

9 May 2019

Re: To clarify the financial statements as of 31 March 2019

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 first quarter of 2019 ended on 31 March 2019 which were reviewed by the auditor. The Company hereby clarifies the changes in the performance over 20% as follows:

FINANCIAL PERFORMANCE

Consolidated Financial Statements	Q1 2018	Q1 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Total Revenue ^{/1}	3,447.1	3,803.0	355.9	10.3%
Total Cost	1,528.4	2,614.2	1,085.8	71.0%
Gross Profit ^{/2}	1,802.9	1,074.0	(729.0)	(40.4%)
Net Profit	779.9	406.6	(373.3)	(47.9%)
Normalized Total Revenue ^{/3}	3,196.4	3,708.8	512.3	16.0%
Normalized Net Profit ^{/3}	604.5	340.6	(263.8)	(43.6%)

^{/1} Including other income and share of profit from investments in associates and JVs

^{/2} Gross profit including share of profit from investments in associates and JVs

^{/3} Excluding FX impact and one-time gain/(loss) items

In the first quarter of 2019, the Company had the net profit of THB 406.6 mm, which decreased by THB 373.3 mm or 47.9%, compared to the same period of the last year.

KEY HIGHLIGHTS

- Total revenue increased by 10.3%, mainly from increase in revenue from sale of investment properties and increase in revenue from rental and services together with revenue from utilities. However, if excluding the FX impact and one-time loss items, normalized total revenue and share of profit from investments in associates increased by 16.0%.
- Revenue from sale of investment properties increased by 45%, compared to the same period of last year. Because, on 6 November 2015, the Company sold assets to WHA Business Complex Freehold and Leasehold Real Estate Investment Trust ("WHABT") and have undertaken in guaranteeing minimum EBITDA of the REIT. Hence, their significant risk and reward were not transferred to the buyer, so the Company recorded the transaction as deferred revenue. However, during the period 2019, the Company has reconsidered the remaining guarantee EBITDA and found that existing risk and reward were insignificant. The Company has therefore reversed deferred revenue amounting to THB 2,100.6 mm to statement of comprehensive income for this period.

- Share of profit from power associates and joint ventures decreased by 53.0%, mainly due to the planned major maintenance of Gheco-One power plant, totaling 39 days. However, if excluding the FX impact and one-time loss items, normalized total revenue and share of profit from investments in associates decreased by 47.2%. In addition, with reference to the share of profit from investments in associates from power business amounting THB 309.9 mm, of which came from Gheco-One Project which has an accounting impact from TFRS 15 accounting standard, resulting in lower recognition of share of profit by THB 92.3 mm. However, this is merely accounting impact, not related to cashflow from operation.
- Financial costs decreased by 11.2%, due to lower weighted average cost of fund mainly from issuance of recent bonds with lower interest rate, together with utilization of short-term instruments.

PERFORMANCE BY BUSINESS

Rental Properties Business

	Q1 2018	Q1 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Rental Revenue	255.9	275.9	20.0	7.8%
Gross Profit	130.0	134.8	4.8	3.7%
Gross Profit Margin	50.8%	48.8%		
GPM before adjustment with PPA	51.5%	49.0%		
Revenue from Sale of Investment Properties	1,449.0	2,100.6	651.6	45.0%
Gross Profit	611.1	161.5	(449.6)	(73.6%)
Gross Profit Margin	42.2%	7.7%		
GPM before adjustment with PPA	57.3%	7.7%		

1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers and factories** during the first quarter of 2019 was THB 275.9 mm, which increased by THB 20.0 mm or 7.8% from the same period of previous year. The main reason was due to higher occupancy rate of Ready-Built factories and warehouses.
- **Gross profit from rental and service of warehouses, distribution centers and factories** during the first quarter of 2019 was THB 134.8 mm, which increased by THB 4.8 mm or 3.7% from the same period of previous year because of higher occupancy rate of Ready-Built factories and warehouses. The gross profit margin in the first quarter of 2019 was 48.8%. 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 first quarter of 2019 was at 49.0% for the warehouse rental and service business which decreased from 51.5% in the same period of previous year, mainly due to change in product mix between Built-to-Suit and Ready-built facilities.

2. Sale of Investment Properties

- **Income from sale of investment properties** during the first quarter of 2019 was THB 2,100.6 mm, which increased by THB 651.6 mm or 45.0%, compared to the same period of previous year, mainly due to reversal of deferred revenue from sale of investment properties to WHABT as mentioned above.
- **Gross profit from sale of investment properties** during the first quarter of 2019 was THB 161.5 mm, which decreased by THB 449.6 mm or 73.6%, compared to the same period of previous year, because of lower gross profit margin from revenue recognition of reversal of deferred revenue as mentioned earlier, compared to the gross profit margin from sale of investment properties to HREIT in the same period of last year.

Industrial Development Business

	Q1 2018	Q1 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	416.2	421.2	5.0	1.2%
Gross Profit	181.6	186.8	5.2	2.9%
Gross Profit Margin	43.6%	44.4%		
GPM before adjustment with PPA	67.2%	42.4%		

Income from sales of real estate during the first quarter of 2019 stood at THB 421.2 mm, which increased by THB 5.0 mm or 1.2%, compared to the same period of last year, mainly from higher average selling price of land transferred to the customers.

Gross profit from sale of real estate stood at THB 186.8 mm during the first quarter of 2019 with the gross profit margin of 44.0%. However, 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 first quarter of 2019 was at 42.4% decreased from 67.2%, because there was land transferred in this period which was from land repurchase from existing customer and re-sold to a new customer with additional services, resulting in lower gross profit margin for this land transferred.

Utilities & Power Business

	Q1 2018	Q1 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Revenue	515.0	559.2	44.3	8.6%
Gross Profit	219.0	264.5	45.4	20.7%
Gross Profit Margin	42.5%	47.3%		
GPM before adjustment with PPA	45.8%	50.3%		
Share of Profit from Investments in Power Associates	658.9	309.9	(349.0)	(53.0%)
- <i>Normalized Share of Profit from Investments in Power Associates</i>	408.2	215.7	(192.6)	(47.2%)
- <i>FX Gain/(Loss)</i>	250.6	94.2	(156.4)	(62.4%)

Utilities income during the first quarter of 2019 was THB 559.2 mm, which increased by THB 44.3 mm or 8.6%, compared to the same period of previous year, mainly due to the one-time excessive charge amounting to THB 26.5 mm recognized during the first quarter of 2019 considered as one-off item. However, if excluding the one-time excessive charge considered as one-off item, the utilities income increased by THB 18.1 mm or 3.5%, compared to the same period of previous year. This was mainly from higher water demand from completion of COD of a SPP since 2 January 2019.

Gross profit from utilities services was THB 264.5 mm during the first quarter of 2019, which increased by THB 45.4 mm or 20.7% from the same period of previous year. The gross profit margin in the first quarter of 2019 was 47.3%. 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 in the first quarter of 2019 was at 50.3% for the utilities business which increased from 45.8% in the same period of previous year, resulting from the one-time excessive charge in the first quarter of 2019 as mentioned above while there was no such income in the first quarter 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 the first quarter of 2019 was THB 309.9 mm, which decreased by THB 349.0 mm or 53.0 %, compared to the same period of previous year, according to the planned maintenance shutdown of Gheco-One power plant, amounting 39 days. However, if excluding the FX impact and one-time loss items, normalized total revenue and share of profit from investments in associates decreased by 47.2%. In addition, with reference to the share of profit from investments in associates from power business amounting THB 309.9 mm above, of which came from Gheco-One Project which has an accounting impact from TFRS 15 accounting standard, resulting in lower recognition of share of profit by THB 92.3 mm. However, this is merely accounting impact, not related to cashflow from operation.

Other Income

	Q1 2018	Q1 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Dividend and Management income	48.1	68.7	20.6	42.9%
Others	67.6	46.1	(21.5)	(31.8%)
Total other income	115.7	114.8	(0.9)	(0.7%)

Other income during the first quarter of 2019 stood at THB 114.8 mm, which decreased by THB 0.9 mm or 0.7% from the same period of previous year. The breakdowns are the details below:

- **Dividend and management income** during the first quarter of 2019 was THB 68.7 mm, which increased by THB 20.6 mm or 42.9% from the same period of previous year, mainly due to increase in asset size of REITs.
- **Other income** comprised of interest income, gain from sale of short-term investments and other income totaling THB 46.1 mm for the first quarter of 2019, which decreased by THB 21.5 mm or

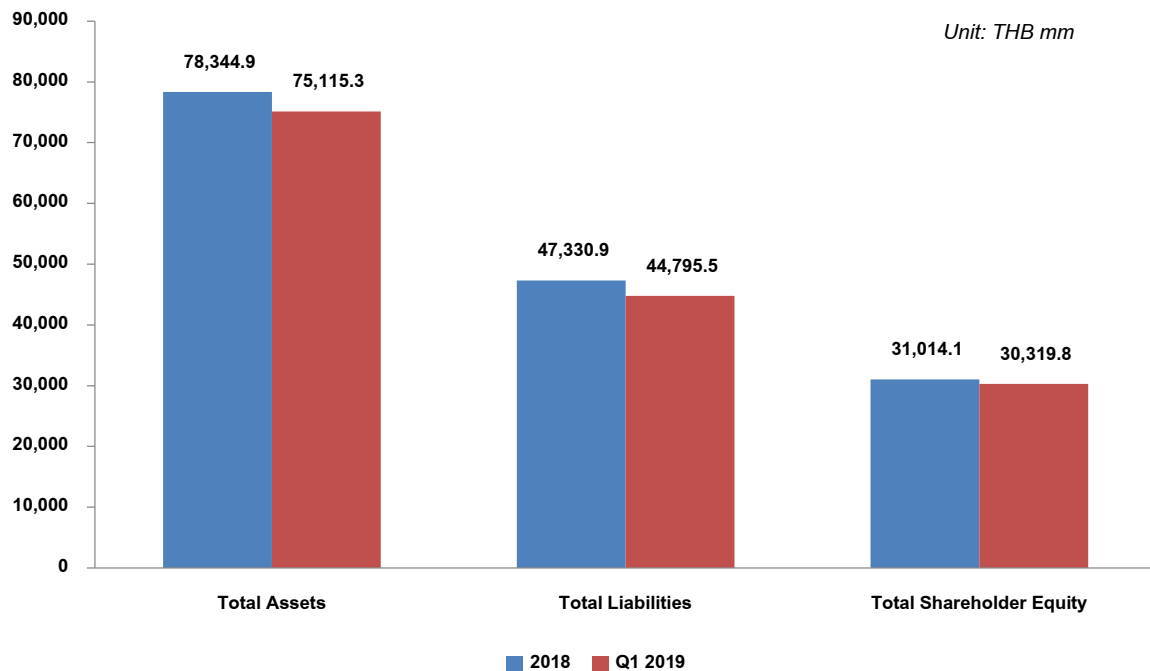
31.8%, compared to the same period of the previous year as a result of the revenue recognition of right of way during the first quarter of last year.

Expenses analysis

	Q1 2018	Q1 2019	Increase/(Decrease)	
	THB mm	THB mm	THB mm	%
Selling expense	47.3	42.5	(4.8)	(10.1%)
Administrative expense	268.0	294.2	26.2	9.8%
Finance costs	313.4	278.2	(35.2)	(11.2%)
Total expense	628.7	615.0	(13.8)	(2.2%)

- **Selling expense** during the first quarter of 2019 was THB 42.5 mm, which decreased by THB 4.8 mm or 10.1% from the same period of previous year, mainly due to the lower land transfer compared to the same period of previous year.
- **Administrative expense** during the first quarter of 2019 was THB 294.2 mm, which increased by THB 26.2 mm or 9.8% from the same period of previous year, mainly due to increase in salary, resulting from increase in the number of staff to serve the business expansion.
- **The finance costs** during the first quarter of 2019 was THB 278.2 mm, which decreased by THB 35.2 mm or 11.2% from the same period of previous year, due to lower weighted average cost of fund mainly from issuance of latest bond with lower interest rate, together with utilization of short-term instruments.

FINANCIAL POSITION



The changes in Consolidated Balance Sheet as of 31 March 2019 are summarized as follows.

Assets

As of 31 March 2019, the Company had total assets of THB 75,115.3 mm, which decreased by THB 3,229.7 mm from THB 78,344.9 mm as of 31 December 2018. The main reasons are as follows:

1. Decrease in investments in associates of THB 1,706.3 mm mainly due to adoption of new accounting standard (TFRS 15) reflecting Gheco-One.
2. Decrease in investments in joint ventures of THB 272.3 mm, due to capital deduction in joint ventures proportionately.
3. Increase in short-term loan to related parties of THB 167.0 mm, because of having loan to the associate in power business.
4. Increase in Investments in available-for-sale of THB 928.5 mm, due to increase in market capitalization of REITs after the market price increased during this period.
5. Decrease in short-term investments of THB 401.1 mm, which was mainly from the Company divested some investment units to manage the liquidity.
6. Decrease in investment properties (net) of THB 2,261.8 mm, resulting from the reclassification of assets, which will be monetized to WHART, together with the impact from reversal of deferred revenue as mentioned above. However, the Company has invested more in the investment properties during this period as well.
7. Increase in non-current assets held for sale of THB 891.8 mm due to the reclassification of assets, which will be monetized to WHART.

Liabilities

As of 31 March 2019, the Company had total liabilities of THB 44,795.5 mm, which decreased by THB 2,535.4 mm from THB 47,330.9 mm as of 31 December 2018. Furthermore, if considering the interest-bearing debt, it amounted THB 35,560.2 mm, decreased by THB 815.3 mm from THB 36,380.5 mm. The main reasons are as follows:

1. Decrease in short-term loans from financial institutions of THB 824.0 mm, mainly due to repayment of bill of exchange and promissory note, totaling THB 820.0 mm during the first quarter of 2019.
2. Decrease in deferred revenue of THB 2,144.2 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.
3. Increase in trade and other payables of THB 303.5 mm, mainly due to the fact that the Company has built additional warehouses and factories to serve our customers.

Shareholder's equity

As of 31 March 2019, the Company had total shareholder's equity of THB 30,019.8 mm, which decreased by THB 694.3 mm from THB 31,014.1 mm as of 31 December 2018, mainly from adoption of new accounting standard (TFRS 15) reflecting Gheco-One.

Cash flow analysis

	Q1 2018	Q1 2019
	THB mm	THB mm
Net cash generated (used in) from operating activities	(333.3)	(23.1)
Net cash generated (used in) from investing activities	2,056.0	109.2
Net cash generated (used in) from financing activities	(700.7)	(807.3)
Net increase in cash and cash equivalents	1,022.1	(721.2)
Cash and cash equivalents - ending balance	2,930.0	2,439.0

1. Cash flows from operating activities

The Company had cash inflows (outflows) from operating activities for 3 months ended the first quarter of 2019 was THB (23.1) mm which decreased of outflow by THB 310.2 mm, compared to same period of previous year, mainly from decrease in interest expenses and increase in dividend received from REITs.

2. Cash flows from investing activities

The Company had cash inflows (outflows) from investing activities for 3 months ended the first quarter of 2019 was THB 109.2 mm, which decreased by THB 1,946.8 mm, compared to same period of previous year, due to the fact that the Company had the proceeds from sale of investment properties to HREIT during the first quarter of last year, while there was no such proceeds during this period.

3. Cash flows from financing activities

The Company had cash inflows (outflows) from financing activities for 3 months ended the first quarter of 2019 was THB (807.3) mm, which increased in outflow by THB 106.6 mm, compared to same period of previous year, because the Company has repaid higher short-term loan during this period.

Please be informed accordingly.

Sincerely yours,
WHA Corporation Public Company Limited

(Mr. Arttavit Chalermasaphayakorn)
Chief Financial Officer