

12 May 2021

Re: To clarify the financial statements as of 31 March 2021

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 2021 ended on 31 March 2021 which were reviewed by the auditor. The Company hereby clarifies the performance as follows:

MACROECONOMIC & COMPANY OVERVIEW

Thai Economic Performance

According to the report from Bank of Thailand (BOT), Thai economic recovery in the first quarter of 2021 was disrupted by COVID-19 outbreak. As a result, private consumption indicators softened despite stimulus measures and income support schemes from the government to those affected by the COVID-19. Meanwhile, the tourism sector continued to contract sharply due to travel restrictions on foreign tourist arrivals. However, merchandise exports, excluding gold, expand remarkably in many categories, and subsequently caused manufacturing production and private investment indicators to rise. Public spending was stable.

On key indicators of stability, headline inflation rate became more negative owing to a decline in fresh food prices and the government measures that reduced costs of living by subsidizing electricity and water bill. Labor market remained vulnerable. The current account recognized a higher deficit comparing with the previous quarter as the trade balance posted a smaller surplus due mainly to gold imports. On exchange rates, the baht against the US dollar, on average, slightly appreciated during the first quarter of 2021 from the previous quarter as the US dollar weakened. However, the Nominal Effective Exchange Rate (NEER) was stable as the appreciation in the baht was in line with the trading partner's currencies.

Based on a report published by KResearch Center, Thailand's 2021 GDP growth rate is projected to slip to 1.8% against prior estimation of 2.6% due to the latest wave of COVID-19. An important factor that may turn the situation around is the accelerated rollout of COVID-19 vaccines. If delayed, it is likely that the pandemic will persist, and there might be another wave of COVID-19 and if the COVID-19 pandemic worsens or persists into 3Q21, KResearch expects that Thailand's 2021 GDP will not grow from that reported in 2020. While Krungsri Research cut 2021 GDP growth forecast from 2.5% to 2.2% to reflect COVID-19 and potential drought impacts. However, this adjustment also includes some positive factors namely, (1) better-than-expected export performance due to global trade recovery, (2) the stimulus measures to alleviate the impact from the outbreak amount approximately THB 100 mm.

Investment and Foreign Direct Investment Applications

The Thailand Board of Investment (BOI) announced the number of project applications filed during the first quarter of 2021 was at total 401 applications, which was 14% higher than the 351 filed during the same quarter last year. Out of the total, there were 191 FDI projects representing a combined value of THB 62 bn, a 143% increase from the THB 25.6 bn value of the 231 FDI applications submitted in the first three months of 2020.

For applications in the target industries, there was totaled THB 74.8 bn. combined value during the first quarter. The medical sector was the sector attracting most investment with a total of 29 projects worth THB 18.4 bn., more than 100 percent growth from a year earlier, followed by the electrical and electronics (E&E) with 34 projects worth THB 17.4 bn.

Last but not least, the Eastern Economic Corridor, or EEC area, which comprises the provinces of Chonburi, Rayong and Chachoengsao, attracted 117 applications with a combined investment value of THB 64.4 bn, a 39% higher than the total value of the 111 projects filed in 2020.

Key developments during the period

The Company still showed strong performance despite the current wave of Covid-19. Logistics business has grown remarkably despite of an ongoing pandemic. Currently, the team is in active discussion with several customers who are looking to lease over 200,000 sq.m. BTS warehouse and warehouse farms together. During the period, the company has signed short-term high-yield rental contracts for 25,949 sq.m. achieving more than half of annual target of 50,000 sq.m. Strong demand for premium warehouse and distribution center also bring the Q1 occupancy rate to approx. 90%. With positive outlook for the rest of the year, WHA Logistics still aims to expand the space for new projects in 2021 by 175,000 sq.m. and to sell additional assets of total 180,000 sq.m. to REIT within Q42021.

For Industrial Estate business, investors and customers still show interest in purchasing land, as there is no slowdown in their enquiries. During Q12021, the company sold total land of 188 rai in Thailand. Owing to vaccine production and distribution in Thailand and other countries, the company expects to see the sign of recovery in the manufacturing flow and foreign investment in the second half of 2021. Therefore, the company maintains its target to sell 725 rai of land in Thailand this year. In Q12021, revenue from industrial estate business slowed down from the same period last year, due to delays in land ownership transfers and entry restrictions to the country. However, the company has received rights of way to compensate lower revenue from land transfer. Currently, the company is negotiating with concerned parties to collect more rights of way later this year. It is also coordinating with the Board of Investment (BOI) to promote online transactions.

In Vietnam, the company already received a certificate of amendment of registration for WHA Industrial Zone-Nghe An Phase 1. In order to achieve this year's sales target of 308 rai in Vietnam, currently, it is accelerating the sales and construction work of Phase 1B's remaining area. It is also laying out a master plan to develop Phase 2 and Phase 3, which account for an additional 4,700 rai and working on a license and approval to develop two industrial zones in Thanh Hoa province, representing over 7,500 rai, in line with the target plan.

For Utilities business, the company recorded an increase in water sales and management volume as it sold total 28.3 million cubic meters in Thailand and 4.6 million cubic meters in Vietnam, a 10% and 21% increase from the same quarter last year as major customers in the petrochemical, power and automotive sectors resume their normal operation. Unlike Q12020, during Q12021 there was no impact from the drought and Covid-19 lockdown measures. Furthermore, water demand has increased since Q42020 as new customers started commercialization.

For Power business, in Q12021, the company won additional PPA contracts for solar project at 10 MW, contributing to total accumulative solar PPA of 61 MW and started commercial operations (COD) to produce and sell solar power to customers at total 4 MW, bringing total COD capacity to 46 MW. The company expects to sign additional solar PPA contracts of not less than 40 MW during the year. The company maintains its target of 90 MW by the end of 2021 and 300 MW by 2023. However, profits from Power business declined in Q12021 due to a drop in shared profits from the Gheco-One power plant after a 37-day overhaul, resulting in decreased availability payment from EGAT. However, for the remaining period of this year, Gheco-One will receive a compensation and lost revenue shall be able to recover. All SPP power plants (two from eight power plants closed for maintenance in Q12021) and the waste-to-energy Chonburi Clean Energy (CCE) power plant continued to see strong performance. There is no plan for overhaul shutdown of other power plants this year.

Digital Platform, the company is now conducting a feasibility study for 5G Tower investment with leading telecom operators to install and test 5G solutions within WHA industrial estates. For FTTx business, it has accelerated the rollout plan that targets the coverage of all industrial estates by end of this year. Infrastructure sharing such as 5G Tower and FTTx, will pave the way for digital transformation for the company, customers, entrepreneurs, as well as support Thailand's move towards Industry 4.0.

WHA Tower, the new head office of WHA Group is drawing huge attention. Potential customers are visiting for site inspections, while some have already signed lease contracts.

FINANCIAL ANALYSIS

During the first quarter of 2021, the Company had the total revenue and share of profit and net profit of THB 1,405.7 mm and THB 134.7 mm, respectively. If excluding FX impact and extra items, the Company had the normalized total revenue and share of profit and normalized net profit of THB 1,454.3 mm and THB 183.8 mm, respectively. The details are as follows:

FINANCIAL PERFORMANCE

Consolidated Financial Statements	Q1 2020	Q1 2021	Change
	THB mm	THB mm	YoY %
Total Revenue and Share of Profit	1,277.8	1,405.7	10.0%
Total Cost	546.4	563.6	3.1%
Gross Profit	385.7	431.4	11.8%
Net Profit	99.3	134.7	35.7%
Normalized Total Revenue ^{1/}	1,399.5	1,454.3	3.9%
Normalized Net Profit ^{1/}	210.8	183.8	(12.8%)

^{1/} Normalized Total Revenue = Total Revenue excluding FX impact, Extra item and Deferred Revenue Item

KEY HIGHLIGHTS

- Total Revenue and Share of Profit and Net Profit for the first quarter of 2021 were THB 1,405.7 mm and THB 134.7 mm, respectively. This statutory figure 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 1,454.3 mm and THB 183.8 mm, respectively.

- Normalized Rental Revenue during the first quarter of 2021 decreased by 0.7% to THB 277.1 mm, compared to the same period of previous year because of the decrease in lettable area from assets monetization to REITs at the end of 2020.
- Revenue from Land Business and Sale of Properties for the first quarter of 2021 was THB 154.1 mm, decreased by 37.2%, compared to the same period of last year. Also, the Company had the revenue from right of ways of THB 124.8 mm during this period. Which the decrease was mainly from temporary international travel 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 US 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.
- Utilities Income during the first quarter of 2021 was THB 586.3 mm, increased by 9.8%, compared to the same period of last year, which was from higher demand on both existing customers and new customers, higher revenue from value-added products consisted of demineralized water and premium clarified water which have been commencing since the second half of last year, as well as, the absence of drought situation.
- Normalized Revenue and Share of Profit from Investment in Power Associates and Joint Ventures for the first quarter of 2021 was THB 288.0 mm which increased by 14.4%, compared to the same period of last year, mainly due to solar panel installation service (EPC) for solar power generation of AAT project and revenue recognition from COD in additional solar power projects.
- Finance Cost increased to THB 281.0 mm which increased by 10.1%, compared to the same period of last year due to higher interest bearing debt. However, the Company's weighted average cost of fund decreased by 0.13% (decreasing from 3.18% at the end of first quarter of 2020 to 3.05% at the end of the first quarter of 2021).
- All in all, the Company had Net Profit and Normalized Net Profit during the first quarter of 2021 at THB 134.7 mm and THB 183.8 mm, respectively and increased by 21.8% and decreased by 8.1%, respectively, compared to the same period of previous year.

PERFORMANCE BY BUSINESS

Rental Properties Business

	Q1 2020	Q1 2021	Change
	THB mm	THB mm	YoY
			%
<u>Rental and Service</u>			
Rental Revenue	278.9	277.1	(0.7%)
Gross Profit	195.4	190.7	(2.4%)
Gross Profit Margin	70.0%	68.8%	
GPM before adjustment with PPA ¹	70.2%	68.9%	
<u>Sale of Investment Properties</u>			
Revenue from Investment Properties	-	8.7	n.a.
Gross Profit	-	0.3	n.a.
Gross Profit Margin	n.a.	3.3%	

¹ Excluding accounting impact of Purchase Price Allocation (PPA)

1. Rental and Service Income

- **Rental and service income from warehouses, distribution centers, factories and structural work** during the first quarter of 2021 was THB 277.1 mm which decreased by 0.7%, from the same period of previous year because of the decrease in lettable area from assets monetization to REITs at the end of 2020.
- **Gross profit margin from rental and service of warehouses, distribution centers, factories and structural work** during the first quarter of 2021 was 68.8%, which decreased from the same period of previous year because of the lower number of lettable area from assets monetization to REITs as mentioned above.

2. Sale of Investment Properties

- **Revenue from sale of investment properties** during the first quarter of 2021 stood at THB 8.7 mm and the gross profit margin was 3.3% which such the revenue was from additional works with a client.

Industrial Development Business

	Q1 2020	Q1 2021	Change
	THB mm	THB mm	YoY
			%
Revenue	245.3	154.1	(37.2%)
Gross Profit	131.0	137.6	5.0%
Gross Profit Margin	53.4%	89.3%	
GPM before adjustment with PPA ¹	54.3%	88.7%	

¹ Excluding accounting impact from Purchase Price Allocation (PPA)

Revenue from land business and sale of properties during the first quarter of 2021 was THB 154.1 mm, decreased by 37.2%, compared to the same period of last year. Also, the Company had the revenue from right of ways of THB 124.8 mm during this period. Which the decrease was mainly from international travel restriction from the COVID-19 pandemic, resulting in the customers could not transfer the land; however, the

potential customers still receive the strong interests for our industrial estates, especially, China, Japan and US 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.

Gross profit margin from land business and sale of properties during the first quarter of 2021 stood at 89.3% which increased from the same period of last year due to the revenue recognition of right of ways. However, if excluding such revenue, the gross profit margin was at 43.5% in the first quarter of 2021 which decreased from last year from the revenue recognition of land sale in Vietnam having a lower gross profit margin.

Utilities & Power Business

	Q1 2020	Q1 2021	Change
	THB mm	THB mm	YoY %
Revenue	534.0	586.3	9.8%
Gross Profit	197.0	247.8	25.8%
Gross Profit Margin	36.9%	42.3%	
GPM before adjustment with PPA ¹	40.1%	45.1%	
Share of Profit from Investments in Utilities Associates	(29.2)	(39.0)	(33.4%)
Revenue from Solar Business	7.0	122.4	1,648.4%
Gross Profit	3.0	24.8	726.8%
Gross Profit Margin	42.9%	20.3%	
Share of Profit from Investments in Power Associates	(114.4)	(12.1)	(89.5%)
- Normalized Share of Profit from Investments in Power Associates²	244.8	165.6	(32.3%)
- FX Gain (Loss)	(359.2)	(177.7)	(50.5%)

¹ Excluding accounting impact of Purchase Price Allocation (PPA)

² Excluding Gain (Loss) from FX and Extra item

Utilities income during the first quarter of 2021 was THB 586.3 mm, which increased by 9.5%, compared to the same period of previous year, which was from higher demand on both existing customers and new customers, higher revenue from value-added products consisted of demineralized water and premium clarified water which have been commencing since the second half of last year, as well as, the absence of drought situation.

Gross profit margin from utilities income during the first quarter of 2021 was at 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 in the first quarter of 2021 was at 45.1% increasing from the same period of previous year due to the absence of drought situation and higher sale volume of value-added products.

Revenue from Solar Business during the first quarter of 2021 stood at THB 122.4 mm, increased by 1,648.4%, compared to the same period of last year, mainly due to solar panel installation service (EPC) for solar power generation of AAT project and revenue recognition from COD in additional solar power projects.

Gross profit margin from Solar Business during the first quarter of 2021 was at 20.3%, decreasing from the same period of last year, mainly from the revenue recognition of solar panel installation service (EPC) as mentioned above which the EPC business normally generated lower margin.

Share of Profit from Investments in Associates from Utility Business during the first quarter of 2021 was THB (39.0) mm due to the share of loss from SDWTP, resulting from start to record depreciation, lower sale 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 and accounting impact from fair value adjustment of the acquired business.

Normalized Share of Profit from Investments in Associates from Power Business and Joint Ventures during the first quarter of 2021 was THB 165.6 mm, which decreased by 32.3%, compared to the same period of last year. If including the FX impact, which is mostly unrealized gain/loss, share of profit from power associates and joint ventures stood at THB (12.1) mm. The decrease in normalized share of profit from power associates and joint ventures was mainly due to 37 days major maintenance shutdown of Gheco-1, lower coal price, and planned maintenance shutdown of 2 SPPs during this quarter.

Other Income

	Q1 2020	Q1 2021	Change
	THB mm	THB mm	YoY %
Dividend and management income	81.5	138.9	70.5%
Others	264.2	147.0	(44.4%)
Total other income	345.7	285.9	(17.3%)
Normalized others ^{/1}	26.7	17.8	(33.3%)
Normalized total other income^{/1}	108.2	156.7	44.9%

^{/1} Excluding FX impact

Normalized other income during the first quarter of 2021 stood at THB 156.7 mm which increased by 44.9% from the same period of previous year, which was mainly from:

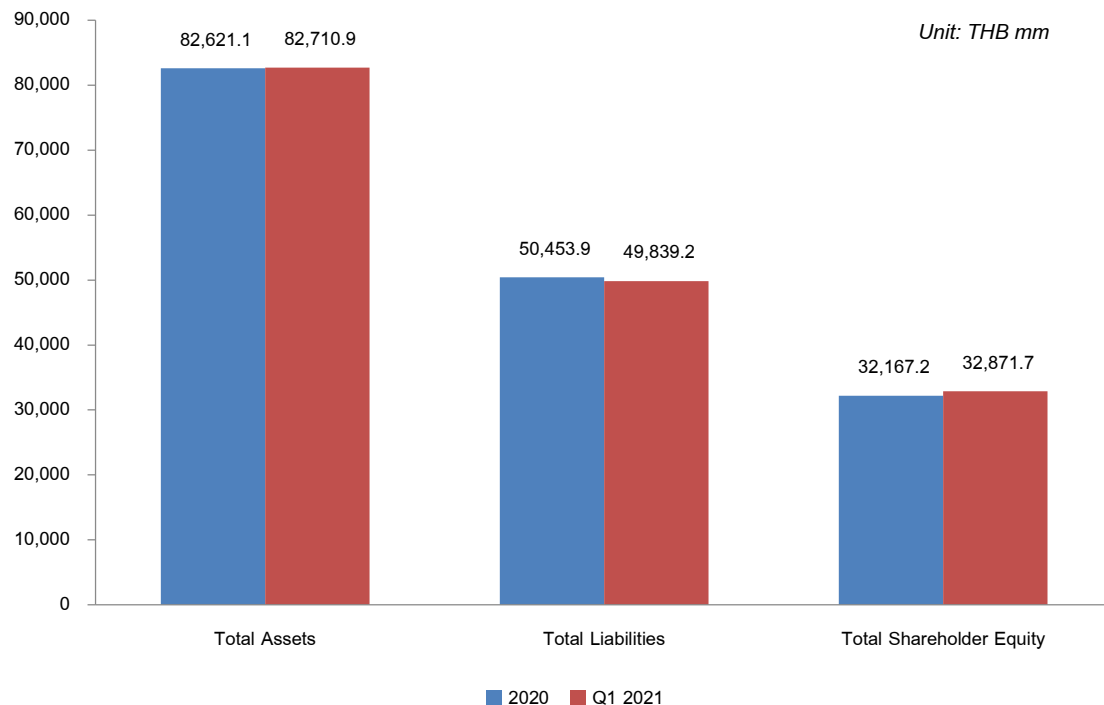
- **Dividend and management income** during the first quarter of 2021 was THB 138.9 mm, increased by 70.5% from the same period of previous year due to having revenue recognition of dividend income from Glow IPP, as well as, increase in value of REITs.
- **Normalized other income** comprised of interest income, gain from sale of short-term investments and other income totaling THB 17.8 mm during the first quarter of 2021, decreased by 33.0% from the same period of 2020.

Expense Analysis

	Q1 2020	Q1 2021	Change
	THB mm	THB mm	YoY %
Selling expense	32.9	13.5	(59.0%)
Administrative expense	277.6	304.8	9.8%
Finance costs	255.3	281.0	10.1%
Total expense	565.8	599.3	5.9%

- **Selling expense** during the first quarter of 2021 was THB 13.5 mm, which decreased by 59.0%, compared to the same period of last year, mainly from lower number of land transfer.
- **Administrative expense** during the first quarter of 2021 was THB 304.8 mm, which increased by 9.8%, compared to the same period of last year, which was mainly from the increase in expenses related to higher employees as the Company's growth.
- **Finance costs** during the first quarter of 2021 was THB 281.0 mm which increased by 10.1% compared to the same period of previous year due to higher interest bearing debt. However, the Company's weighted average cost of fund decreased by 0.13% (decreasing from 3.18% at the end of first quarter of 2020 to 3.05% at the end of the first quarter of 2021).

FINANCIAL POSITION



The changes in Consolidated Balance Sheet as of 31 March 2021 are summarized as follows.

Assets

As of 31 March 2021, the Company had total assets of THB 82,710.9 mm, increasing by THB 89.8 mm from THB 82,621.1 mm as of 31 December 2020. The main reasons are as follows:

1. Increase in trade and other receivables of THB 297.8 mm, mainly from having accrued dividend income.
2. Increase in loan to related parties of THB 71.5 mm, mainly from loan to the JV companies.
3. Increase in non-current assets held for sale of THB 2,713.5 mm, mainly due to the reclassification of assets, which will be monetized to WHART from investment properties to non-current assets held for sale.
4. Decrease in joint ventures of THB 645.0 mm, mainly from dividend payment and capital reduction in the JV companies.
5. Decrease in investment properties (net) of THB 2,313.8 mm, due to the reclassification of assets as mentioned above. However, the Company has continuously developed the new projects.

Liabilities

As of 31 March 2021, the Company had total liabilities of THB 49,839.2 mm, which decreased by THB 614.7 mm from THB 50,453.9 mm as of 31 December 2020. Some decrease was from bank loan repayment. Besides, the Company had interest bearing debt of THB 40,946.0 mm, which decreased by THB 307.6 mm from THB 41,253.7 mm. However, the weighted average cost of fund of the Company increased by 0.01% (increasing from 3.04% as of ended 2020 to 3.05% as of ended the first quarter of 2021).

During the first quarter of 2021, the Company had utilized additional short-term facilities, accounting for THB 2,200.0 mm. However, the Company had repaid both short-term and long-term facilities, totaling THB 2,505.0 mm. As a result, interest bearing debt of the Company decreased by THB 307.6 mm.

Shareholder's equity

As of 31 March 2021, the Company had total shareholder's equity of THB 32,871.7 mm, which increased by THB 704.6 mm from THB 32,167.2 mm as of 31 December 2020, mainly from financial statement translation from overseas investment together with increase in earnings during this period.

Unit Price and Investment Value of REITs

	Unit Price (THB)		Increase/(Decrease)
	31 Dec 2019	31 Mar 2021	(THB mm)
WHART	13.3	13.1	(83.3)
HREIT	7.7	7.9	31.5
WHABT	8.6	8.6	(1.5)
Total			(53.3)

KEY FINANCIAL RATIOS

	Q1 2020	Q1 2021
Gross Profit Margin (%)	49.3%	46.0%
Net Profit Margin (%)	7.8%	7.8%
D/E Ratio (times)	1.6	1.5
Net IBD to Equity (times)	1.3	1.2
Collection Period (days)	17.2	27.4
Average Payment Period (days)	249.4	244.1
Effective Tax Rate (%)	25.8%	21.9%

Credit Terms

Collection period during the first quarter of 2021 was 27.4 days which increased from 17.2 days, compared to the same period of last year. Whereas such figure was in line with credit terms provided to our clients, which is 0-45 days depending on type of business. The increase was mainly from COVID-19 pandemic. However, the Company still collected the money from our customers as usual.

Average payment period during the first quarter of 2021 was 244.1 days which decreased from 249.4 days, compared to the same period of last year. WHA Group has not been significantly impacted by this crisis and able to manage cash flow effectively. As a result, WHA group has not encountered any problems with payment to our suppliers as well as able to meet the specified credit term as stated in the policy.

Effective Tax Rate

During the first quarter of 2021, the Company had earnings before tax (EBT) and corporate income tax (CIT) of THB 293.5 mm and THB 59.5 mm, respectively, equivalent to the effective tax rate at 21.9% which decreased from 25.8%, compared to the same period of last year. An effective tax rate was higher than the 20.0% corporate income tax rate because of a difference of tax calculation between taxable item and non-taxable item.

Please be informed accordingly.

Sincerely yours,
WHA Corporation Public Company Limited

(Mr. Natthapatt Tanboon-ek)
Chief Financial Officer