254.6	262.2	7.7	3.0%
Gross Profit Margin	52.3	58.5			51.5	53.1		
GPM before adjustment with PPA	53.0	58.6			52.2	53.2		
Revenue from Sale of Investment Properties	-	-	-	n.a.	1,449.0	2,100.6	651.6	45.0%
Gross Profit	-	-	-	n.a.	611.1	161.5	(449.6)	(73.6%)
Gross Profit Margin	n.a.	n.a.			42.2	7.7		
GPM before adjustment with PPA	n.a.	n.a.			57.3	7.7		

1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers and factories** during 3 months and 6 months ended the second quarter of 2019 were THB 218.0 mm and THB 493.9 mm, which decreased by THB 20.1 mm and THB 0.1 mm from the same period of previous year, respectively, due to not having revenue recognition of the assets which've sold to WHABT as mentioned above. However, the Company had higher occupancy rate for ready-built facilities as well.
- **Gross profit from rental and service of warehouses, distribution centers and factories** during 3 months and 6 months ended the second quarter of 2019 were THB 127.5 mm and THB 262.2 mm, which increased by THB 2.9 mm and THB 7.7 mm or 2.3% and 3.0% from the same period of previous year, respectively, because of higher occupancy rate of Ready-Built factories and warehouses. The gross profit margin during 3 months and 6 months ended the second quarter of 2019 were 58.5% and 53.1%. 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 during 3 months and 6 months ended the second quarter of 2019 were at 58.6% and 53.2%, respectively, mainly due to change in product mix between Built-to-Suit and Ready-built facilities.

2. Sale of Investment Properties

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- **Income from sale of investment properties** during 6 months of 2019 was THB 2,100.6 mm, which increased by THB 651.6 mm or 45.0%, compared to the same period of previous year, mainly due to reversal of deferred revenue from sale of investment properties to WHABT as mentioned above comparing to sale of investment properties to HREIT of THB 1,259 mm during first quarter of 2018.
- **Gross profit from sale of investment properties** during 6 months of 2019 was THB 161.5 mm, which decreased by THB 449.6 mm or 73.6%, compared to the same period of previous year, because of lower gross profit margin from revenue recognition of reversal of deferred revenue as mentioned earlier, compared to the gross profit margin from sale of investment properties to HREIT in the same period of last year.

Industrial Development Business

	Q2 2018	Q2 2019	Increase/(Decrease)		1H 2018	1H 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Revenue	816.8	1,210.5	393.7	48.2%	1,233.0	1,631.8	398.7	32.3%
Gross Profit	380.9	743.3	362.4	95.1%	562.5	930.1	367.6	65.4%
Gross Profit Margin	46.6%	61.4%			45.6%	57.0%		
GPM before adjustment with PPA	47.4%	61.5%			54.0%	56.5%		

Income from sales of real estate during 3 months and 6 months ended the second quarter of 2019 stood at THB 1,210.5 mm and THB 1,631.8 mm, which increased by THB 393.7 mm and THB 398.7 mm or 48.2% and 32.8%, respectively, compared to the same period of last year. This was because of higher land transfer which came from higher backlog.

Gross profit from sale of real estate during 3 months and 6 months ended the second quarter of 2019 stood at THB 743.3 mm and THB 930.1 mm, which increased by THB 362.4 mm and THB 367.6 mm or 95.1% and 65.4%, respectively, compared to the same period of last year. The gross profit margin for 3 months and 6 months were 61.4% and 57.0%, respectively. 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 for 3 months and 6 months were 61.5% and 56.5%, respectively. The increase of gross profit margin was from higher average selling price and better construction cost management.

Utilities & Power Business

	Q2 2018	Q2 2019	Increase/(Decrease)		1H 2018	1H 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Revenue	523.1	578.3	55.1	10.5%	1,038.1	1,137.5	99.4	9.6%
Gross Profit	241.6	266.3	24.7	10.2%	460.7	530.7	70.1	15.2%
Gross Profit Margin	46.2	46.0			44.4	46.7		
GPM before adjustment with PPA	49.4	49.0			47.6	49.6		
Share of Profit from Investments in Power Associates	247.8	724.3	476.5	192.3%	903.4	1,034.2	130.8	14.5%
- Normalized Share of Profit from Investments in Power Associates	563.1	654.4	91.3	16.2%	968.1	962.4	(5.7)	(0.6%)
- FX Gain (Loss)	(315.3)	162.3	477.6	(151.5%)	(64.7)	256.5	321.2	(496.4%)

Utilities income during 3 months and 6 months ended the second quarter of 2019 were THB 578.3 mm and THB 1,137.5 mm, which increased by THB 55.1 mm and THB 99.4 mm or 10.5% and 9.6%, respectively, compared to the same period of last year, mainly due to the one-time excessive charge amounting to THB 80.5 mm recognized during the first half of 2019 considered as one-off item. However, if excluding the one-time excessive charge considered as one-off item, the utilities income increased by THB 23.7 mm or 2.3%, compared to the same period of previous year. This was mainly from higher water demand from completion of COD of a SPP since 2 January 2019.

Gross profit from utilities services during 3 months and 6 months ended the second quarter of 2019 were THB 266.3 mm and THB 530.7 mm, which increased by THB 24.7 mm and THB 70.1 mm or 10.2% and 15.2%, respectively, compared to the same period of last year. The gross profit margin during 3 months and 6 months in 2019 were 46.0% and 46.7%, 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 were 49.0% and 49.6%, resulting from the one-time excessive charge in the first half of 2019 as mentioned above while there was no such income in the first half of 2018, as well as the lower cost of goods sold from recycle waste water.

Share of Profit from Investments in Associates from Power Business during 3 months and 6 months ended the second quarter of 2019 were THB 724.3 mm and THB 1,034.2 mm, which increased by THB 476.5 mm and THB 130.8 mm or 192.3% and 14.5%, respectively, compared to the same period of last year. However, excluding the FX impact, normalized total revenue and share of profit from investments in associates increased by 16.2% during 3 months ended the second quarter of 2019 but during 6 months ended the second quarter of 2019 decreased by 0.6% as a result of the planned maintenance shutdown of Gheco-One power plant, amounting 39 days in first quarter of 2019. In addition, with reference to the share of profit from investments in associates from power business above, of which came from Gheco-One Project which has an accounting

impact from TFRS 15 accounting standard, resulting in lower recognition of share of profit. However, this is merely accounting impact, not related to cashflow from operation

Other Income

	Q2 2018	Q2 2019	Increase/(Decrease)		1H 2018	1H 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Dividend and Management income	109.5	132.0	22.5	20.6%	157.6	200.8	43.1	27.4%
Others	72.5	177.1	104.6	144.4%	140.1	223.2	83.2	59.4%
Total other income	182.0	309.1	127.2	69.9%	297.7	424.0	126.3	42.4%

Other income during 3 months and 6 months ended the second quarter of 2019 were THB 309.1 mm and THB 424.0 mm, which increased by THB 127.2 mm and THB 126.3 mm or 69.9% and 42.2%, respectively, compared to the same period of last year. The breakdowns are the details below:

- **Dividend and management income** during 3 months and 6 months ended the second quarter of 2019 were THB 132.0 mm and THB 200.8 mm, which increased by THB 22.5 mm and THB 43.1 mm or 20.6% and 27.4%, respectively, compared to the same period of last year, mainly due to increase in asset size of REITs.
- **Other income** comprised interest income, gain from sale of short-term investments and other income totaling THB 177.1 mm, and THB 223.2 mm for 3 months and 6 months ended the second quarter of 2019, respectively, which increased by THB 104.6 mm and THB 83.2 mm or 144.4% and 59.4%, compared to the same period of the previous year as a result of the revenue recognition from change in a client contract.

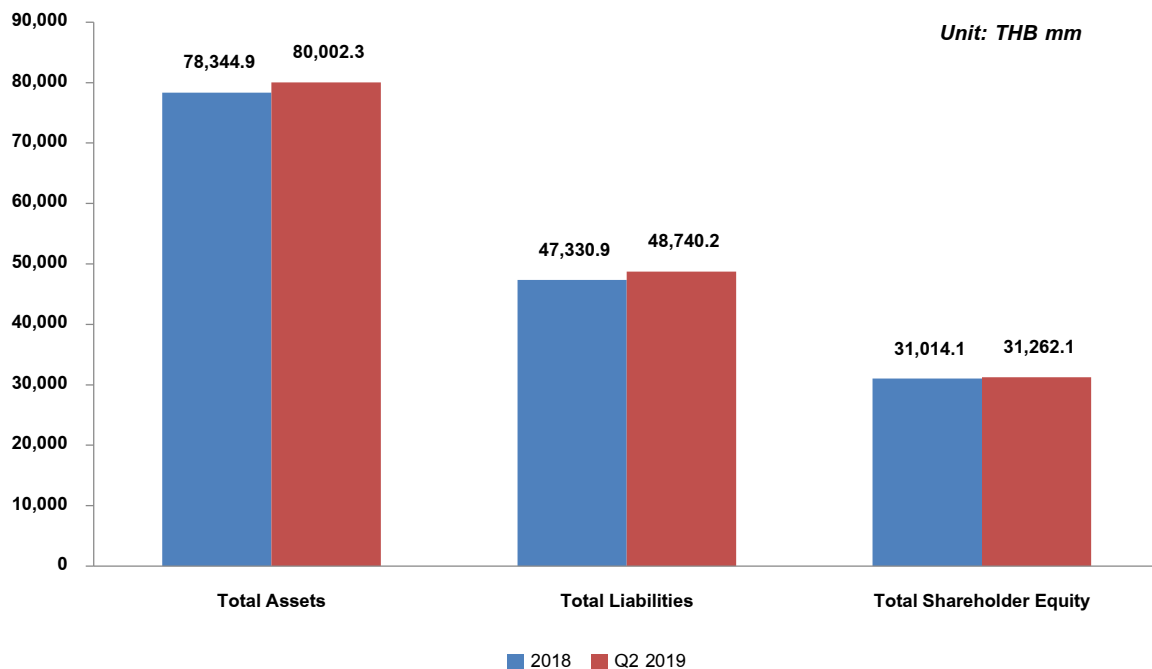
Expenses analysis

	Q2 2018	Q2 2019	Increase/(Decrease)		1H 2018	1H 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%	THB mm	THB mm	THB mm	%
Selling expense	68.4	113.7	45.3	66.3%	115.7	156.2	40.6	35.1%
Administrative expense	314.6	380.7	66.2	21.0%	582.6	675.0	92.4	15.9%
Finance costs	337.9	278.5	(59.4)	(17.6%)	651.3	556.7	(94.6)	(14.5%)
Total expenses	720.9	772.9	52.1	7.2%	1,349.6	1,387.9	38.3	2.8%

- **Selling expense** during 3 months and 6 months ended the second quarter of 2019 were THB 113.7 mm and THB 156.2 mm, which increased by THB 45.3 mm and THB 40.6 mm or 66.3% and 35.1%, respectively, compared to the same period of last year, mainly due to the higher land transfer compared to the same period of previous year.
- **Administrative expense** during 3 months and 6 months ended the second quarter of 2019 were THB 380.7 mm and THB 675.0 mm, which increased by THB 66.2 mm and THB 92.4 mm or 21.0% and 15.9%, respectively, compared to the same period of last year, mainly due to the increase in reserved employee benefit.

- **The finance costs** during 3 months and 6 months ended the second quarter of 2019 were THB 278.5 mm and THB 556.7 mm, which decreased by THB 59.4 mm and THB 94.6 mm or 17.6% and 14.5%, respectively, compared to the same period of last year, due to lower weighted average cost of fund mainly from issuance of new bond with lower interest rate and replacement of existing bond with higher rate.

FINANCIAL POSITION



The changes in Consolidated Balance Sheet as of 30 June 2019 are summarized as follows.

Assets

As of 30 June 2019, the Company had total assets of THB 80,002.3 mm, which increased by THB 1,657.4 mm from THB 78,344.9 mm as of 31 December 2018. The main reasons are as follows:

1. Increase in short-term investments of THB 726.3 mm, which was mainly from the Company purchased some investment units to manage the liquidity.
2. Decrease in short-term loan to related parties of THB 138.9 mm, because of receiving loan repayment from an associate.
3. Increase in Investments in available-for-sale of THB 2,299.9 mm, due to increase in market capitalization of REITs after the market price increased during this period.
4. Decrease in investments in associates of THB 1,207.7 mm mainly due to adoption of new accounting standard (IFRS 15) reflecting Gheco-One.
5. Decrease in investments in joint ventures of THB 246.8 mm, due to capital deduction in joint ventures proportionately.
6. Increase in other long-term investments (net) of THB 81.6 mm, due to increase in capital of an investment, proportionately.

7. Increase in investment properties (net) of THB 1,616.0 mm, resulting from the reclassification of assets, which will be monetized to WHART and HREIT, together with the impact from reversal of deferred revenue from WHART as mentioned above. However, 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 1,148.7 mm due to the reclassification of assets, which will be monetized to WHART and HREIT.

Liabilities

As of 30 June 2019, the Company had total liabilities of THB 48,740.2 mm, which increased by THB 1,409.3 mm from THB 47,330.9 mm as of 31 December 2018. Furthermore, considering solely the interest-bearing debt, it amounted THB 38,606.3 mm, increased by THB 2,225.8 mm from THB 36,380.5 mm. The main reasons are as follows:

1. Increase in short-term loans from financial institutions of THB 1,105.0 mm, mainly due to issuance of bill of exchange and promissory note, totaling THB 3,030.0 mm whereas repayment of bill of exchange and promissory note, totaling THB 1,920.0 mm during the first half of 2019.
2. Decrease in deferred revenue of THB 2,164.6 mm. This was mainly caused from reversal of deferred revenue due to recognition of revenue from sale of investment properties to WHABT as mentioned above.
3. Increase in trade and other payables of THB 979.9 mm, mainly due to the cash received from WHA-W1 exercise before paid-up the capital.
4. Increase in deferred tax of THB 430.6 mm.

Shareholder's equity

As of 30 June 2019, the Company had total shareholder's equity of THB 31,262.1 mm, which increased by THB 248.0 mm from THB 31,014.1 mm as of 31 December 2018, mainly from increase in retain earning. However, the Company had an impact from adoption of new accounting standard (IFRS 15) reflecting Gheco-One.

Cash flow analysis

	Q2 2018	Q2 2019
	THB mm	THB mm
Net cash generated (used in) from operating activities	(90.1)	865.0
Net cash generated (used in) from investing activities	(831.4)	(1,898.7)
Net cash generated (used in) from financing activities	1,933.2	1,709.1
Net increase in cash and cash equivalents	1,011.7	675.4
Cash and cash equivalents - ending balance	2,950.4	3,824.5

1. Cash flows from operating activities

The Company had cash inflows (outflows) from operating activities for 6 months ended the second quarter of 2019 was THB 865.0 mm which increased of inflow by THB 955.1 mm, compared to same period of previous year, mainly from increase in earnings before tax income.

2. Cash flows from investing activities

The Company had cash inflows (outflows) from investing activities for 6 months ended the second quarter of 2019 was THB (1,898.7) mm, which increase in outflows by THB 1,067.3 mm, compared to same period of previous year, due to the fact that the Company had the proceeds from sale of investment properties to HREIT during the first quarter of last year, while there was no such proceeds during this period and also the Company has cash outflows for investment properties in 2019.

3. Cash flows from financing activities

The Company had cash inflows (outflows) from financing activities for 6 months ended the second quarter of 2019 was THB 1,709.1 mm, which decreased in inflow by THB 224.1 mm, compared to same period of previous year, because the Company issued debenture lower amount than last year.

Please be informed accordingly.

Sincerely yours,

WHA Corporation Public Company Limited

(Mr. Arttavit Chalernsaphayakorn)

Chief Financial Officer