

28 February 2020

Re: To clarify the financial statements as of 31 December 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 year of 2019 ended on 31 December 2019 which was audited by the auditor. The Company hereby clarifies the performance as follows:

**During 2019, the Company had the net profit of THB 3,229.3, which increased by 11.1% compared to the same period of 2018. Which the normalized net profit increased by 21.1%, compared to the same period of 2018**

#### FINANCIAL PERFORMANCE

Consolidated Financial Statements	2018	2019	Increase/ (Decrease)
	THB mm	THB mm	%
Total Revenue <sup>/1</sup>	11,622.2	13,385.8	15.2%
Total Cost	4,631.8	6,400.8	38.2%
Gross Profit <sup>/2</sup>	6,232.8	6,007.9	(3.6%)
Net Profit	2,906.8	3,229.3	11.1%
<b>Normalized Total Revenue<sup>/3</sup></b>	<b>10,882.7*</b>	<b>13,058.7</b>	<b>20.0%</b>
<b>Normalized Net Profit<sup>/4</sup></b>	<b>2,422.8*</b>	<b>2,932.9</b>	<b>21.1%</b>

<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 was THB 13,385.8 mm which increased by 15.2%, compared to the same period of last year, whereas normalized total revenue increased by 20.0%.
- Rental and service income from warehouses, distribution centers and factories was THB 1,001.3 mm, which decreased by 9.2% mm from the same period of previous year. However, if excluding the impact from WHABT, the normalized rental revenue and services increased by 5.8%, mainly from continuously increase in occupied area of ready-built factories and warehouses.
- Revenue and share of profit from sale of investment properties was THB 3,891.2 mm which increased by 12.2%, compared to the same period of previous year. This increase during the period was mainly due to reversal of deferred revenue from sale of investment properties to WHABT.

- Revenue from industrial land sale was THB 3,505.0 mm which increased by 64.9%, compared to the same period of last year, mainly from higher number of land transfer.
- Utilities income was THB 2,258.7 mm, which increased by 7.8%, compared to the same period of last year, mainly from 4% increasing in sale volume of industrial water.
- Share of Profit from Investments in Associates from Power Business was THB 1,778.7 mm, which decreased by 13.1%, compared to the same period of last year. However, if only considering, normalized share of profit from investments in associates decreased by 4.6%, mainly due to lower contribution from GHECO-One.
- Financial costs decreased by 16.4% or THB 193.0 mm, 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 reported net profit and normalized net profit for 2019 were THB 3,229.3 mm and THB 2,932.9 mm which increased by 11.1% and 21.1%, respectively.

## **PERFORMANCE BY BUSINESS**

### **Rental Properties Business**

	2018	2019	Increase/ (Decrease)
	THB mm	THB mm	%
<b>Rental Revenue</b>	<b>1,102.2</b>	<b>1,001.3</b>	<b>(9.2%)</b>
<b>Normalized Rental Revenue<sup>1</sup></b>	<b>898.6</b>	<b>950.7</b>	<b>5.8%</b>
Gross Profit	562.7	589.7	4.8%
Gross Profit Margin	51.1%	58.9%	
GPM before adjustment with PPA <sup>2</sup>	51.6%	59.1%	
<b>Revenue and Share of Profit Sale of Investment Properties</b>	<b>3,469.4</b>	<b>3,891.2</b>	<b>12.2%</b>
<b>Revenue from Sale of Investment Properties</b>	<b>3,005.6</b>	<b>3,651.3</b>	<b>21.5%</b>
Share of Profit from JV's Asset Monetization	463.9	239.8	(48.3%)
Gross Profit	1,225.3	724.6	(40.9%)
Gross Profit Margin	40.8%	19.8%	
GPM before adjustment with PPA <sup>2</sup>	51.4%	19.8%	

<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 2019 was THB 1,001.3 mm, which decreased by 9.2% from the same period of previous year, due to having no office rental revenue of WHABT assets in 2019. However, if excluding the impact from WHABT, the normalized rental revenue and services increased by 5.8%, mainly from continuously increase in occupied area of ready-built factories and warehouses.
- **Gross profit from rental and service of warehouses, distribution centers and factories** during 2019 was THB 589.7 mm, which increased by 4.8% from the same period of previous year, mainly from the

increase in rental and services revenue as mentioned above. The gross profit margin during 2019 was 58.9%. The improvement of gross profit margin mainly came from higher occupancy rate.

## 2. Sale of Investment Properties

- **Revenue and share of profit from sale of investment properties** was THB 3,891.2 mm which increased by 12.2%, compared to the same period of previous year. This increase during the period was mainly due to reversal of deferred revenue from sale of investment properties to WHABT in the first quarter of 2019. Furthermore, the gross profit margin stood at 19.8%, however if considering the gross profit margin from asset monetization to WHART was 39.0%.

### Industrial Development Business

	2018	2019	Increase/ (Decrease)
	THB mm	THB mm	%
Revenue	2,124.9	3,505.0	64.9%
Gross Profit	1,066.4	1,777.2	66.7%
Gross Profit Margin	50.2%	50.7%	
GPM before adjustment with PPA <sup>1</sup>	60.2%	55.3%	

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

**Income from sales of real estate** during 2019 stood at THB 3,505.0 mm, which increased by 64.9%, compared to the same period of last year. Furthermore, the gross profit from sale of real estate during 2019 stood at THB 1,777.2 mm, which increased by 66.7%, compared to the same period of last year, mainly due to higher number of land transfer. Moreover, the gross profit margin for 2019 was 50.7%. 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 margin was 55.3%.

## Utilities & Power Business

	2018	2019	Increase/ (Decrease)
	THB mm	THB mm	%
Revenue	2,095.1	2,258.7	7.8%
Gross Profit	895.2	954.8	6.7%
Gross Profit Margin	42.7%	42.3%	
GPM before adjustment with PPA <sup>1</sup>	46.0%	45.3%	
Share of Profit from Investments in Utilities Associates	n.a.	(13.5)	n.a.
<b>Share of Profit from Investments in Power Associates</b>	<b>2,046.4</b>	<b>1,778.7</b>	<b>(13.1%)</b>
- Normalized Share of Profit from Investments in Power Associates <sup>2</sup>	1,510.6	1,441.2	(4.6%)
- FX Gain (Loss)	55.4	337.5	509.3%
- Write Off Tax	(71.2)	0.0	(100.0%)
- Adjustment of revenue levelization (TFRS15)	2,046.4	1,778.7	(13.1%)

<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 2019 was THB 2,258.7 mm, which increased by 7.8%, compared to the same period of last year, mainly from 4% increasing in sale volume of industrial water as a result of higher usage from existing and new customers, especially COD of GNLL2 in the first quarter of 2019.

**Gross profit from utilities services** during 2019 was THB 954.8 mm which increased by 6.7%, compared to the same period of last year. Moreover, the gross profit margin in 2019 was 42.3%. 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 was 45.3%.

**Share of Profit from Investments in Associates from Utility Business** was THB (13.5) mm, due to the recognition from Share of Loss from SDWTP which started in November 2019 amounted of THB (14.3) million. SDWTP started commercial services at the beginning of 2019 with installed capacity of 150,000 cubic meters per day (Phase 1A) and additional installed capacity of 150,000 cubic meters per day (Phase 1B) was ready to start commercial operation from November 2019. Although, SDWTP had average sales volume more than 80% of Phase 1A's installed capacity during November to December but depreciation expense of Phase 1B was already booked in this period, resulting into a loss during November to December as abovementioned.

**Share of Profit from Investments in Associates from Power Business** during 2019 was THB 1,778.7 mm, which decreased by 13.1%, compared to the same period of last year. However, if only considering normalized share of profit from investments in associates decreased by 4.6%, mainly due to lower contribution from GHECO-One.

## Other Income

	2018	2019	Increase/ (Decrease)
	THB mm	THB mm	%
<b>Dividend and Management income</b>	<b>399.6</b>	<b>540.7</b>	<b>35.3%</b>
Others	309.0	436.4	41.2%
<b>Total other income</b>	<b>708.6</b>	<b>977.1</b>	<b>37.9%</b>

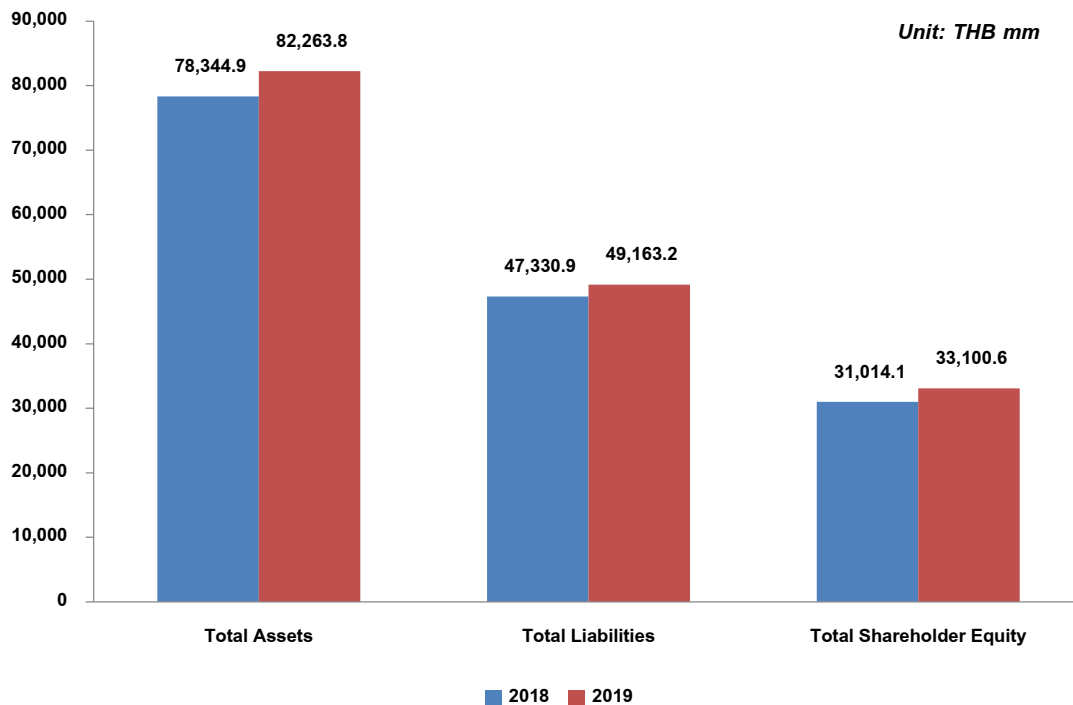
**Other income** during 2019 was THB 977.1 mm, which increased by 37.9%, compared to the same period of last year. The breakdowns are the details below:

- **Dividend and management income** during 2019 was THB 540.7 mm, which increased by 35.3%, compared to the same period of last year, mainly due to higher dividend income from HREIT together with increase in management income in tandem with higher asset size of REITs.
- **Other income** was THB 436.4 for 2019, which increased by 41.2%, compared to the same period of the previous year. This came from the revenue recognition from restructuring in a client lease contract.

## Expenses analysis

- **Selling expense** during 2019 was THB 325.6 mm, which varies according to income from sales of real estate. The 2019 selling expense accounted for 9.3% of income from sales of real estate, which decreased from 10.9% in 2018.
- **Administrative expense** during 2019 was THB 1,398.2 mm, which increased by 1.5%, compared to the same period of last year, mainly due to higher employee benefits together with the increase in the number of staff to serve the business expansion.
- **The finance costs** during 2019 was THB 986.4 mm, which decreased by 16.4%, 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 31 December 2019 are summarized as follows.

### Assets

As of 31 December 2019, the Company had total assets of THB 82,263.8 mm, which increased by THB 3,918.9 mm from THB 78,344.9 mm as of 31 December 2018. The main reasons were as follows:

1. Increase in investments in available-for-sale of THB 3,105.7 mm, due to having mark to market investment in REITs during this period.
2. Increase in investments in associates of THB 1,159.4 mm mainly due to adoption of new accounting standard (IFRS 15) reflecting Gheco-One.
3. Increase in property, plant and equipment of THB 723.6 mm mainly due to the expansion in solar business.
4. Decrease in cash, cash equivalent and short-term investments of THB 1,050.7 mm, which was mainly from higher capital expenditure, align with the Company expansion.
5. Decrease in cost of real estate development (net) of THB 575.9 mm, mainly resulting from higher land transfer in 2019 as mentioned above. However, the Company has developed more on the industrial estate during this period as well.
6. Decrease in short-term loan to related parties of THB 571.1 mm, mainly from loan repayment from an associated company.

### Liabilities

As of 31 December 2019, the Company had total liabilities of THB 49,163.2 mm, which increased by THB 1,832.4 mm from THB 47,330.9 mm as of 31 December 2018. The Company had interest bearing debt of THB 39,224.3 mm, which increased by THB 2,843.8 mm from THB 36,380.5 mm in 2018. However, the weighted

average cost of fund of the Company in 2019 decreased by 0.47% (decreasing from 3.88% in 2018 to 3.41% in 2019).

During 2019, the Company had utilized additional short-term and long-term facilities, accounting for THB 4,293.0 mm and had bond repayment in the amount of THB 1,450.1 mm. As a result, the 2019 interest bearing debt of the Company increased by THB 2,843.8 mm, which was mainly from investment in new project having instant recognized operating results.

Furthermore, the decrease in deferred revenue of THB 2,033.4 mm 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 31 December 2019, the Company had total shareholder's equity of THB 33,100.6 mm, which increased by THB 2,086.5 mm from THB 31,014.1 mm as of 31 December 2018, mainly from WHA-W1 exercise and increase in market price of REITs.

### KEY FINANCIAL RATIOS

	31 December 2018	31 December 2019
Gross Profit Margin (%)	44.3%	38.8%
Net Profit Margin (%)	25.0%	24.4%
D/E Ratio (times)	1.53	1.49
Net IBD to Equity (times)	1.17	1.19

Please be informed accordingly.

Sincerely yours,  
WHA Corporation Public Company Limited

(Mr. Krailuck Asawachatroj)  
Chief Financial Officer