

11 August 2020

Re: To clarify the financial statements as of 30 June 2020

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

During the second quarter of 2020, the Company had the total revenue and share of profit and net profit of THB 1,966.7 mm and THB 542.1 mm, respectively. If excluding FX impact and extra item, the Company had the normalized total revenue and share of profit and normalized net profit of THB 1,885.0 mm and THB 518.1 mm, respectively. The details are as follows:

FINANCIAL PERFORMANCE

Consolidated Financial Statements	Q2 2019 THB mm	Q1 2020 THB mm	Q2 2020 THB mm	Change		1H 2019 THB mm	1H 2020 THB mm	Change YoY %
				YoY %	QoQ %			
Total Revenue and Share of Profit	3,074.1	1,277.8	1,966.7	(36.0%)	53.9%	6,877.1	3,244.5	(52.8%)
Total Cost	881.0	546.4	688.0	(21.9%)	25.9%	3,495.2	1,234.4	(64.7%)
Gross Profit	1,884.0	385.7	1,043.3	(44.6%)	170.5%	2,957.9	1,429.0	(51.7%)
Net Profit	1,051.9	99.3	542.1	(48.5%)	446.2%	1,458.5	641.3	(56.0%)
Normalized Total Revenue ¹	2,911.8	1,399.5	1,885.0	(35.3%)	34.7%	4,409.4	3,284.4	(25.5%)
Normalized Net Profit ²	938.3	196.5	518.1	(44.8%)	163.7%	1,094.2	714.6	(34.7%)

¹ Normalized Total Revenue = Total Revenue excluding FX impact, Extra item and Deferred Revenue Item

² Normalized Net Profit = Net Profit excluding FX impact, Extra item, TFRS9&16 impact and Deferred Revenue Item

Deferred Revenue Item = Deferred revenue from assets monetization to WHABT in 2015 which recognized in the first quarter of 2019 as a result of accounting standard adjustment (TFRS 15)

KEY HIGHLIGHTS

- Total Revenue and Share of Profit and Net Profit for the second quarter of 2020 were THB 1,966.7 mm and THB 542.1 mm, respectively. This statutory figures consists of the normal business operation and FX impacts, which was almost all unrealized gain/loss. In addition, the Company's Normalized Total Revenue and Share of Profit and Normalized Net Profit stood at THB 1,885.0 mm and THB 518.1 mm, respectively.
- Normalized Net Profit for the first half of 2020 stood at THB 714.6 mm, decreasing 34.7%, compared to the same period of previous year. However, compared to the same period of last year, the Company's Normalized Net Profit for the second quarter of 2020 increased by 163.7%.
- Normalized Rental Revenue during the second quarter of 2020 increased by 39.0%, compared to the same period of previous year, and increased by 6.0% to THB 303.1 mm, compared to the first quarter of 2020, which was mainly due to increase in lettable area for both logistics and industrial properties.
- Revenue from Land Business and Sale of Properties for the second quarter of 2020 was THB 546.7 mm and decreased by 55.5%, compared to the same period of last year, which was mainly from temporary international travelling restriction from COVID-19 pandemic. As a result, the customers could not transfer

the land; however, the Company still receives strong interests for our industrial estates from the number of potential customers, especially from China, Japan and USA manufacturers as a result of production line relocation from China to Southeast Asia countries. Furthermore, the fundamental of Thailand as the regional production hub remains strong, but also reflected the potential and strength of WHA Group's industrial estates, which can fully support the needs of both local and international customers. However, compared to the first quarter of 2020, the Revenue from Land Business and Sale of Properties increased by 106.8% due to higher number of land transfer.

- Utilities Income during the second quarter of 2020 decreased by 16.8%, compared to the same period of last year and decreased by 9.9%, compared to the first quarter of this year and stood at THB 481.4 mm which was mainly from lower excessive charge as a result of delay of land transfer. However, if excluding the revenue from excessive charge, utilities income decreased by 8.2%, compared to the same period of last year and decreased by 7.4%, compared to the first quarter of 2020, which was from decrease in utilities sale volume approx. 9.0% during the first half of 2020 and 11.0% for the second quarter of 2020, compared to the first quarter of 2020 due to drought situation in Thailand.
- Normalized Share of Profit from Investment in Power Associates and Joint Ventures for the second quarter of 2020 was THB 251.4 mm which decreased by 55.3%, compared to the same period of last year. The decrease in Normalized Share of Profit from Investment in Power Associates and Joint Ventures was mainly due to the reduction of AP from Gheco-1 according to PPA including the planned maintenance shutdown of GTS1. However, compared to the first quarter of 2020, the Normalized Share of Profit from Investment in Power Associates and Joint Ventures for the second quarter of 2020 increased by 2.8%.
- Finance Cost increased to THB 305.2 mm because the Company had loan drawdown from financial institution in the end of Q1 2020 in order to reserve cash for debentures repayment in April 2020 and to mitigate risk from the money market fluctuation during COVID-19. However, compared to the six-month period of 2019, the finance cost in the same period of 2020 increased by 0.7% and the weighted average cost of fund of the Company decreased by 0.39% (decreasing from 3.41% at the end of 2019 to 3.02% at the end of the second quarter of 2020).
- All in all, the Company had Net Profit and Normalized Net Profit during the first half of 2020 at THB 641.3 mm and THB 714.6 mm, respectively and decreased by 56.0% and 34.7%, respectively, compared to the same period of previous year. However, Net Profit and Normalized Net Profit for the second quarter of 2020 was THB 518.1 mm and increased by 163.7%, compared to the first quarter of 2020.

PERFORMANCE BY BUSINESS

Rental Properties Business

				Change		Change		
	Q2 2019	Q1 2020	Q2 2020	YoY	QoQ	1H 2019	1H 2020	YoY
	THB mm	THB mm	THB mm	%	%	THB mm	THB mm	%
1. Rental and Service								
Rental Revenue	218.0	285.9	303.1	39.0%	6.0%	493.9	589.0	19.3%
Normalized Rental Revenue ¹	218.0	285.9	303.1	39.0%	6.0%	443.3	589.0	32.9%
Gross Profit	127.5	198.4	207.8	63.0%	4.8%	277.2	406.2	46.5%
Gross Profit Margin	58.5%	69.4%	68.6%			56.1%	69.0%	
GPM before adjustment with PPA ²	58.6%	69.6%	68.6%			56.2%	69.1%	
2. Sale of Investment Properties								
Revenue from Investment Properties ³	-	-	1.6	n.a.	n.a.	-	1.6	n.a.
Gross Profit	-	-	0.1	n.a.	n.a.	-	0.1	n.a.
Gross Profit Margin	n.a.	n.a.	9.1%			n.a.	9.1%	

¹ Excluding rental and service income from WHABT

² Excluding accounting impact of Purchase Price Allocation (PPA)

³ Excluding Deferred Revenue Item

1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers, factories and structural work** during the second quarter of 2020 and the first half of 2020 were THB 303.1 mm and THB 589.0 mm which increased by 39.0% and 19.3%, respectively, from the same period of previous year. The normalized rental and service income for the first half of 2020 increased by 32.9%, compared to the same period of previous year and increased by 6.0%, compared to previous quarter, which was mainly due to increase in lettable area for both logistics and industrial properties.
- **Gross profit margin from rental and service of warehouses, distribution centers, factories and structural work** during the second quarter and the first half of 2020 were 68.6% and 69.0%, respectively, which increased from the same period of previous year because of the higher number of lettable area and efficient cost management.

2. Sale of Investment Properties

- During the second quarter of 2020, the Company had revenue from investment properties of THB 1.6 mm from additional work for a logistics tenant.

Industrial Development Business

	Change					Change		
	Q2 2019	Q1 2020	Q2 2020	YoY	QoQ	1H 2019	1H 2020	YoY
	THB mm	THB mm	THB mm	%	%	THB mm	THB mm	%
Revenue	1,227.5	264.3	546.7	(55.5%)	106.8%	1,668.8	811.0	(51.4%)
Gross Profit	760.3	150.0	287.6	(62.2%)	91.7%	967.1	437.7	(54.7%)
Gross Profit Margin	61.9%	56.8%	52.6%			58.0%	54.0%	
GPM before adjustment with PPA ¹	62.0%	57.6%	52.5%			57.5%	54.2%	

¹ Excluding accounting impact from Purchase Price Allocation (PPA)

Revenue from land business and sale of properties during the second quarter and the first half of 2020 were THB 546.7 mm and THB 811.0 mm, decreased by 55.5% and 51.4%, respectively, compared to the same period of last year, which was mainly from international travelling restriction from COVID-19 pandemic. As a result, the customers could not transfer the land; however, the potential customers still receive the strong interests for our industrial estates, especially, China, Japan and USA manufacturers as a result of production line relocation from China to Southeast Asia countries. The fundamental of Thailand as the regional production hub remains strong, but also reflected the potential and strength of WHA Group's industrial estates, which fully support both local and international customers' requirements. However, compared to the first quarter of 2020, the revenue from land business and sale of properties increased by 106.8%, mainly from the higher number of land transfer.

Gross profit margin from land business and sale of properties during the second quarter and the first half of 2020 were at 52.6% and 54.0%, respectively which decreased from the same period of last year and the first quarter of this year due to lower gross profit margin of land transfer in this quarter.

Utilities & Power Business

	Change					Change		
	Q2 2019	Q1 2020	Q2 2020	YoY	QoQ	1H 2019	1H 2020	YoY
	THB mm	THB mm	THB mm	%	%	THB mm	THB mm	%
Revenue	578.3	534.0	481.4	(16.8%)	(9.9%)	1,137.5	1,015.4	(10.7%)
Gross Profit	266.3	197.0	164.4	(38.2%)	(16.6%)	515.8	361.5	(29.9%)
Gross Profit Margin	46.0%	36.9%	34.2%			45.3%	35.6%	
GPM before adjustment with PPA ¹	49.0%	40.1%	37.7%			48.3%	38.9%	
Share of Profit from Investments in Utilities Associates		(28.7)	(37.0)	n.a.	(28.7%)	-	(65.7)	n.a.
Share of Profit from Investments in Power Associates	724.3	(114.7)	509.6	(29.6%)	544.2%	1,035.4	394.9	(61.9%)
- Normalized Share of Profit from Investments in Power Associates ²	562.0	244.5	251.4	(55.3%)	2.8%	718.9	495.9	(31.0%)
- FX Gain (Loss)	162.3	(359.2)	258.2	59.1%	171.9%	256.5	(101.0)	(139.4%)
- Extra Item	-	-	-	n.a.	n.a.	60.0	-	(100.0%)

¹ Excluding accounting impact of Purchase Price Allocation (PPA)

² Excluding Gain (Loss) from FX and Extra item

Utilities income during the second quarter and the first half of 2020 were THB 481.4 mm and THB 1,015.4 mm, which decreased by 16.8% and 10.7%, respectively, compared to the same period of previous year, and decreased by 9.9%, compared to the first quarter of this year which was mainly from lower excessive charge as

a result of delay of land transfer. However, if excluding the revenue from excessive charge, utilities income decreased by 8.2% and 5.4%, respectively, compared to the same period of last year, and decreased by 7.4%, compared to the first quarter of 2020 from lower utilities sale volume approx. 9.0% during the first half of 2020 and decreased by 11.0% for the second quarter of 2020, compared to the first quarter of 2020 because of the drought situation in Thailand.

Gross profit margin from utilities income during the second quarter and the first half of 2020 were at 34.2% and 35.6%, 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 the first half of 2020 were at 37.7% and 38.9%, respectively decreasing from the same period of previous year from lower excessive charge, higher cost during the drought situation period and higher depreciation costs of new projects.

Share of Profit from Investments in Associates from Utility Business during the second quarter and the first half of 2020 were THB (37.0) mm and THB (65.7) mm due to the recognition from share of loss from SDWTP, resulting from higher depreciation, lower sales volume and the delay in the construction of pipeline expansion to connection points of water distributors due to the lockdown measurement in Vietnam during COVID-19 pandemic.

Normalized Share of Profit from Investments in Associates from Power Business during the second quarter of 2020 was THB 251.4 mm, decreasing by 55.3%, comparing to the same period of previous year, while increasing 2.8% compared to the first quarter of 2020. For the first half of 2020, normalized share of profit from power associates and joint ventures was at THB 495.9 mm, decreasing by 31.0% compared to the same period of previous year. If including the FX impact, which is mostly unrealized gain/loss, share of profit from power associates and joint ventures stood at THB 509.6 mm and THB 394.9 mm, respectively. The decrease in normalized share of profit from power associates and joint ventures was mainly due to the reduction of AP from Gheco-1 according to PPA as well as planned maintenance shutdown of 3 SPPs in the first half of 2020. (GVTP, BPWHA1 and GTS1)

Other Income

	Change					Change		
	Q2 2019	Q1 2020	Q2 2020	YoY	QoQ	1H 2019	1H 2020	YoY
	THB mm	THB mm	THB mm	%	%	THB mm	THB mm	%
Dividend and management income	132.0	81.5	114.1	(13.6%)	40.0%	200.8	195.5	(2.6%)
Others	177.1	264.2	121.3	(31.5%)	(54.1%)	223.2	385.5	72.7%
Total other income	309.1	345.7	235.3	(23.9%)	(31.9%)	424.0	581.1	37.1%
Normalized others ^{†1}	177.1	26.7	297.7	68.1%	1,015.9%	223.2	324.4	45.3%
Normalized total other income^{†1}	309.1	108.2	411.8	33.2%	280.7%	424.0	519.9	22.6%

^{†1} Excluding FX impact

Normalized other income during the second quarter of 2020 stood at THB 303.8 mm which increased by 4.0% from the same period of previous year and increased by 240.7% from the first quarter of 2020. For the first half of 2020, normalized other income was THB 392.9 mm and increased by 1.5% from the same period of last year, which was mainly from:

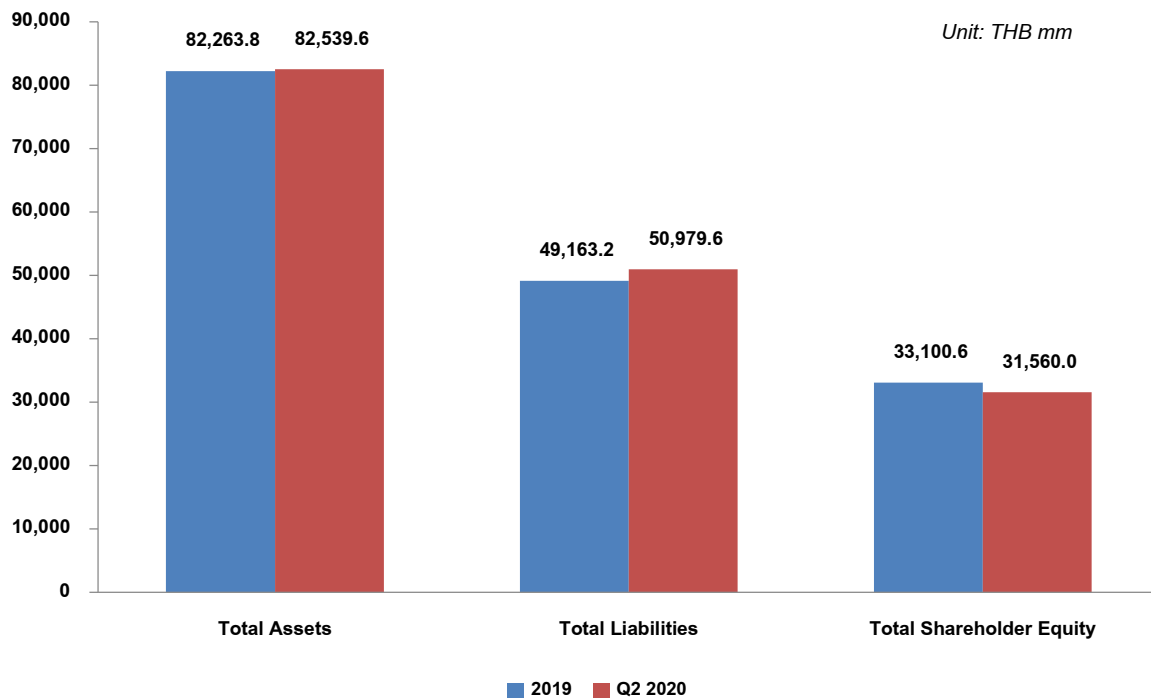
- **Dividend and management income** during the second quarter of 2020 was THB 114.1 mm, decreased by 13.6% from the same period of previous year and increased by 40.0% from the first quarter of 2020. For the first half of 2020, the dividend and management income was THB 195.5 mm, decreased by 2.6% from the same period of last year. This was mainly due to postpone of dividend payment of Glow IPP from Q2 2020 to Q3 2020.
- **Normalized other income** comprised interest income, gain from sale of short-term investments and other income totaling THB 189.7 mm for the second quarter of 2020, increased by 18.5% from the second quarter of 2019 and increased by 2,370.4% from the first quarter of 2020. For the period of six months of 2020, the normalized other income was THB 197.4 mm, increased by 6.0% from the same period of last year.

Expense Analysis

				Change				
	Q2 2019	Q1 2020	Q2 2020	YoY	QoQ	1H 2019	1H 2020	Change
	THB mm	THB mm	THB mm	%	%	THB mm	THB mm	%
Selling expense	113.7	32.9	38.4	(66.2%)	16.8%	156.2	71.3	(54.4%)
Administrative expense	380.7	277.6	260.2	(31.7%)	(6.3%)	675.0	537.8	(20.3%)
Finance costs	278.5	255.3	305.2	9.6%	19.5%	556.7	560.5	0.7%
Total expense	772.9	565.8	603.7	(21.9%)	6.7%	1,387.9	1,169.6	(15.7%)

- **Selling expense** during the second quarter and the first half of 2020 were THB 38.4 mm and THB 71.3 mm, which varies from income from sales of real estate. The selling expense accounted for 8.8% of income from sales of real estate for the second quarter of 2020, which decreased from 9.4% for the second quarter of last year. As a result, the selling decreased by 66.2% from the same period of previous year and decreased by 16.8% from the first quarter of 2020.
- **Administrative expense** during the second quarter of 2020 was THB 260.2 mm, which decreased by 31.7%, compared to the same period of last year and decreased by 6.3% from the first quarter of this year. For the first half of 2020, administrative expense was THB 537.8 mm and decreased by 20.3% from the same period of 2019, which was mainly from efficient cost management.
- **Finance costs** during the second quarter of 2020 was THB 305.2 mm because in the end of Q1 2020, the Company had drawdown loan from financial institution in order to reserve cash for debentures repayment in April 2020 and to mitigate risk from the money market fluctuation during COVID-19. However, compared to the six months period of 2019, the finance cost in the same period of 2020 increased by 0.7% and the weighted average cost of fund of the Company decreased by 0.39% (decreasing from 3.41% at the end of 2019 to 3.02% at the end of the second quarter of 2020).

FINANCIAL POSITION



The changes in Consolidated Balance Sheet as of 30 June 2020 are summarized as follows.

Assets

As of 30 June 2020, the Company had total assets of THB 82,539.6 mm, increasing by THB 275.7 mm from THB 82,263.8 mm as of 31 December 2019. The main reasons are as follows:

1. Increase in non-current assets held for sale of THB 1,181.3 mm was from the reclassification of assets, which will be monetized to WHART and HREIT from investment properties to non-current assets held for sale.
2. Increase in properties, plants and equipment (net) of THB 748.6 mm, mainly from the increase in equipment related to solar rooftop business and investment of reclaimed water project.
3. Increase in investment properties (net) of THB 579.9 mm, because the Company has developed new projects.
4. Decrease in investments in associates of THB 1,825.3 mm, mainly from the adoption of new accounting standard (TFRS 9), reflecting to the mark-to-market of financial instruments in associates of power business.
5. Decrease in Investments in available-for-sale of THB 639.1 mm, due to decrease in investment value of REITs from market price change.

Liabilities

As of 30 June 2020, the Company had total liabilities of THB 50,979.6 mm, which increased by THB 1,816.3 mm from THB 49,163.2 mm as of 31 December 2019. The increase was partly from bank loan drawdown by the end of the first quarter of 2020 in order to hold the cash for bonds matured in April 2020 as well as preserve for the money market fluctuation during COVID-19. Besides, the Company had interest bearing debt of THB 41,381.8 mm, which increased by THB 2,157.5 mm from THB 39,224.3 mm. However, the weighted

average cost of fund of the Company decreased by 0.39% (decreasing from 3.41% as of ended 2019 to 3.02% as of ended the second quarter of 2020).

During the first half of 2020, the Company had utilized additional short-term and long-term facilities, accounting for THB 7,186.3 mm and repaid net additional bond of THB 5,028.8 mm. As a result, the first half of 2020, interest bearing debt of the Company increased by THB 2,157.5 mm for capital expenditure of new projects together with the Company's liquidity management.

Shareholder's equity

As of 30 June 2020, the Company had total shareholder's equity of THB 31,560.0 mm, which decreased by THB 1,540.6 mm from THB 33,100.6 mm as of 31 December 2019, mainly from decrease in market price of WHART, HREIT and WHABT together with the adoption of new accounting standard (TFRS 9), reflecting to the mark-to-market of financial instruments in associates.

Unit Price and Investment Value of REITs

	Unit Price (THB)		Increase/(Decrease) of investment value (THB mm)
	Ended 2019	Ended Q2 2020	
	31 Dec 2019	30 Jun 2020	
WHART	17.4	16.0	(536.5)
HREIT	8.8	8.1	(73.8)
WHABT	9.7	8.7	(30.3)
Total			(640.6)

KEY FINANCIAL RATIOS

	Q2 2019	Q1 2020	Q2 2020
Gross Profit Margin (%)	56.4%	49.3%	44.8%
Net Profit Margin (%)	34.2%	7.8%	27.5%
D/E Ratio (times)	1.6	1.6	1.6
Net IBD to Equity (times)	1.2	1.3	1.3

Please be informed accordingly.

Sincerely yours,

WHA Corporation Public Company Limited

(Mr. Krailuck Asawachatroj)

Chief Financial Officer