

23 February 2021

Re: To clarify the financial statements as of 31 December 2021

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 year of 2021 ended on 31 December 2021 which were audited by the auditor. The Company hereby clarifies the performance as follows:

### **MACROECONOMIC & COMPANY OVERVIEW**

#### **Thai Economic Performance**

On 22<sup>nd</sup> December 2021, the Monetary Policy Committee (MPC) expected that the Thai economy would grow 0.9% in 2021 and would continue to expand 3.4% and 4.7% in 2022 and 2023, respectively, driven by domestic spending and a gradual improvement in foreign tourist figures. Meanwhile, the recovery in various business sectors was expected to improve in line with economic activities. The Committee assessed that the Omicron outbreak would affect the economy in early 2022. The impact could be more severe and prolonged than expected due to downside risks such as the severity of the outbreak and the strictness of corresponding containment measures. However, there remained a need to monitor the labor market recovery, especially with regard to employment and income which were still below pre-pandemic levels.

Business Economic Research Center (EIC), Siam Commercial Bank assesses that the Thai economy will grow faster than expected at 1.1% in 2021, up from the previous estimation of 0.7%. The upward revision follows the subsiding domestic outbreaks, rising number of vaccinated people, and easing government restrictions, which allow a resumption in various economic activities. Also, tourists arrivals are likely to pick up after Thailand's re-opening and help bolster growth recovery. Meanwhile, Thai exports should remain robust thanks to a low-base effect from last year and global economic and trade expansion, although the recent COVID-19 resurgence in Europe and a supply bottleneck might weigh down on Thai exports during the end of 2021. The government has continued injecting money to buttress domestic consumption along with various relief measures to prop up the Thai economy. As for 2022, EIC revised down growth forecast from 3.4% to 3.2% and expect a rebound in domestic and external demand, led by buoyant exports in line with an improving global economy and trade. Besides, the tourism sector will likely regain pace as higher vaccination rates in Thailand and other countries help facilitate international travel.

According to the government of Vietnam, in 2021, the Vietnamese economy grew by about 2.58%, slowing from a 2.91% growth in 2020, as the COVID-19 epidemic had a negative impact on the country. GDP in Q4 2021 is up 5.22% compared to 4.61% in Q4 2020. Vietnam has targeted GDP growth of 6.0-6.5% for 2022, while Fitch Solutions forecasts Vietnamese economy to grow 8% in 2022 as it recovers from the government's lockdown to prevent COVID-19 in 2021.

## Investment and Foreign Direct Investment Applications

According to Thailand Board of Investment of 2021, local and foreign investors filed a total of 1,674 investment applications, representing a combined value of Baht 642.7 billion a 59 % increase from the same period last year. Electrics and electronics once again topped the list of target sectors which attracted the most applications with 104.5 billion baht in value, reflecting the soaring demand for electronics devices and parts, followed by the medical sector with 62.2 billion baht, petrochemicals and chemicals with 48.4 billion baht, agriculture and food processing with 47.7 billion baht, and automotive and parts with 24.6 billion baht respectively.

Meanwhile, FDI represented 71% of total pledges with 455.3 billion baht for a total of 783 project applications, a nearly three-fold increase in value from the 169.3 billion baht worth of applications filed in 2020. The Japanese investors still ranked first in terms of value at Baht 80.7 billion, followed by investments from the China worth Baht 38.6 billion, and Singapore worth Baht 29.7 billion.

In terms of regions, the Eastern Economic Corridor (EEC), Thailand's prime industrial area comprising Chonburi, Chachoengsao, and Rayong, attracted the most applications for a total of 453 projects with 220.5 billion baht, an increase of 34% from 2020 respectively.

For Vietnam, in 2021, total registered capital by foreign investors reached approximately USD 31.1 billion, an increase of 9.2% compared to the same period last year. Of which, (1) Newly registered capital project, there were 1,738 new projects granted with investment registration certificates, a plummet of 31.1%. Total registered capital reached about USD 15.2 billion, an increase of 4.1%. (2) Adjusted capital project, there were 985 projects registered for adjustment of investment capital, a decrease of 13.6%. Total additional registered capital reached USD 9.0 billion, an increase of 40.5%. (3) Paid-in capital for share purchase, there were 3,797 paid-in capital for share purchase projects, a decline of 38.2%. The total value of paid-in capital was worth USD 6.9 billion, a decline of 7.7%. However, foreign direct investment projects were estimated to disburse USD 19.7 billion, a drop of 1.2% compared with the same period in 2020.

## Key developments in year 2021 and Outlook year 2022

**Logistics Business** grew significantly. Last year, the company launched new Built-to-Suit Warehouse Projects and signed Built-to-Suit and Ready Built Factory & Warehouse rental contracts for an additional space of 166,310 sq.m., as well as short-term rental contracts with high returns for 176,595 sq.m. By the end of 2021, the company owned and managed a total of 2,550,092 sq.m. of warehouse space.

In Q4/2021, WHA also realized THB 5.55 billion in revenue from sales of assets to WHART, comprising two Built-to-Suit Warehouse projects, and one general warehouse project with a combined rental space of 184,329 sq.m.

Apart from the continuing launch of large-scale warehouse and distribution center projects, the company is exploring new business opportunities and synergies through collaboration with several business partners. Previously, the company invested in start-up companies to extend its products and services to answer the demand of new customer groups. To build different business models, it made a joint venture with Giztix, a leading e-Logistic start-up which provides digital platform services to connect transportation and logistics service providers with end-users nationwide. WHA Group also acquired a stake in Storage Asia, a leading self-storage

solution provider under the brand “i-Store Self Storage”. This year, the company will look for new partnerships to develop creative services using new technologies and innovations driven by Artificial Intelligence (AI),

Internet of Thing (IoT), and Big Data. It will consider exploring new opportunities from the Metaverse and Quantum technologies, as well as the environment-friendly mobility solutions such as electric vehicles (EVs).

In addition, the company will continue to develop WHA Office Solutions at six prime locations in Bangkok and Samut Prakarn to meet entrepreneurs’ demand in various business sectors.

**For the industrial estate business**, at the end of 2021, the company recorded total land sales of 891 rai (850 rai in Thailand and 41 rai in Vietnam), not including a Memorandum of Understanding for 96 rai in Vietnam. These land sales figures were in line with the economic and investment environment in Thailand, as the COVID-19 situation improved and travel restrictions and lockdowns were eased. In addition, the company benefited from production relocations due to trade tensions, labor costs, technological changes, and the shortage of energy supply in China. The increase of land sales stemmed from demand from customers in high value S-Curve industries, such as consumer goods, electronics, automotive, food, and medical supplies showing interest to invest in Thailand.

The company operates 11 industrial estates in Thailand and plans to develop new projects in the next 5 years. This year, it is expanding WHA Eastern Seaboard Industrial Estate 4 (580 rai) with construction that started in Q4 2021, as well as the construction of the first phase of WHA Industrial Estate Rayong (1,100 rai), in a joint venture with IRPC, scheduled to start end 2022.

In Vietnam, WHA Group recorded land sales of 41 rai in 2021, a decline from the previous year, due to the country’s lockdown to contain the spread of COVID-19. This delayed land ownership transfers. As one of the main emerging countries in Southeast Asia, Vietnam remains attractive for foreign investors. WHA is accelerating to acquire and develop additional Industrial Zones. WHA Industrial Zone – Nghe An Phase 1, representing 1,000 rai, has been completed with over 50% already occupied. WHA Group is speeding up Phase 2 (2,200 rai), scheduled to start in Q1/2022. When fully completed, including Phases 1, 2 and subsequent expansions, WHA Industrial Zone - Nghe An will comprise a total of 11,550 rai.

WHA Group plans to develop another two industrial zones, WHA Smart Technology Industrial Zone - Thanh Hoa and WHA Northern Industrial Zone - Thanh Hoa covering about 7,500 rai, which are scheduled to commence in 2023 and 2024, respectively.

**For utilities**, the water business performance in 2021 was outstanding. Total water sales and distribution amounted to 135 million cubic meters, an 18% rise from 2020. In Thailand, 112 million cubic meters came from water sales, up 17% year-on-year, following increased demand from existing customers in the petrochemical business (GC Oxirane), and new customers such as Gulf SRC, which began its commercial operations in Q2/2021. In Vietnam, the volume of water sales by the Duong River plant reached 22 million cubic meters, increasing 22% year-on-year, due to higher water consumption by existing and new customers.

WHA Group also saw in 2021 the continuing growth of value-added water product sales to 4 million cubic meters, a 62% hike year-on-year. It is moving forward the Wastewater Reclamation project and the production

of Demineralized Water with the use of Membrane Reverse Osmosis technology, as well as operating Smart Utilities Service Platform and Innovative Solutions for customers in WHA industrial estates.

The company has formed a joint venture with Asia Industrial Estate (AIE) to provide reclamation and demineralized water to customers in Asia Industrial Estate (Map Ta Phut). The first customer is a chemical factory under a 15-year contract with a capacity of over 1 million cubic meters per year. This partnership is a business extension to complement the company's strategy, which aims to develop its utilities business with fully integrated services in 11 WHA industrial estates and other areas. The company expects to become the leader of utilities and power businesses in Asia.

Additionally, sales and management of wastewater are expected to increase. The company plans to expand its utilities business along with the development of industrial estates in Thailand and Vietnam, including Phase 2 of WHA Industrial Zone – Nghe An and two industrial estates in Thanh Hoa province, which will start construction in 2023 and 2024, respectively.

**For the power business**, there were a steady growth of solar energy and the strong operations of eight Small Power Plants (SPPs), which sell electricity to EGAT and industrial customers. However, Independent Power Plants (IPPs) were impacted by the lower share of profits from Gheco-One Power Plant, which closed for major maintenance and repair, causing a decline in availability payments.

In Q4/2021, WHA clinched a new Solar Rooftop contract for an additional 7 MW, bringing outstanding signed contracts to 92 MW – higher than the 90-MW target. It added 7 MW from the project that started COD to generate solar energy for customers, bringing the total of projects with COD to 57 MW at the end of 2021. Based on its shareholding equity, the company's electricity capacity stands at 607 MW.

Apart from a smart energy platform for solar energy trading under the Sandbox program of the Energy Regulatory Commission (ERC), WHA Group is developing the Battery Energy Storage System (BESS), which stores energy and generates solar power as an alternative solution for customers. Recently, the company launched its 820-kWp Solar Rooftop project with a 550-kWh energy storage system at Eastern Seaboard Industrial Estate (Rayong). It is also studying the possibility of a Smart Microgrid System to enhance the reliability of utilities services in WHA industrial estates in the future. These projects are expected to expand the company's renewable energy portfolio by an additional 100-200 MW, in line with its target to grow its renewable energy business to 300 MW within 2023.

In addition, the company gives importance to help address climate change and global warming issues. To achieve Carbon Neutrality and Net Zero Emission following the Paris Agreement and the Goals of UN Climate Change Conference (COP26) held in Glasgow, United Kingdom, in November 2021, WHA Group has an action plan to help reduce greenhouse gas emissions through renewable energy solutions, especially solar energy. Its greenhouse gas emissions offset went from 1,500 tons of carbon footprint in 2019 to 26,379 tons in 2021. This answers demand from leading customers and potential investors with environmental concerns in WHA industrial estates.

**In the digital business**, WHA Group is determined to develop cutting-edge digital services to increase customers' competitiveness and to become the leader in integrated digital innovations and technologies across

its business hubs. At present, it is building telecommunications towers and base stations inside WHA industrial estates, as well as renting spaces on these towers to telecom operators to install necessary devices for receiving and broadcasting network frequencies including 3G, 4G and 5G. The expansion of FTTx is being implemented to fully connect all customers in 9 industrial estates, with a plan to cover all 11 estates within 2022.

Data centers are being monetized. WHA earned profits from its two data centers, which are implementing digital transformation and will be fully completed within 2022.

**For business directions in 2022**, WHA Group will continue focusing on business expansion in Thailand while exploring new opportunities in neighboring countries. Total normalized revenue and share of profits from all four business hubs is expected to exceed THB 21 billion in 2026 - 1.75 times that of 2021. The logistics business aims to develop a combined 185,000 sq.m. of new space and new projects, with short-term, high-return rental contracts representing 100,000 sq. m. The company targets to reach 2,685,000 sq.m. in owned and managed assets and will distribute assets with rental space of 180,000 sq.m. for a value of THB 5 billion. It intends to propose this plan during the WHART and HREIT unitholders meeting for approval in Q2/2022.

This year, WHA Group has set its target land sales at 1,250 rai (950 rai in Thailand and 300 rai in Vietnam), rising 40% year-on-year. In the utilities business, it will look for new projects and explore potential mergers & acquisitions (M&As). Water sales and distribution in Thailand and Vietnam will reach 153 million cubic meters, while new solar rooftop Power Purchase Agreements (PPAs) will generate 150 MW, making the cumulative target of signed PPAs, based on shareholding equity, reach 700 MW. New M&A opportunities will be explored, while new projects will be developed under the Group's five-year investment budget of THB 50 billion to ensure business transformation and sustainability in the long term.

## **FINANCIAL ANALYSIS**

**During 2021, the Company had the total revenue and share of profit and net profit of THB 11,963.9 mm and THB 2,590.1 mm, respectively. If excluding FX impact and extraordinary items, the Company had the normalized total revenue and share of profit and normalized net profit of THB 12,077.9 mm and THB 2,709.6 mm, respectively. The details are as follows:**

### **FINANCIAL PERFORMANCE OF Q4 2021 AND FY2021**

Consolidated Financial Statement	Q4 2020	Q4 2021	YoY	2020	2021	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
<b>Total Revenue and Share of Profit</b>	4,550.7	7,239.2	59.1%	9,406.6	11,963.9	27.2%
Total Cost	2,120.5	3,703.3	74.6%	3,841.3	5,663.0	47.4%
Gross Profit	2,285.7	3,290.4	44.0%	4,281.8	5,079.2	18.6%
<b>Net Profit</b>	1,453.9	2,034.8	40.0%	2,523.7	2,590.1	2.6%
<b>Normalized Total Revenue <sup>1/</sup></b>	<b>4,482.6</b>	<b>7,218.7</b>	<b>61.0%</b>	<b>9,376.0</b>	<b>12,077.9</b>	<b>28.8%</b>
<b>Normalized Net Profit <sup>1/</sup></b>	<b>1,389.3</b>	<b>2,014.8</b>	<b>45.0%</b>	<b>2,503.5</b>	<b>2,709.6</b>	<b>8.2%</b>

<sup>1/</sup> Normalized Total Revenue and share of profit = Total Revenue excluding FX impact, extraordinary items and deferred revenue items

## **KEY HIGHLIGHTS**

- Total Revenue and Share of Profit and Net Profit for 2021 were THB 11,963.9 mm and THB 2,590.1 mm, respectively. This statutory figure consists of the normal business operation and FX impacts, which was

mainly unrealized gain/loss. In addition, the Company's Normalized Total Revenue and Share of Profit and Normalized Net Profit for 2021 stood at THB 12,077.9 mm and THB 2,709.6 mm, respectively.

- Rental and Service Revenue during 2021 increased by 0.5% to THB 1,160.6 mm, compared to the same period of previous year because of the continuous increase in occupancy rate.
- Revenue from sale of investment properties during 2021 stood at THB 4,934.5 mm, increased by 140.9% due to larger sale proceeds from assets monetization to REITs and higher asset sale proportion of owned assets, compared to 2020, which there was JV's asset monetization to REITs.
- Revenue from Land Business for 2021 was THB 1,729.7 mm, decreased by 8.2% compared to the same period of last year, because of lower revenue recognition from right of ways. If excluding such revenue, the revenue from land business increased by 7.9% from a higher number of land transfer.
- During 2021, Utilities Income was THB 2,351.9 mm and increased by 15.1%, compared to the same period of last year, which was from a higher demand on both existing customers and new customers. Also, there is no drought situation that government request for lower water consumption in 2021. Furthermore, the revenue from valued-added utilities comprising of demineralized water and premium clarified water and starting for COD in 2H2020 had strong performance and grew continuously as well as increase in water tariff since the beginning of 2021.
- Normalized Revenue and Share of Profit from Investment in Power Associates and Joint Ventures for 2021 was THB 1,192.2 mm, increased by 18.7%, compared to the same period of previous year, mainly due to a higher revenue recognition from COD in additional solar power projects together with a solid performance of SPPs.
- Finance Cost for 2021 was THB 1,145.5 mm which increased by 3.0%, compared to the same period of last year. However, the Company had a lower weighted average cost of fund decreased by 0.27% from 3.04% at the end of 2020 to 2.77% at the end of 2021.
- The Company had Net Profit and Normalized Net Profit during 2021 at THB 2,709.6 mm, increased by 8.2%, compared to the same period of previous year. The main reasons were from higher revenue from sale of investment properties, revenue from utilities as well as revenue and share of profit from Power Business.

## PERFORMANCE BY BUSINESS

### Rental Properties Business

	Q4 2020	Q4 2021	YoY	2020	2021	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
<b>Rental and Service</b>						
Rental Revenue	299.7	297.6	(0.7%)	1,154.9	1,160.6	0.5%
Gross Profit	206.9	190.7	(7.8%)	806.4	810.7	0.5%
Gross Profit Margin	69.0%	64.1%		69.8%	69.9%	
GPM before adjustment with PPA <sup>1</sup>	69.1%	64.1%		69.9%	69.9%	
<b>Sale of Investment Properties</b>						
Revenue from Investment Properties	2,046.5	4,922.3	140.5%	2,048.1	4,934.5	140.9%
Gross Profit	847.2	2,147.9	153.5%	847.4	2,148.5	153.6%
Gross Profit Margin	41.4%	43.6%		41.4%	43.5%	
Share of Profit from JV's Asset Monetization	320.5	-		320.5	-	

<sup>1</sup> Excluding accounting impact of Purchase Price Allocation (PPA)

#### 1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers, factories and structural work** during the fourth quarter of 2021 and the year of 2021 were THB 297.6 mm and THB 1,160.6 mm, respectively which decreased by 0.7% and increased by 0.5%, respectively, compared to the same period of previous year because of the continuous increase in occupancy rate.
- **Gross profit margin from rental and service of warehouses, distribution centers, factories and structural work** during the fourth quarter and the year of 2021 were 64.1% and 69.9%, respectively.

#### 2. Sale of Investment Properties

- **Revenue from sale of investment properties** during 2021 stood at THB 4,934.5 mm, increased by 140.9%, compared to last year, mainly due to larger sale proceeds from assets monetization to REITs and higher asset sale proportion of owned assets, compared to 2020, which there was JV's asset monetization to REITs. Besides, the gross profit margin was at 43.5%.

### Industrial Development Business

	Q4 2020	Q4 2021	YoY	2020	2021	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Revenue	691.1	902.9	30.6%	1,883.9	1,729.7	(8.2%)
Gross Profit	266.9	501.8	88.0%	1,029.6	911.0	(11.5%)
Gross Profit Margin	38.6%	55.6%		54.7%	52.7%	
GPM before adjustment with PPA <sup>1</sup>	42.5%	63.6%		56.0%	59.2%	

<sup>1</sup> Excluding accounting impact from Purchase Price Allocation (PPA)

**Revenue from land business and sale of properties** during the fourth quarter of 2021 was THB 902.9 mm, increased by 30.6% compared to the same period of last year, due to higher number of land transfer after relaxation of travel restriction. For 2021, the revenue was THB 1,729.7 mm, decreased by 8.2%, compared to the same period of last year because of lower revenue recognition from right of ways. If excluding such revenue, the revenue from land business increased by 7.9% from a higher number of land transfer as mentioned above.

**Gross profit margin from land business and sale of properties** during the fourth quarter of 2021 stood at 55.6% which increased from the same period of last year. For 2021, the Company had the gross profit margin at 52.7% which decreased from last year due to lower revenue recognition of right of ways. If excluding such revenue, the gross profit margin was at 49.0%, increased from 42.5%, compared to last year. This was mainly from a higher revenue recognition of land transfer in Thailand having a higher gross profit margin, compared to a gross margin of land sale in Vietnam.

## Utilities & Power Business

### 1. Utilities Business

	Q4 2020	Q4 2021	YoY	2020	2021	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Revenue	534.6	581.2	8.7%	2,043.5	2,351.9	15.1%
Gross Profit	177.6	202.8	14.2%	722.1	914.5	26.6%
Gross Profit Margin	33.2%	34.9%		35.3%	38.9%	
GPM before adjustment with PPA <sup>1</sup>	36.4%	37.9%		38.7%	41.8%	
Share of Profit from Investments in Utilities Associates	(36.0)	(97.2)	(169.8%)	(159.7)	(204.1)	(27.8%)

<sup>1</sup> Excluding accounting impact of Purchase Price Allocation (PPA)

**Utilities income** for the fourth quarter of 2021 and the year of 2021 were THB 581.2 mm and THB 2,351.9 mm, which increased by 8.7% and 15.1%, respectively, compared to the same period of previous year, which was from a higher demand on both existing customers and new customers. Also, there is no drought situation that government request for lower water consumption in 2021. Furthermore, the revenue from valued-added utilities comprising of demineralized water and premium clarified water and starting for COD in 2H2020 had strong performance and grew continuously as well as increase in water tariff since the beginning of 2021.

**Gross profit margin from utilities income** for the fourth quarter of 2021 and the year of 2021 were at 34.9% and 38.9%, 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 the fourth quarter of 2021 and the year of 2021 were at 37.9% and 41.8%, respectively, increased from the same period of previous year due to higher sale volume of both traditional and value-added products.

**Share of Profit from Investments in Associates from Utility Business** for the fourth quarter of 2021 and the year of 2021 was THB (97.2) mm and THB (204.1) mm, respectively, which was mainly due to the share of loss from SDWTP.



## 2. Power Business

	Q4 2020	Q4 2021	YoY	2020	2021	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Revenue from Solar Business	19.9	40.5	103.1%	55.4	251.9	354.3%
Gross Profit	6.9	16.9	146.5%	20.6	66.5	222.0%
Gross Profit Margin	34.4%	41.8%		37.2%	26.4%	
Share of Profit from Investments in Power Associates	439.3	313.4	(28.7%)	986.8	505.4	(48.8%)
- <b>Normalized Share of Profit from Investments in Power Associates<sup>1</sup></b>	<b>208.8</b>	<b>250.8</b>	<b>20.1%</b>	<b>948.7</b>	<b>940.3</b>	<b>(0.9%)</b>
- FX Gain (Loss)	230.5	62.6	(72.8%)	38.1	(434.9)	(1,241.0%)

<sup>1</sup> Excluding Gain (Loss) from FX and extraordinary items

**Revenue from Solar Business** for the fourth quarter of 2021 and the year of 2021 stood at THB 40.5 mm and THB 251.9 mm which increased by 103.1% and 354.3%, respectively, compared to the same period of last year, mainly due to solar panel installation service (EPC) for solar power generation of one project of THB 112.2 mm and revenue recognition from COD from additional solar power projects.

**Gross profit margin from Solar Business** for the fourth quarter of 2021 and the year of 2021 were at 41.8% and 26.4%, respectively, decreased from the same period of last year, from the revenue recognition of solar panel installation service (EPC) as mentioned above having generated lower margin.

**Normalized Share of Profit from Investments in Associates from Power Business and Joint Ventures** during the fourth quarter of 2021 was THB 250.8 mm which increased by 20.1%, compared to the same period of last year. If including the FX impact, most of which is unrealized gain/loss, the share of profit from power associates and joint ventures stood at THB 313.4 mm which decreased by 28.7%. The increase in normalized share of profit from power associates and joint ventures was mainly due to solid performance of IPP from higher availability payment during Thai Baht depreciation. For the year of 2021, the normalized share of profit from power associates and joint ventures was at THB 940.3 mm, which decreased by 0.8%, compared to the same period of previous year, mainly from shutdown of Gheco-1 for maintenance.

### Other Income

	Q4 2020	Q4 2021	YoY	2020	2021	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
<b>Dividend income and management income</b>	<b>180.4</b>	<b>212.4</b>	<b>17.7%</b>	<b>527.4</b>	<b>630.1</b>	<b>19.5%</b>
Others	(35.9)	33.1	192.2%	359.2	466.6	29.9%
Total other income	144.5	245.5	69.8%	886.7	1,096.8	23.7%
Normalized others <sup>1</sup>	126.4	75.2	(40.5%)	366.7	145.8	(60.2%)
<b>Normalized total other income<sup>1</sup></b>	<b>306.8</b>	<b>287.6</b>	<b>(6.3%)</b>	<b>894.1</b>	<b>775.9</b>	<b>(13.2%)</b>

<sup>1</sup> Excluding FX impact

**Normalized other income** for the fourth quarter of 2021 and the year of 2021 stood at THB 287.6 mm and THB 775.9 mm, respectively and decreased by 6.3% and 13.2%, respectively, from the same period of previous year, which was mainly from:

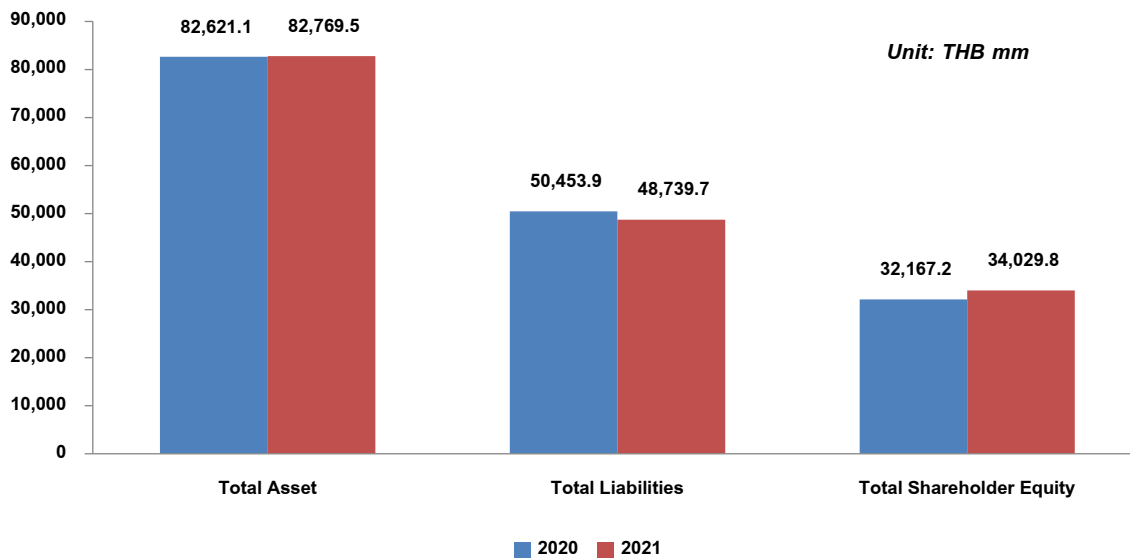
- **Dividend and management income** during the fourth quarter of 2021 was THB 212.4 mm, increased by 17.7%, compared to the same period of last year. For 2021, the income stood at THB 630.1 mm, increased by 19.5%, from the same period of previous year due to higher dividend income, resulting from the larger asset size of REITs.
- **Normalized other income** comprised of interest income, gain from revaluation of short-term and long-term investment and other income during the fourth quarter of 2021 and the year of 2021 were THB 75.2 mm and THB 145.8 mm and decreased by 40.5% and 60.2%, respectively, from the same period of 2020. In the second quarter of 2020, the Company had revenue recognition of one-time other revenue recognition of contract restructuring from 1 client of THB 172.4 mm, which there was no such revenue this year.

#### Expense Analysis

	Q4 2020	Q4 2021	YoY	2020	2021	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Selling expense	53.2	67.1	26.3%	145.2	122.1	(15.9%)
Administrative expense	365.8	538.0	47.1%	1,150.1	1,481.8	28.8%
Finance costs	289.0	277.1	(4.1%)	1,112.3	1,145.5	3.0%
<b>Total expense</b>	<b>708.0</b>	<b>882.2</b>	<b>24.6%</b>	<b>2,407.7</b>	<b>2,749.5</b>	<b>14.2%</b>

- **Selling expense** during the fourth quarter of 2021 and the year of 2021 were THB 67.1 mm and THB 122.1 mm, respectively and increased by 26.3% and 15.9%, respectively, compared to the same period of last year, which was mainly from lower number of industrial land transfer in Thailand.
- **Administrative expense** during the fourth quarter of 2021 and the year of 2021 were THB 538.0 mm and THB 1,418.8 mm, respectively and increased by 47.1% and 28.8%, respectively, compared to the same period of last year.
- **Finance costs** during the fourth quarter of 2021 and the year of 2021 were THB 277.1 mm and THB 1,145.5 mm, respectively, which decreased by 4.1% and increased 3.0%, respectively, compared to the same period of previous year. However, the Company had a lower weighted average cost of fund decreased by 0.27% from 3.04% at the end of 2020 to 2.77% at the end of 2021.

## FINANCIAL STATUS



The change in Consolidated Balance Sheet as of 31 December 2021 are summarized as follows.

### Assets

As of 31 December 2021, the Company had total asset of THB 82,769.5 mm, increased by THB 148.4 mm from THB 82,621.1 mm as of 31 December 2020. The main reasons are as follows:

1. Increase in loan to related parties of THB 290.8 mm, which was mainly from loan to the JV companies.
2. Increase in investment available-for-sale of THB 654.7 mm, mainly due to proportionately capital increase in WHART.
3. Increase in long-term investment of THB 203.9 mm because the Company has invested in a Startup company during this period.
4. Decrease in investment in joint ventures of THB 516.8 mm, mainly from dividend payment and capital reduction in the JV companies.
5. Decrease in investment properties (net) of THB 470.1 mm, due to assets monetization to WHART in the fourth quarter of 2021. However, the Company has continuously developed the new projects.

### Liabilities

As of 31 December 2021, the Company had total liabilities of THB 48,739.7 mm, which decreased by THB 1,714.2 mm from THB 50,453.9 mm as of 31 December 2020. The decrease was from loan repayment to financial institution. Besides, the Company had interest bearing debt of THB 38,415.0 mm, which was decreased by THB 2,838.7 mm from THB 41,253.7 mm due to bank loan repayment as mentioned earlier. However, the weighted average cost of fund of the Company decreased by 0.27% from 3.04% as of the year ended 2020 to 2.77% as of the ended 2021.

During 2021, the Company had utilized additional short-term and long-term facilities approx. THB 11,880.0 mm. However, the Company had both short-term and long-term loan repayment, approx. THB 13,545.0 mm. Also, the Company debentures (net) decreased by THB 1,170.0 mm. As a result, the Company's interest-bearing debt decreased by approx. THB 2,838.7 mm.

### Shareholder's equity

As of 31 December 2021, the Company had total shareholder's equity of THB 34,029.8 mm, increased by THB 1,862.6 mm from THB 32,167.2 mm as of 31 December 2020, due to a higher performance during 2021. However, the Company had interim and annual dividend payment during this period as well.

### KEY FINANCIAL RATIOS

	2020	2021
Gross Profit Margin (%)	44.4%	45.6%
Net Profit Margin (%)	26.8%	22.1%
D/E Ratio (times)	1.6	1.4
Net IBD to Equity (times)	1.3	1.1
Collection Period (days)	30.8	25.4
Average Payment Period (days)	282.1	164.8
Effective Tax Rate (%)	9.3%	20.5%

### Credit Terms

**Collection period** during 2021 was 25.4 days which was decreased from 30.8 days, compared to the same period of last year. This figure was in line with a credit term that the Company has provided to clients at 0-45 days depending on type of business. The decrease was mainly from efficiency in collection management.

**Average payment period** during 2021 was 164.8 days which decreased from 282.1 days, compared to the same period of last year. From the covid-19 situation, the Company does not have significant impact and also has the ability to manage cash efficiency. As a result, the Company has not encountered any problems from our suppliers' payment as well as the ability to meet the specified credit term according to the Company's policy.

### Effective Tax Rate

During 2021, the Company had earnings before tax (EBT) and corporate income tax (CIT) of THB 3,551.4 mm and THB 678.6 mm, respectively, which was equivalent to the effective tax rate at 19.1%. An effective tax rate was lower than the corporate income tax rate at 20.0% because of a difference of tax calculation between taxable items and non-taxable items.

Please be informed accordingly.

Sincerely yours,  
WHA Corporation Public Company Limited

(Mr. Natthapatt Tanboon-ek)  
Chief Financial Officer