

8 November 2019

Re: To clarify the financial statements as of 30 September 2019  
 To: President  
 The Stock Exchange of Thailand

As WHA Corporation Public Company Limited (the “Company”) submitted its separate financial statement and its consolidated financial statement for the third quarter of 2019 ended on 30 September 2019 which were reviewed by the auditor. The Company hereby clarifies the performance as follows:

**During 3 months ended the third quarter of 2019, the Company had the net profit of THB 569.6, which increased by 56.9% compared to the same period of 2018. Which the normalized net profit increased by 102.0%, compared to the same period of 2018**

**FINANCIAL PERFORMANCE FOR 3 MONTHS AND 9 MONTHS ENDED 30 SEPTEMBER 2019**

Consolidated Financial Statements	Q3 2018	Q3 2019	Increase/ (Decrease)	9M 2018	9M 2019	Increase/ (Decrease)
	THB mm	THB mm	%	THB mm	THB mm	%
Total Revenue <sup>1</sup>	1,756.9	2,244.3	27.7%	7,227.4	9,121.4	26.2%
Total Cost	492.6	916.3	86.0%	2,880.8	4,411.5	53.1%
Gross Profit <sup>2</sup>	1,264.3	1,160.4	(8.2%)	4,049.0	4,118.3	1.7%
Net Profit	363.0	569.6	56.9%	1,446.0	2,028.1	40.3%
Normalized Total Revenue <sup>3</sup>	1,513.6*	2,234.9	47.7%	6,672.3*	8,804.8	32.0%
Normalized Net Profit <sup>4</sup>	226.3*	457.1	102.0%	1,140.2*	1,720.9	50.9%

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

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

<sup>3</sup> Normalized Total Revenue = Total Revenue excluding FX impact

<sup>4</sup> Normalized Net Profit = Net Profit excluding FX impact

\* Adjusted with Revenue Levelization (TFRS15) for comparison purposes. Normalized Profit for 2019 has effects from TFRS15

**KEY HIGHLIGHTS**

- Total revenue increased by 27.7% during 3 months ended the third quarter of 2019, compared to the same period of last year, mainly from increase in revenue from industrial land sale. However, if only considering normalized total revenue increased by 47.7% or THB 721.3 mm.
- Revenue from industrial land sale increased by 431.8% or THB 683.1 mm during 3 months ended the third quarter of 2019, compared to the same period of last year, mainly from higher land transfer which came from higher backlog.
- Financial costs decreased by 49.6% or THB 145.1 mm during 3 months ended the third quarter of 2019, compared to the same period of last year, due to accounting impact of early redemption of bond and lower weighted average cost of fund.
- All in all, the normalized total revenue and normalized net profit during 3 months ended the third quarter of 2019 increased by 47.7% and 102.0% or THB 721.3 mm and THB 203.8 mm, respectively.

## PERFORMANCE BY BUSINESS

### Rental Properties Business

	Q3 2018	Q3 2019	Increase/ (Decrease)	9M 2018	9M 2019	Increase/ (Decrease)
	THB mm	THB mm	%	THB mm	THB mm	%
Rental Revenue	308.1	229.4	(25.6%)	828.9	723.3	(12.7%)
Normalized Rental Revenue <sup>/1</sup>	256.4	229.4	(10.5%)	676.6	672.7	(0.6%)
Gross Profit	177.8	147.2	(17.2%)	459.2	409.5	(10.8%)
Gross Profit Margin	57.7%	64.2%		55.4%	56.6%	
GPM before adjustment with PPA <sup>/2</sup>	58.2%	64.2%		56.0%	56.7%	
Revenue from Sale of Investment Properties	-	38.6	n.a.	1,449.0	2,139.2	47.6%
Gross Profit	-	3.1	n.a.	611.1	164.6	(73.1%)
Gross Profit Margin	n.a.	7.9%		42.2%	7.7%	
GPM before adjustment with PPA <sup>/2</sup>	n.a.	7.9%		57.3%	7.7%	

<sup>/1</sup> Excluding rental and service income from WHABT

<sup>/2</sup> Excluding accounting impact of Purchase Price Allocation (PPA)

#### 1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers and factories** during 3 months ended the third quarter of 2019 was THB 229.4 mm, which decreased by 25.6% mm. For the first 9 months of 2019 was THB 723.3.4 mm, which decreased by 12.7% mm from the same period of previous year, due to not having revenue recognition of the assets which've sold to WHABT. However, if excluding the impact from WHABT, the normalized rental revenue and services decreased by 10.5% and 0.6% during 3 months and 9 months, respectively, mainly from restructuring the contract with our client.
- **Gross profit from rental and service of warehouses, distribution centers and factories** during 3 months ended the third quarter of 2019 was THB 127.5 mm, which decreased by 17.2% from the same period of previous year. For the first 9 months of 2019 was THB 409.5 mm, which decreased by 10.8% mm from the same period of previous year, mainly from the decrease in rental and services revenue as mentioned above. The gross profit margin during 3 months and 9 months ended the third quarter of 2019 were 64.2% and 56.6%. The improvement of gross profit margin mainly came from higher occupancy rate.

#### 2. Sale of Investment Properties

- **Income from sale of investment properties** during 3 months ended the third quarter of 2019 was THB 38.6 mm. For the first 9 months of 2019 was THB 2,139.2 mm which increased by 47.6%, compared to the same period of previous year. This increase during the first 9 months was mainly due to reversal of deferred revenue from sale of investment properties to WHABT in the second quarter of 2019 comparing to sale of investment properties to HREIT of THB 1,259 mm during first quarter of 2018. Furthermore, the gross profit margin stood at 7.7% for the first 9 months of 2019.

### Industrial Development Business

	Q3 2018	Q3 2019	Increase/ (Decrease)	9M 2018	9M 2019	Increase/ (Decrease)
	THB mm	THB mm	%	THB mm	THB mm	%
Revenue	158.2	841.3	431.8%	1,391.2	2,473.0	77.8%
Gross Profit	125.8	385.8	206.8%	688.3	1,315.9	91.2%
Gross Profit Margin	79.5%	45.9%		49.5%	53.2%	
GPM before adjustment with PPA <sup>1</sup>	82.3%	51.5%		57.3%	54.8%	

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

**Income from sales of real estate** during 3 months ended the third quarter of 2019 stood at THB 841.3 mm, which increased by 431.8%. For the first 9 months of 2019 was THB 2,473.0 mm, which increased by 77.8%, 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 ended the third quarter of 2019 stood at THB 385.8 mm, which increased by 206.8%, compared to the same period of last year. For during the first 9 months was THB 1,315.9 mm, increased by 91.2%, compared to the same period of last year. Moreover, the gross profit margin for 3 months and 9 months were 45.9% and 53.2%, 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 9 months were 51.5% and 54.8%, respectively.

### Utilities & Power Business

	Q3 2018	Q3 2019	Increase/ (Decrease)	9M 2018	9M 2019	Increase/ (Decrease)
	THB mm	THB mm	%	THB mm	THB mm	%
Revenue	542.9	552.7	1.8%	1,580.9	1,690.2	6.9%
Gross Profit	230.2	216.1	(6.2%)	690.9	746.8	8.1%
Gross Profit Margin	42.4%	39.1%		43.7%	44.2%	
GPM before adjustment with PPA <sup>1</sup>	45.6%	42.2%		46.9%	47.2%	
<b>Share of Profit from Investments in</b>	<b>543.5</b>	<b>390.2</b>	<b>(28.2%)</b>	<b>1,450.1</b>	<b>1,424.3</b>	<b>(1.8%)</b>
<b>Power Associates</b>						
- Normalized Share of Profit from Investments in Power Associates <sup>2</sup>	351.8	380.7	8.2%	1,047.4	1,158.4	10.6%
- FX Gain (Loss)	124.9	9.4	(92.4%)	60.2	265.9	341.6%
- Write Off Tax	(71.2)	-	100.0%	(71.2)	-	100.0%
- Adjustment of revenue levelization (TFRS15)	(137.9) <sup>3</sup>	-	n.a.	(413.7) <sup>3</sup>	-	n.a.

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

<sup>2</sup> Excluding Gain (Loss) from FX, Write-Off Tax and adjusted with Revenue Levelization (TFRS15)

<sup>3</sup> Adjusted with Revenue Levelization (TFRS15) for comparison purposes. Normalized Profit for 2019 has effects from TFRS15

**Utilities income** during 3 months ended the third quarter of 2019 was THB 578.3 mm, which increased by 1.8%, compared to the same period of last year, For during the first 9 months was THB 1,690.2, which increased by 6.9%. The increase for 3-month and 9-month period was mainly from higher water demand from completion of COD of a SPP, GNLL2, since 2 January 2019.

**Gross profit from utilities services** during 3 months ended the third quarter of 2019 were THB 216.1 mm which decreased by 6.2%, compared to the same period of last year. For during the first 9 months was THB 746.8 mm, which increased by 8.1%.The gross profit margin during 3 months and 9 months in 2019 were 39.1% and 44.2%, respectively. This gross margin had accounted for the fair value adjustment of the acquired business according to the accounting standards under WHA level. However, the genuine gross margins were 42.2% and 47.2%, respectively. The improvement of gross profit margin during 9 months period resulted from the one-time excessive charge in the first 9 months of 2019 while there was no such income in the first 9 months 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 ended the third quarter of 2019 was THB 390.2 mm, which decreased by 28.2%, compared to the same period of last year.For during the 9 months was THB 1,424.3 mm, which decreased by 1.8%, compared to the same period of last year. However, if only considering, normalized total revenue and share of profit from investments in associates increased by 8.2% and 10.6% during 3 months 9 months, respectively, mainly came from the completion of COD of a SPP, GNLL2, since 2 January 2019.

#### Other Income

	Q3 2018	Q3 2019	Increase/ (Decrease)	9M 2018	9M 2019	Increase/ (Decrease)
	THB mm	THB mm	%	THB mm	THB mm	%
<b>Dividend and Management income</b>	<b>102.4</b>	<b>112.0</b>	<b>9.4%</b>	<b>260.0</b>	<b>312.7</b>	<b>20.3%</b>
Others	72.2	55.7	(23.0%)	212.3	278.9	31.4%
<b>Total other income</b>	<b>174.6</b>	<b>167.7</b>	<b>(4.0%)</b>	<b>472.3</b>	<b>591.6</b>	<b>25.3%</b>

**Other income** during 3 months ended the third quarter of 2019 was THB 167.7 mm, which decreased by 4.0%. For during the first 9 months was THB 591.6 mm, which increased by 25.3%, compared to the same period of last year.The breakdowns are the details below:

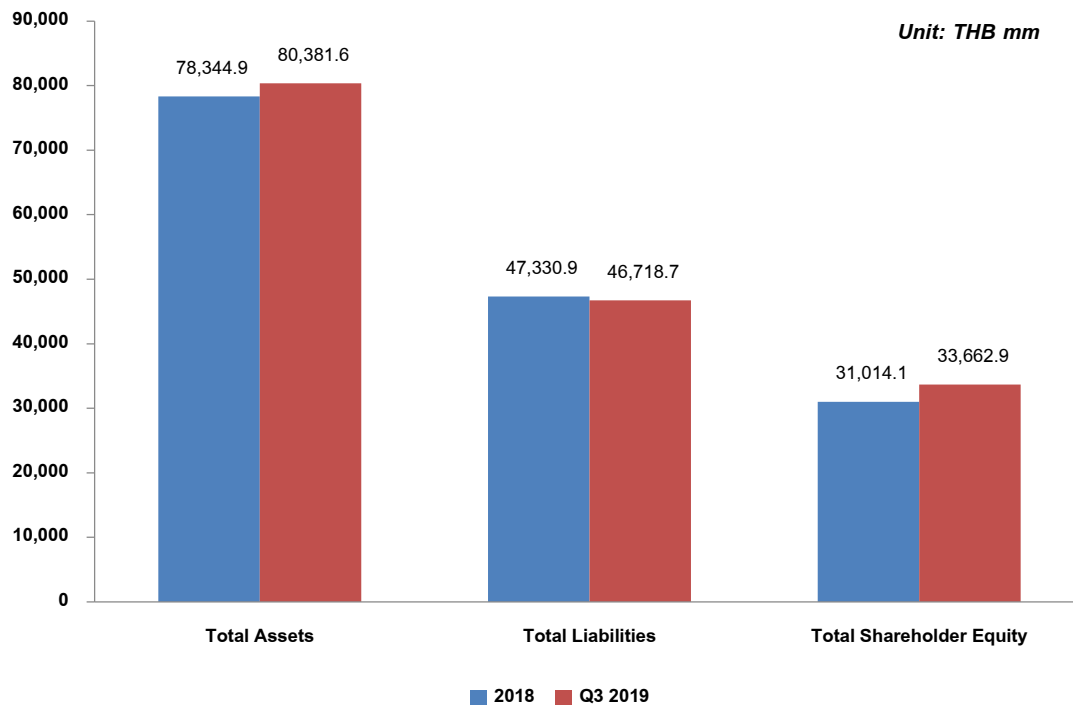
- **Dividend and management income** during 3 months ended the third quarter of 2019 was THB 112.0 mm, which increased by 9.4%. For during the first 9 months was THB 312.7 mm, which increased by 20.3%, compared to the same period of last year, mainly due to increase in asset size of REITs.
- **Other income** comprised interest income, gain from sale of short-term investments and other income totaling THB 55.7 mm for 3 months, which decreased by 23.0% .For the first 9 months of 2019 was THB 278.9 mm which increased by 31.4%, compared to the same period of the previous year.

## Expenses analysis

	Q3 2018	Q3 2019	Increase/ (Decrease)	9M 2018	9M 2019	Increase/ (Decrease)
	THB mm	THB mm	%	THB mm	THB mm	%
Selling expense	33.0	76.1	130.4%	148.7	232.3	56.2%
Administrative expense	314.8	305.2	(3.0%)	897.4	980.2	9.2%
Finance costs	292.8	147.7	(49.6%)	944.1	704.4	(25.4%)
<b>Total expenses</b>	<b>640.6</b>	<b>529.0</b>	<b>(17.4%)</b>	<b>1,990.2</b>	<b>1,916.9</b>	<b>(3.7%)</b>
Normalized finance costs	286.1	253.6	(11.3%)	937.4	810.3	(13.6%)

- **Selling expense** during 3 months ended the third quarter of 2019 was THB 76.1 mm, which increased by 130.4%. For during the first 9 months was THB 232.3 mm, which increased by 56.2%, compared to the same period of last year, mainly due to the higher transfer fees from higher land transfer compared to the same period of previous year.
- **Administrative expense** during 3 months ended the third quarter of 2019 was THB 305.2 mm, which decreased by 3.0%, compared to the same period of last year, mainly from lower provision for loss arising from undertaking income in HREIT. For during the first 9 months was THB 980.2 mm, which increased by 9.2%, compared to the same period of last year, mainly due to the increase in the number of staff to serve the business expansion.
- **The finance costs** during 3 months ended the third quarter of 2019 was THB 147.7 mm, which decreased by 49.6%. For during the first 9 months was THB 704.4 mm, which decreased by 25.4%, compared to the same period of last year, mainly due to accounting impact of early redemption of bond and lower weighted average cost of fund.

## FINANCIAL POSITION



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

### Assets

As of 30 September 2019, the Company had total assets of THB 80,381.8 mm, which increased by THB 2,036.6 mm from THB 78,344.9 mm as of 31 December 2018. The main reasons are as follows:

1. Increase in Investments in available-for-sale of THB 3,059.5 mm, due to increase in market capitalization of REITs after the market price increased during this period.
2. Increase in non-current assets held for sale of THB 1,151.9 mm due to the reclassification of assets, which will be monetized to WHART and HREIT.
3. Increase in other long-term investments (net) of THB 78.1 mm, due to increase in capital of an investment, proportionately.
4. Decrease in investments in associates of THB 824.8 mm mainly due to adoption of new accounting standard (TFRS 15) reflecting Gheco-One.
5. Decrease in short-term investments of THB 681.1 mm, which was mainly from the Company divested some investment units to manage the liquidity.
6. Decrease in investment properties (net) of THB 575.6 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 WHABT as mentioned above. However, the Company has invested more in the investment properties during this period as well.
7. Decrease in short-term loan to related parties of THB 118.9 mm, because of receiving loan repayment from

### Liabilities

As of 30 September 2019, the Company had total liabilities of THB 46,718.7 mm, which decreased by THB 612.2 mm from THB 47,330.9 mm as of 31 December 2018. Furthermore, considering solely the interest-bearing debt, it amounted THB 37,687.9 mm, increased by THB 1,304.4 mm from THB 36,380.5 mm. The main reasons are as follows:

1. Increase in short-term loans from financial institutions of THB 2,076.1 mm, mainly due to issuance of bill of exchange and promissory note, totaling THB 5,600.0 mm whereas repayment of bill of exchange and promissory note, totaling THB 3,520.0 mm during the first half of 2019.
2. Increase in deferred tax of THB 593.6 mm.
3. Decrease in deferred revenue of THB 2,188.0 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.

### Shareholder's equity

As of 30 September 2019, the Company had total shareholder's equity of THB 33,662.9 mm, which increased by THB 2,648.8 mm from THB 31,014.1 mm as of 31 December 2018, mainly from WHA-W1 exercise and increase in market price of REITs as well as increase in retain earnings.

### KEY FINANCIAL RATIOS

	31 December 2018	31 September 2019
Gross Profit Margin (%)	44.3%	45.2%
Net Profit Margin (%)	25.0%	25.4%
D/E Ratio (times)	1.5	1.4
Net IBD to Equity (times)	1.2	1.1

Please be informed accordingly.

Sincerely yours,

WHA Corporation Public Company Limited

(Mr. Krailuck Asawachatroj)

Chief Financial Officer