

10 August 2022

Re: To clarify the financial statements as of 30 June 2022

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 2022 ended on 30 June 2020 which were reviewed by the auditor. The Company hereby clarifies the performance as follows:

### **MACROECONOMIC & COMPANY OVERVIEW**

#### **Thai Economic Performance**

On 22 June 2022, the Monetary Policy Committee (MPC) expected that the Thai economy would continue to recover, expanding by 3.3 percent in 2022 and 4.2 percent in 2023 and could expand faster than previously expected owing to stronger domestic demand and the recovery of tourism sector, while the impact of COVID-19 on economic recovery has been limited as expected. However, the Committee would monitor key risks that could affect the economic outlook. First, prices of energy and commodity, particularly chemical fertilizers, and animal feed, could remain elevated for longer than previously estimated due to prolonged sanctions against Russia. Therefore, cost pass-through to households and businesses must be monitored going forward. Second, the Chinese economy could slow down because of the implementation of zero-COVID measures, which could impact trading partner economies and Thailand’s exports.

Business Economic Research Center (EIC), Siam Commercial Bank revised up Thailand’s 2022 GDP growth forecast to 2.9% (from the previous 2.7%). The upward revision was attributed to a rebound in the tourism and service sector, backed by Thailand’s reopening and easing border restrictions worldwide. We thus expect Thailand to welcome 7.4 million foreign tourists this year, up from the previous estimation of 5.7 million. On a domestic front, economic activities in the service sector should pick up pace as people begin to spend more time outdoors, given higher inoculation rates and easing lockdown rules. The agricultural sector would be another growth driver this year. Crop yields are poised for buoyant growth, and farm product prices tend to improve alongside rising global food prices—driven by supply-side pressures from an ongoing war in Ukraine and Western sanctions on Russia. Nonetheless, rosy domestic spending—buoyed by a rebound in the tourism and service sector which is the primary source of employment, rising farm income, and pent-up demand from higher-income households—would still face downward pressures from soaring inflation which is now underway to its 24-year high (EIC expects annual average headline inflation at 5.9%), whereas exports will likely lose pace in tandem with the global economic slowdown going forward. Likewise, Kasikorn Research Center (KResearch) assess that the country’s opening plans and the easing of the COVID-19 situation would support tourism to recover more than previously expected. Although Thailand was driven by lower government spending after the end of several economic stimulus measures, in addition, there is an increasing trade deficit following energy imports. However, when combining the results from GDP in the first quarter of 2022 that came out better than expected including slightly better view of

private consumption than previously assessed with a major boost from increased tourist income. Therefore, KResearch has revised up the GDP forecast for the full year 2022 from 2.5% to 2.9%.

According to the government of Vietnam, Vietnam's real GDP growth rose 7.72 percent in the April-June period from a year earlier. The performance helped lift growth in the first half to 6.42 percent from a year ago, beating GSO's forecast of 5.5 percent. The gains in momentum coincide with Vietnam emerging as one of the alternative destinations for foreign investment amid trade disruptions from China's lockdowns, the Russia-Ukraine crisis, and lingering tensions between Beijing and Washington. Likewise, the Asian Development Bank (ADB) keeps this year's growth forecast for Vietnam at 6.5% in 2022 and 6.7% in 2023 as released in the April 2022. Growth will be driven by continued trade expansion, the faster-than-expected recovery of manufacturing, domestic travel and the disbursement of public investment.

### **Investment and Foreign Direct Investment Applications**

According to Thailand Board of Investment, in the first half year 2022, BOI received applications for investment promotion worth a total of Baht 219.7 billion, a decrease of 42% when compared with the same period last year. The number of applications, 784 projects, represented an increase of 4% over the year earlier quarter. During this period, FDI worth Baht 130.1 billion in investment value, a decrease of 53% compared with the same period last year. The top three on the list of FDI sources for the quarter were Taiwan worth Baht 38.5 billion, Japan worth Baht 16.9 billion and China worth Baht 15.5 billion.

Among the 12 targeted industries worth a total value of Baht 100.6 billion, the automotive and parts sector topped the list followed by electronics and agriculture and food processing respectively. In terms of geographical implantation, the Eastern Economic Corridor, Thailand's high technology development area, attracted 140 projects with a combined investment value of Baht 67.0 billion with Chonburi ranked first.

For Vietnam, during the first 6 months of 2022, total registered capital by foreign investors reached approximately USD 14.0 billion, a decline of 8.1% compared to the same period last year. Of which, (1) Newly registered capital project, there were 752 new projects granted with investment registration certificates, a decrease of 6.5%. Total registered capital reached about USD 4.9 billion, a plummet of 49.2%. (2) Adjusted capital project, there were 487 projects registered for adjustment of investment capital, an increase of 5.9%. Total additional registered capital reached USD 6.8 billion, an increase of 65.6%. (3) Paid-in capital for share purchase, there were 1,707 paid-in capital for share purchase projects, an increase of 41.4%. The total value of paid-in capital was worth USD 10.1 billion, an increase of 8.9% compared with the same period in 2021.

### **Key developments in the first half year 2022**

**Logistics Business:** Outstanding growth was achieved. During the first half of 2022, the company signed additional Built-to-Suit projects and ready-built factories/warehouses, totaling 111,136 square meters. For Q2/2022, the company signed new Built-to-Suit projects/ contracts for a total of 87,946 square meters with several major players in both e-commerce and logistics businesses.

The company also signed short-term high-yield contracts totaling 96,071 square meters, representing 96% of 2022 short-term leases target, aiming at 100,000 square meters. In H1/2022, the company had assets under owned and managed of 2,683,502 square meters. Due to constant demands for high-quality warehouse space, the company's occupancy rate in the second quarter and the first half of 2022 reached 90%.

As its logistics business continuously demonstrated outstanding performance through high demand, during the second half of 2022, the company expected to sign more short and long-term contracts with both existing and new customer as well as commit to deliver the leased space to its customers. Despite the rising costs of construction materials, the company has already implemented effective cost management by entering the purchase contracts with key contractors in order to fix material prices in advance, allowing the company to avoid an increase in construction costs and company expenses.

**Industrial Estates Business:** With Thailand's re-opening and the easing of travel restriction policy, foreign customers are now able to travel freely for business, site visits, and purchase land in the company's industrial estates. Currently, the major group of potential investors are from China and the US, including those who are operating in various industries such as next generation automotive, consumer products, and data centers. These factors have reflected in the company's performance in H1/2022, as the company achieved total land sales of 513 rai (482 rai in Thailand and 31 rai in Vietnam) and outstanding Memorandums of Understanding (MOU) of 230 rai (48 rai in Thailand and 182 rai in Vietnam).

At present, the company is expanding both domestically and internationally. WHA Rayong 36 Industrial Estate in the Eastern Economic Corridor Special Development Zone (EEC), on an area of 1,281 rai is now ready for interested customers. Moreover, the company is expanding WHA Eastern Seaboard Industrial Estate 4Phase 2, by offering another 580 rai, as well as an additional 1,100 rai for WHA Industrial Estate Rayong Phase 1. This will increase land available for sale to support the future incoming demands for industrial land. Furthermore, recent government measures to promote investments in electric and zero-emission vehicles, such as subsidy and tax incentives, will be key investment uplift and provide an incentive for production relocation in related sector. This will be another positive impact on the company's industrial estate business, as more than 30% of its customers are in the automotive industry

The outlook for industrial estate business in H2/2022 is expected to be better than in H1/2022, with projected sales volume higher than last year. The rising tension between the US, China and Taiwan has become a driver behind manufacturing relocation to Southeast Asia. The company has been receiving many requests from interested investors for a site visit. In Q3/2022, the company expects to sign land purchase agreements around 600-700 rai with major customers. This also raises number of outstanding backlogs to more than 1,000 rai which the company expects to handover and recognize some of the revenue during the remaining of 2022. The company is also in active discussion with several potential customers for a combined demand of over 2,000-3,000 rai.

In Vietnam, the company recorded total land sales of 31 rai and secured outstanding MOUs of 182 rai in H1/2022. This is in line with the macroeconomic conditions and improved investment situation following Vietnam's border re-opening. Vietnam as one of the fastest growing economies has recently experienced high GDP growth rate and steady flow of foreign direct investments (FDI) which help drive the company's industrial land sales in Vietnam. With WHA Industrial Zone Nghe An receiving very good response from investors and enquiries keep coming continuously, the company has accelerated the development plan for Phase 2, covering over 2,200 rai. Construction has already started early this year and upon the completion, WHA Industrial Zone Nghe An will cover a total area of over 11,550 rai.

In the future, the company anticipates that Vietnam's economic and social growth will lead to more demand for land in high-quality industrial zones. As a result, the company also expand and accelerated the development of new industrial zone projects in Thanh Hoa province.

**Utilities business:** Steady growth was recorded. The company's total volume of water sales and under management for Q2 and H1/2022 reached 39.4 million and 75.1 million cubic meter while domestic water sales for Q2 and H1/2022 totaled 32.4 million and 62.3 million cubic meters respectively. These remarkable results across all product categories were due to the rising water demand from the petrochemical sector and power plant customers, especially Gulf SRC who started its commercial operations of the new block.

In Vietnam, the Duong River Surface Water Plant (SDWTP) recorded total water sales in Q2 and H1/2022, based on equity shareholding, have reached 6.7 million and 12.2 million cubic meters respectively. This was due to rising water demand from both existing and new customers, as well as the easing of the COVID-19 situation in Hanoi.

Sales of value-added products in Q2 and H1/2022 reached a total of 1.3 and 2.5 million cubic meters respectively. Determined to develop and launch new projects to serve customers' needs, the company has signed a purchase agreement with Gulf SRC who plan to commercialize its 3rd and 4th production units in Q3/2022. This will lead to higher water demand 1.4. million cubic meters per year. Apart from the company's attempt to expanding its customer base for conventional water products, both raw and general industrial water, it is also focuses on value-added products such as demineralized water and premium clarified water which can be obtained from wastewater recycling processes to promote environmental protection and sustainable development.

For development plans outside WHA industrial estates, the company signed an agreement last year with Asia Industrial Estate to establish a new joint-venture company to produce and distribute value-added water for industrial customers within Asia Industrial Estate. The first phase, now under construction, has production capacity of 1 million cubic meters per year. The plant's commercial operations are expected to commence in Q4/2022.

Aside from investments to increase water sales volume, the company has invested in other alternative raw water resources such as reservoirs in order to relieve the company, making it less dependent on major water distributors, and reduce long-term costs by relying on its own production capacity of alternative water resources. The company expects, through this initiative, it shall be able to add an additional raw water reserve by 11 million cubic meters per year.

In Vietnam, the company carried on its utilities infrastructure development project within WHA Industrial Zone Nghe An Phase 2, which it already started construction process in Q1/2022 following the completion of Phase 1 in order to serve increasing demands from both existing and new industrial customers. Meanwhile, SDWTP and Cua Lo projects are investing in water pipelines and distribution system to cover and service larger area.

**Power Business:** the company recognized normalized share of profits from investments in joint ventures and associates, excluding gain/loss from exchange rate, and revenue from solar business in Q2/2022 and H1/2022 at THB 290.7 million and THB 383.4 million, respectively. In Q2/2022, normalized share of profit from the power business declined compared to the same period of 2021 but improved significantly from Q1/2022. This was due to an increase in normalized share of profit from GHECO-One power plant as during Q2/2022, it was less affected by maintenance while normalized net profit from SPP power plants rose due to the adjustment of Ft since May,

which partially offset the negative impact from rising costs of natural gas. Although the impact from increasing cost of natural gas due to global situation is expected to prolong until the second half of the year, with additional Ft adjustment approved by the Energy Regulatory Commission (ERC), the downside impact to SPP revenue from industrial users contribution will substantially reduce similar to previous cycle.

Regarding to the performance of solar business in Q2/2022, the company signed 13 solar rooftop contracts, with 10 Private PPAs contracts for combined capacity of 21 MW, and 3 contracts for EPC service, with an accumulated capacity of 3 MW. As a result, at the end of Q2/2022, the company had accumulated Private PPA contracts for a total of 125 MW. During the period, the company have successfully commercialized and sold solar electricity to customers for an additional 2 MW, driving the total COD capacity of solar power projects to 62 MW. At the end of H1/2022, the company had total COD capacity based on equity shareholding at 612 MW. Recently, the company has entered into an agreement with Ford Motor Company for Thailand's largest solar carpark project. The project, situated on a rooftop area of 59,000 square meters, will generate solar capacity of 7.7 MW and with total investment of THB 235 million. The project's installation work has already kicked off, and due to be completed in 2023.

WHA Group is driving its solar energy initiative forward through digital technologies. Smart projects are being developed with business partners like PTT and Sertis on the "RENEX" Peer-to-Peer Energy Trading Platform, which will buy and sell solar-based electricity to customers in WHA Group's industrial estates. Blockchain technology will enhance transaction security and provide convenience to operators inside industrial estates to buy and sell solar power. The "RENEX" project has been included in the Energy Regulatory Commission (ERC) Sandbox, which is now in the preparation stage to test commercial trading services within Q3/2022. Once completed, this electricity trading system will drive a growth leap for the company's renewable energy portfolio. Currently, more than 23 operators have joined as clean energy traders in this pilot project.

**Digital Platform Business:** WHA Group continues to support investors wishing to use 5G technology to develop their businesses and enhance competitiveness together with the installation of fiber optic cable network (FTTx) in the company's eleven industrial estates within this year. It is getting ready to face new challenges with an innovative digital transformation plan to widen the customer base. New products and services are being introduced, such as the WHAbit application in collaboration with Samitivej Virtual Hospital for Telemedicine, Health Check-ups and Smart Clinic for staff and customers in WHA industrial estates, logistic centers and office buildings. Moreover, the company sponsored World RoboCup 2022, which took place last July to promote the use of state-of-the-art Robots, AI and Automation among the new generation. This sponsorship reinforced WHA Group's commitment to promote research in robotics and AI, including skills development of IT personnel to create innovative solutions to enhance productivity and safety in all sectors.

WHA Group's plans to continuously invest in and collaborate with start-ups. Currently, WHA Venture Holding Co., Ltd. (WHA VH) invested in Mercular Co., Ltd, a Thai Vertical E-Commerce start-up, which is developing a Hobby Lifestyle and Community Commerce Platform to sell products such as headphones, speakers, gaming gears, computer desks, hobby equipment and others. This investment will help Mercular integrate the E-Commerce value chain with WHA Group's comprehensive logistics ecosystem, including premium warehouses and distribution centers. It will become the channel for Mercular and WHA Group to expand their customer base to the new generation and to play a greater role in the B2C business. In addition, it can also extend cooperation in



efficient transportation through Giztix Company Limited, an E-Commerce start-up that WHA Group invested, with expertise in parcel delivery services that reach consumers directly (Last Mile Delivery).

The Group remains committed to developing products and services that meet customer needs under the changing competitive environment. It has launched WHA Office Solutions, proposing office buildings for rent in various locations in Bangkok and Samut Prakan to serve the needs of corporate customers looking for flexible working spaces such as WHA Tower, a 25-storey office building with 52,000 sq.m. of leased space in Bang Na-Trad area. WHA Tower has 50% occupancy rate and new customers have been signing additional lease agreements. Another project is WHA KW, a low-rise office building with 9,900 sq.m. of space, located on the corner of Sukhumvit Soi 25 (Sukhumvit-Asoke), which connects with major mass transit routes. This office building is under construction and is expected to be completed within Q2/2023.

Regarding its plan to sell assets and/or leasehold rights in 2022, unitholders of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART) and WHA Industrial Leasehold Real Estate Investment Trust (WHAIR) approved investments in additional assets. The company aims to sell assets with a combined rental space of 208,149 sq.m., worth THB 5,397 million. It expects to realize revenue from assets sales within Q4/2022 as planned. WHART has been selected as an equity in the 2022 ESG100 list by Thaipat Institute for four consecutive years, emphasizing its outstanding ESG performance and being the industrial REIT with the highest asset value in Thailand as of 31 March 2022.

Lastly, the company is committed to conducting business while creating sustainable growth for all stakeholders by giving importance to the environment, society, and good governance. It is determined to help reduce global warming, lower greenhouse gas emissions, and build major infrastructure such as the use of renewable energy and relevant technologies in line with education, innovation and technology. This will drive sustainable solutions to global warming throughout the company's value chain to achieve net zero greenhouse gas emissions by 2050, in accordance with the SBTi guidelines to mitigate climate changes.

## FINANCIAL ANALYSIS

During 2Q2022, the Company had total revenue and share of profit and net profit of THB 2,186.8 mm and THB 289.6 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 2,238.9 mm and THB 338.8 mm, respectively. The details are as follows:

### FINANCIAL PERFORMANCE OF 2Q2022

Consolidated Financial Statement	2Q 2021	2Q 2022	YoY	1H 2021	1H 2022	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
<b>Total Revenue and Share of Profit</b>	1,873.1	2,186.8	16.7%	3,278.9	4,369.0	33.2%
Total Cost	821.5	1,042.6	26.9%	1,385.2	1,842.4	33.0%
Gross Profit	823.4	749.8	(8.9%)	1,254.7	1,555.7	24.0%
<b>Net Profit</b>	260.2	289.6	11.3%	394.9	945.7	139.5%
<b>Normalized Total Revenue<sup>1)</sup></b>	<b>1,892.5</b>	<b>2,238.9</b>	<b>18.3%</b>	<b>3,346.8</b>	<b>4,403.4</b>	<b>31.6%</b>
<b>Normalized Net Profit<sup>1)</sup></b>	<b>282.4</b>	<b>338.8</b>	<b>20.0%</b>	<b>466.2</b>	<b>992.0</b>	<b>112.8%</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 2Q2022 were THB 2,186.8 mm and THB 289.6 mm, respectively and for 1H2022 were THB 4,369.0 mm and THB 945.7 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 2Q2022 were THB 2,238.9 mm and THB 338.8 mm, respectively and for 1H2022 were THB 4,403.4 mm and THB 992.0 mm, respectively.
- Rental and Service Revenue during 2Q2022 was THB 284.3 mm which there was no significant change compared to the same period of previous year.
- Revenue from Land Business for 2Q2022 was THB 704.0 mm, which increased by 30.9%, compared to the same period of previous year and mainly due to a higher number of land transfer in Thailand.
- During 2Q2022, Utilities Income was THB 663.2 mm which increased by 11.3%, compared to the same period of previous year from increase in sale volume of all utility's products both Thailand and international.
- Normalized Revenue and Share of Profit from Investment in Power Associates and Joint Ventures for 2Q2022 was THB 290.7, which decreased by 10.7% compared to the same period of previous year and mainly due to a higher natural gas price, resulting to lower margin of electricity sale from industrial users.
- Finance Cost for 2Q2022 was THB 294.9 mm which decreased by 1.1%, compared to the same period of previous year. The main reason was mainly due to lower weighted average cost of fund by 0.16% p.a. from 2.94% p.a. at the end of 2Q2021 to 2.78% p.a. at the end of 2Q2022.
- The Company had Net Profit and Normalized Net Profit during 2Q2022 were THB 289.6 mm and THB 338.8 mm, increased by 11.3% and 20.0%, respectively, compared to the same period of previous year. The main reasons were from higher revenue from land business and sale of properties. For 1H2022 were THB 945.7 mm and THB 992.0 mm, respectively which increased by 139.5% and 112.8%, respectively, mainly because of the gain from 2 data center divestment in 1Q2022 and increase in revenue from land business and utilities business.

## PERFORMANCE BY BUSINESS

### Rental Properties Business

	2Q 2021	2Q 2022	YoY	1H 2021	1H 2022	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Rental Revenue	279.9	284.3	1.6%	556.9	512.8	(7.9%)
Gross Profit	208.2	163.8	(21.3%)	398.2	304.3	(23.6%)
Gross Profit Margin	74.4%	57.6%		71.5%	59.3%	
GPM before adjustment with PPA <sup>1</sup>	74.4%	57.7%		71.5%	59.4%	
Revenue and Share of Profit from Sale of Investment Properties	0.1	79.0	70,895.7%	8.8	79.0	799.5%
Gross Profit	0.0	8.5	84,400.0%	0.3	8.5	2,813.6%
Gross Profit Margin	9.1%	10.8%		3.3%	10.8%	
GPM before adjustment with PPA <sup>1</sup>	9.1%	10.8%		3.3%	10.8%	

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

**Rental and service income from warehouses, distribution centers, factories and structural work** during the second quarter of 2022 was THB 284.3 mm which increased by 1.6%. For the first half of 2022 was THB 512.8 mm which decreased by 7.9%, compared to the same period of previous year because of lower occupied area from assets monetization to WHART.

**Gross profit margin from rental and service from warehouses, distribution centers, factories and structural work** during the second quarter of 2022 was 57.6% which decreased from 74.4% and the first half of 2022 was 59.3% decreased from 71.5% compared to the same period of previous year because of increase in land and building tax in 2022.

### Industrial Development Business

	2Q 2021	2Q 2022	YoY	1H 2021	1H 2022	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Revenue	537.7	704.0	30.9%	691.8	1,398.0	102.1%
Gross Profit	212.7	308.2	44.9%	350.3	697.6	99.1%
Gross Profit Margin	39.6%	43.8%		50.6%	49.9%	
GPM before adjustment with PPA <sup>1</sup>	44.8%	47.6%		54.6%	52.7%	

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

**Revenue from land business and sale of properties** during the second quarter of 2022 THB was 704.0 mm, increased by 30.9% and the first half of 2022 was THB 1,398.0 mm, increased by 102.1%, compared to the same period of previous year, due to higher number of land transfer in Thailand.

**Gross profit margin from land business and sale of properties** during the second quarter of 2022 was 43.8% which increased from the same period of previous year from higher number of land transfer in Thailand. For the first half of 2022 was 49.9% which decreased from the same period of previous year because of decrease in revenue recognition of right of ways from THB 124.8 mm in 1H2021 to THB 40.0 mm in 1H2022.



## Utilities & Power Business

### 1. Utilities Business

	2Q 2021	2Q 2022	YoY	1H 2021	1H 2022	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Revenue	595.8	663.2	11.3%	1,182.1	1,285.2	8.7%
Gross Profit	229.0	248.4	8.5%	476.8	498.2	4.5%
Gross Profit Margin	38.4%	37.5%		40.3%	38.8%	
GPM before adjustment with PPA <sup>1</sup>	41.3%	40.0%		43.2%	41.4%	
Share of Profit from Investments in Utilities Associates	(38.6)	(26.1)	32.4%	(77.6)	(61.9)	20.2%

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

**Utilities income** for the second quarter of 2022 was THB 663.2 mm which increased by 11.3% and the first half of 2022 was THB 1,285.2 mm, which increased by 8.7%, compared to the same period of previous year, which was from increase in sale volume of all utility's products.

**Gross profit margin from utilities income** for the second quarter and first half of 2022 were 37.5% and 38.8%, 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 second quarter and first half of 2022 were 40.0% and 41.4%, respectively. Decrease in gross profit margin was mainly from increase in electricity and maintenance cost in the second quarter of this year.

**Share of Profit from Investments in Associates from Utility Business** for the second quarter and the first half of 2022 were THB (26.1) mm and THB (61.9) mm, respectively, which was mainly due to decrease in the share of loss from SDWTP, which has higher a sale volume.

### 2. Power Business

	2Q 2021	2Q 2022	YoY	1H 2021	1H 2022	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Revenue from Solar Business	53.9	51.3	(4.8%)	176.3	103.2	(41.5%)
Gross Profit	15.3	24.7	61.5%	40.7	46.2	13.4%
Gross Profit Margin	28.4%	48.1%		23.1%	44.8%	
Share of Profit from Investments in Power Associates	184.7	11.1	(94.0%)	172.6	69.6	(59.7%)
<b>- Normalized Share of Profit from Investments in Power Associates<sup>1</sup></b>	<b>271.5</b>	<b>239.4</b>	<b>(11.8%)</b>	<b>437.1</b>	<b>280.2</b>	<b>(35.9%)</b>
- FX Gain (Loss)	(86.8)	(228.3)	(163.1%)	(264.5)	(210.7)	20.4%

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

**Normalized Revenue and Share of Profit from Investment in Power Associates and Joint Ventures** for 2Q2022 was THB 290.7, decreased by 10.7%, compared to the same period of previous year. For the first half of 2022 was THB 383.4 mm, decreased by 37.5%, compared to the same period of last year, mainly due to a higher natural gas price, resulting to lower margin of electricity sale from industrial users.

**Revenue from Solar Business** for the second quarter of 2022 stood at THB 51.3 mm which decreased by 4.8%, compared to the same period of previous year. For the first half of 2022 was THB 103.2 mm which decreased by 41.5% because of decrease in revenue recognition from solar panel installation service (EPC) for solar power generation.

**Gross profit margin from Solar Business** for the second quarter and the first half of 2022 were at 48.1% and 44.8%, respectively which increased from the same period of previous year and mainly from lower revenue recognition of solar panel installation service (EPC) having generated lower margin, compared to electricity sale from solar business.

**Normalized Share of Profit from Investment in Associates from Power Business and Joint Ventures** during the second quarter and the first half of 2022 were THB 239.4 mm which decreased by 11.8% and THB 280.2 mm which decreased by 35.9%, compared to the same period of previous year. If including the FX impact, most of which is unrealized gain/loss, the share of profit from power associates and joint ventures during the second quarter and the first half of 2022 were THB 11.1 mm which decreased by 94.0% and THB 69.6 mm which decreased by 59.7%. The decrease in normalized share of profit from investment in power associates was mainly due to lower performance of SPPs which have been impacted from increase in natural gas price while Ft has not reflected the real cost yet.

#### Other Income

	2Q 2021	2Q 2022	YoY	1H 2021	1H 2022	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
<b>Dividend income and management income</b>	<b>135.2</b>	<b>154.2</b>	<b>14.1%</b>	<b>274.1</b>	<b>289.1</b>	<b>5.5%</b>
Others	93.1	240.2	158.1%	240.0	641.8	167.4%
Total other income	228.2	394.3	72.8%	514.1	930.9	81.1%
Normalized others <sup>1</sup>	25.7	63.9	148.6%	43.5	465.5	970.4%
<b>Normalized total other income<sup>1</sup></b>	<b>160.9</b>	<b>218.1</b>	<b>35.6%</b>	<b>317.6</b>	<b>754.6</b>	<b>137.6%</b>

<sup>1</sup> Excluding FX impact

**Normalized other income** for the second quarter and the first half of 2022 were THB 394.3 mm which increased by 72.8% and THB 930.9 mm which increased by 81.1%, compared to the same period of previous year, which was mainly from:

- **Dividend and management income** during the second quarter and the first half of 2022 were THB 154.2 mm which increased by 14.1% and THB 289.1 mm which increased by 5.5%, compared to the same period of previous year, resulting from higher dividend income as well as increase in size of REIT.
- **Normalized other income** comprised of interest income, gain from revaluation of short-term and long-term investment and other income during the second quarter and the first half of 2022 were THB 63.9 mm which increased by 148.6% and THB 465.5 mm which increased by 970.4%, from the same period of 2021 because the Company has recognized gain from 2 data center monetization.

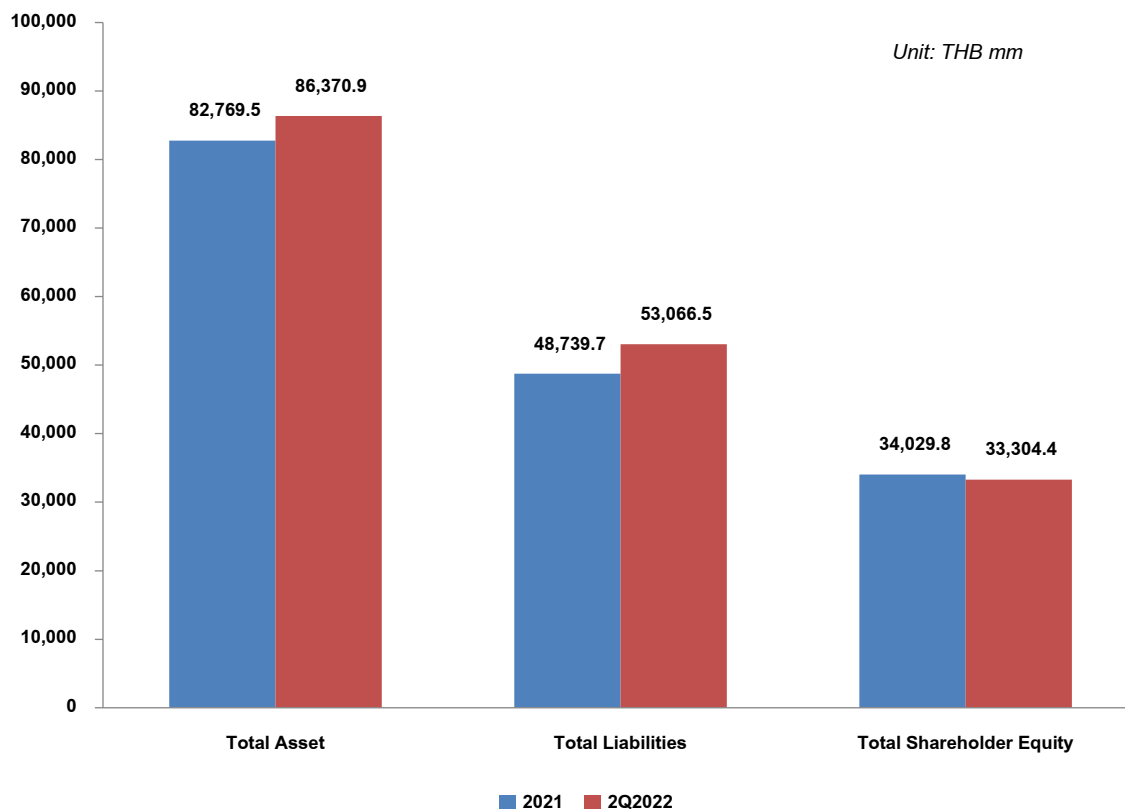
#### Expense Analysis

	2Q 2021	2Q 2022	YoY	1H 2021	1H 2022	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Selling expense	28.4	49.5	74.3%	41.9	97.2	132.2%
Administrative expense	334.3	321.3	(3.9%)	639.1	622.9	(2.5%)
Finance costs	298.2	294.9	(1.1%)	579.2	562.3	(2.9%)
<b>Total expense</b>	<b>660.9</b>	<b>665.7</b>	<b>0.7%</b>	<b>1,260.3</b>	<b>1,282.4</b>	<b>1.8%</b>

- **Selling expense** during the second quarter of 2022 was THB 49.5 mm which increased by 74.3%, compared to the same period of previous year, which was mainly from higher number of industrial land transfer in Thailand.

- **Administrative expense** during the second quarter of 2022 was THB 321.3 mm, decreased by 3.9%, compared to the same period of previous year, due to the Company's efficient cost management.
- **Finance cost** during the second quarter of 2022 was THB 294.9 mm which decreased by 1.1%, compared to the same period of previous year, mainly resulting from lower weighted average cost of fund approx. 0.16% p.a. from 2.94% p.a. at the end of the second quarter of 2021 to 2.78% p.a. at the end of the second quarter of 2022.

## FINANCIAL STATUS



The change in Consolidated Balance Sheet as of 30 June 2022 are summarized as follows.

### **Assets**

As of 30 June 2022, the Company had total asset of THB 86,370.9 mm, increased by THB 3,601.4 mm from THB 82,769.5 mm as of 31 December 2021. The main reasons are as follows:

1. Increase in non-current assets held for sale of THB 851.7 mm, mainly from the reclassification of assets, which will be monetized to WHART from investment properties to non-current assets held-for-sale.
2. Increase in short-term loan to related parties of THB 124.0 mm, from having loan to related parties.
3. Decrease in investment available-for-sale of THB 1,455.9 mm, due to decrease in market price of securities.

### **Liabilities**

As of 30 June 2022, the Company had total liabilities of THB 53,066.5 mm, which increased by THB 4,326.7 mm from THB 48,739.7 mm as of 31 December 2021. The increase was from bond issuance to support business expansion. Furthermore, the Company had interest bearing debt of THB 42,775.2 mm, which was increased by

THB 4,360.2 mm from THB 38,415.0 mm due to bond issuance as mentioned earlier. However, the weighted average cost of fund of the Company was at 2.78% p.a. as of the end of the second quarter of 2022.

During 1H2022, the Company had utilized additional short-term and long-term facilities approx. THB 3,100.0 mm. However, the Company had both short-term and long-term loan repayment approx. THB 4,280.0 mm. Also, the Company debentures (net) increased by THB 5,500.0 mm. As a result, the Company's interest-bearing debt increased by approx. THB 4,360.2 mm.

### Shareholder's equity

As of 30 June 2022, the Company had total shareholder's equity of THB 33,304.4 mm, decreased by THB 725.4 mm from THB 34,029.8 mm as of 31 December 2021, due to the annual dividend payment. However, the company had retained earnings increased from the Company's performance during this period.

### KEY FINANCIAL RATIOS

	2Q2021	2Q2022
Gross Profit Margin (%)	45.1%	42.2%
Net Profit Margin (%)	13.9%	13.2%
D/E Ratio (times)	1.6	1.6
Net IBD to Equity (times)	1.3	1.3
Collection Period (days)	25.9	17.5
Average Payment Period (days)	244.5	159.3
Effective Tax Rate (%)	10.1%	20.8%

### Credit Terms

**Collection period** during 2Q2022 was 17.5 days which was decreased from 25.9 days, compared to the same period of previous 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 2Q2022 was 159.3 days which decreased from 244.5 days in 2Q2021. Besides, the credit term of each suppliers depends on our type of services/products. Normally, the credit term is around 30-60 days which the Company has payment guidelines for our suppliers in order to ensure that there will have no delay payment. 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. However, the average payment period above is higher than our credit terms because of accounting record of account payable which includes non-related payments to suppliers such as deposit, retention, accrued interest expense, etc.

### Effective Tax Rate

During 2Q2022, the Company had earnings before tax (EBT) and corporate income tax (CIT) of THB 478.5 mm and THB 99.7 mm, respectively, which was equivalent to the effective tax rate at 20.8%.

Please be informed accordingly.

Sincerely yours,  
WHA Corporation Public Company Limited

(Mr. Natthapatt Tanboon-ek)  
Chief Financial Officer