

No. WHAUP-CFR-A-20002

February 28, 2020

Attention: Managing Director – Stock Exchange of Thailand
Subject: Report of Financial Results for Year of 2019

WHAUP finished our 2019 with a Net Profit of Baht 2,137.2 million, a 5.1% decrease from 2018 while Normalized Net Profit of Baht 1,792.7 million, a 4.5% increase from 2018.

1. RESULTS OF OPERATION

(Unit : Million Baht)

Consolidated Financial Statements	2019	2018	% Change
Total Revenue	1,857.2	1,708.3	8.7%
- Utilities Business	1,847.1	1,705.1	8.3%
- Operating Revenue ¹	1,734.3	1,679.7	3.3%
- Other Revenue from Utilities Business ²	112.7	25.4	343.7%
- Power Business	10.2	3.2	221.8%
Costs of Sales and Services	(1,164.4)	(1,120.0)	4.0%
Gross Profit	692.8	588.3	17.8%
Gross Profit from Operation³	580.1	562.9	3.1%
Other Income ⁴	145.7	162.7	-10.5%
Administrative Expenses	(197.5)	(130.8)	51.0%
Finance Costs	(342.0)	(366.6)	-6.7%
Share of Profit from Investments in Associates and Joint Ventures	1,881.1	2,047.4	-8.1%
Income Tax (Expense) Income	(42.8)	(49.1)	-12.7%
Profit attributable to Owners of the Parent	2,137.2	2,251.9	-5.1%
Foreign Exchange Gain (Loss)	344.5	55.3	523.1%
Write Off Tax	0.0	(71.2)	-100.0%
Adjustment of Revenue Levelization (TFRS15) ⁵	0.0	(551.6)	-100.0%
Normalized Profit attributable to Owners of the Parent⁷	1,792.7	1,716.1	4.5%

¹ Operating Revenue consists of Raw Water Sales, Industrial Water Sales, and Wastewater Treatment Services.

² Other Utilities Revenue consists of Excessive Charge, Service Fees for Wastewater Management

³ Gross Profit from Operation excludes Other Revenue from Utilities Business.

⁴ Other Incomes mainly consists of Interest Income from Loans to GHECO-One and Dividends Received from Investments in Glow IPP.

⁵ Revenue Levelization adjustments under TFRS 15 of GHECO-One

⁶ Normalized Profit for 2018 is adjusted with Write Off tax and Adjustments of Revenue Levelization (TFRS 15) for comparison purposes. Normalized Profit for 2019 has effects from TFRS 15.

⁷ Definition of Normalized Profit attributable to Owners of the Parent is changed to Profit attributable to Owners of the Parent excluded Foreign Exchange Gain/Loss from 2Q19 onwards (also retroactive to 1Q19 to the extent affecting YTD 2019).

Total Revenue

In 2019, Total Revenue was Baht 1,857.2 million, an 8.7% increase from Baht 1,708.3 million in 2018 due to increase of Other Utilities Revenue 343.7% YoY and Operating Revenue 3.3% YoY. The increase of Operating Revenue was attributable to growth of industrial water's sales volume mainly driven from newly COD of 2 SPPs, existing and new customers, additional contribution from Demineralized Water.

Gross Profit and Gross Profit from Operation

In 2019, Gross Profit was Baht 692.8 million, a 17.8% increase from Baht 588.3 million in 2018, and Gross Profit from Operation was Baht 580.1 million, a 3.1% increase from Baht 562.9 million in 2018. The increase of Gross Profit from Operation was from the increase of Operating Revenue, whereas Gross Profit increased in higher magnitude mainly as a result of higher Excessive Charge.

Share of Profit from Investments in Associates and Joint Ventures (“Share of Profit from Investments”)

(Unit : Million Baht)

Share of Profit from Investments	2019	2018	% Change
Share of Profit from Investments	1,881.1	2,047.4	-8.1%
- Utilities Business	(13.5)	-	-100.0%
- Power Business	1,894.6	2,047.4	-7.5%
Foreign Exchange Gain (Loss)	(344.5)	(55.3)	-523.1%
Write Off Tax	-	71.2	-100.0%
Adjustment of Revenue Levelization (TFRS15) ⁵	-	(551.6)	100.0%
Normalized Share of Profit from Investments	2,225.7	2,583.2	-13.8%
- Utilities Business	(13.5)	-	-100.0%
- Power Business	2,239.1	2,583.2	-13.3%

Normalized Share of Profit from Investments in 2018 is adjusted from Share of Profit with (i) foreign exchange gain/loss, (ii) adjustments of Revenue Levelization (TFRS 15) of 2018 results (for comparison purposes), and (iii) expenses of tax write-off of 2018 results.

Total Normalized Share of Profit was Baht 2,225.7 million, a 13.8% decrease from Baht 2,583.2 million of 2018. The decrease was mainly from lower contribution from GHECO-One mainly driven by lower Availability Payment Rate and Thai Baht appreciation, despite additional contribution of GNLL2 which started COD in January 2019.

Normalized Share of Profit/(Loss) from Investments of Utilities Business was Baht (13.5) million due to the recognition from Share of Loss from SDWTP which started in November 2019 amounted of Baht (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.

Profit attributable to Owners of the Parent

In 2019, Profit attributable to Owners of the Parent was Baht 2,137.2 million, a 5.1% decrease from Baht 2,251.9 million in 2018. The decrease was mainly from

- 51.0% increase of Administrative Expense due to accounting adjusted of doubtful debt amounted of Baht 22.5 million in 1Q2018 and professional fee for new projects according business plan;
- 10.5% decrease of Other Income from lower Interest income on loan and bank guarantee from GHECO-One due to full repayment of such loan; and
- 8.1% decrease of Share of Profit from Investment in Associates and Joint Venture due to lower contribution from GHECO-One;

despite favourable impact from higher Gross Profit from Operation, lower Finance Cost and lower Income Tax Expense.

Normalized Profit attributable to Owners of the Parent

The Normalized Profit attributable to Owners of the Parent is Net Profit attributable to Owners of the Parent adjusted by Foreign Exchange Gain or Loss. For Normalized Share of Profit from Investments in 2018 is adjusted with Write Off Tax and Adjustments of Revenue Levelization (TFRS 15) for comparison purposes.

Foreign Exchange Gain for 2019 was Baht 344.5 million, comparing to gain of Baht 55.3 million in 2018, Write Off tax of Baht 71.2 million and Accounting Adjustment (TFRS 15) of Baht (551.6) million was adjusted to calculate Normalized Profit of 2018. Therefore, the 2019 Normalized Profit attributable to Owners of the Parent was Baht 1,792.7 million, a 4.5% increase from 2018.

Significant Events in 2019:

- From 1 January 2019, the new Thai Financial Reporting Standard in relation to revenue recognition (TFRS 15) has been applied to GHECO-One which resulted Gheco-One to levelize the AP over the contract period rather than the front-loaded AP received from EGAT according to PPA and to record the deferred revenue from the difference between the advance payment due to the front-loaded AP (cash revenue) and the levelized AP (accounting revenue).
- Solar Rooftop had signed new contract of 3.9 MW in 4Q2019, total accumulated newly signed contract in 2019 were 21.3 MW
- WHAUP (SG) 2DR PTE. LTD, a subsidiary of WHAUP signed share purchase agreement to acquired 34.00% of total issued shares in Duong River Surface Water Plant Joint Stocks Company in Vietnam on 7 August 2019. The total value of transactions is VND 2,073.19 Billion (approximately THB 2,762.96 million, using the exchange rate of 0.0013 THB/VND, based on average rate of commercial banks as published by Bank of Thailand on 7 August 2019). The share transfer was completed in end of October 2019
- WHA Eastern Seaboard Industrial Estate 4 (WHANGD 4), the natural gas distribution services, which has its capacity to distribute natural gas up to 2,000,000 MMBTU per year, or 700,000 equity MMBTU per year started the commercial service in WHA Eastern Seaboard Industrial Estate 4.
- A 15-year contract for demineralized water sales with Global Power Synergy PLC (“GPSC”), whose initial orders were 1.5 million cubic meters per year. The commercial services started in October 2019.
- Cua Lo Vietnam Project achieved COD in 3Q2019 with capacity of 13,000 cubic meters per day
- Chonburi Clean Energy Company Limited (CCE), associated company of WHAUP group with 33.33% stake, started commercial operation of its 8.6 MW waste-to-energy power plant in 4Q2019.

PERFORMANCE BY BUSINESS

Total Revenue and Share of Profit/(Loss) of Utilities Business in 2019 was Baht 1,847.1 million and Baht (13.5) million, respectively. Total Revenue and Share of Profit/(Loss) of Utilities Business was Baht 1,833.6 million, a 7.5% increase from 2018. The details have shown in the table below.

(Unit: Million Baht)

Utilities Business	2019	2018	% Change
Revenue from Utilities Business			
- Industrial Water Sales	1,309.5	1,252.6	4.5%
- Raw Water Sales	264.0	268.9	-1.8%
- Wastewater Treatment Services	160.8	158.3	1.6%
- Other Incomes from Utilities Business ¹	112.7	25.4	343.7%
Total Revenue from Utilities Business	1,847.1	1,705.1	8.3%
Share of Profit from Utilities Business	(13.5)	0.0	-100.0%
Total Revenue & Share of Profit from Utilities Business	1,833.6	1,705.1	7.5%

¹ Other Utilities Revenue consists of Excessive Charge, Service Fees for Wastewater Management

Utilities Business

i) The Utilities sales volume;

- Industrial Water sales volume increase from 52.6 million cubic meters in 2018 to 54.8 million cubic meters in 2019, or increased by 4% mainly from COD of GNLL2 and other SPP in 1Q2019, and increase in demand of existing and new IEs customers.
- Raw Water sales volume decrease from at 16.9 million cubic meters in 2018 to 16.5 million cubic meters in 2019, or decreased by 3%.
- Wastewater sales volume and management increase from 35.0 million cubic meters in 2018 to 35.4 million cubic meters in 2019, or increased by 2%.

ii) Other Utilities Revenue, which mainly represented one-time Excessive Charge was Baht 106.8 million in 2019, or increased by Baht 86.0 million.

Power Business

In 2019, our Total Revenue from Power Business and Share of Profit from Investment and Dividend Income totalled at Baht 1,979.8 million, a 6.9% decrease from Baht 2,125.6 million in 2018. However, Normalized Total Revenue from Power Business and Share of Profit from Investments and Dividend was Baht 1,560.2 million, a 3.0% increase from 2018.

The breakdown of the Company's Revenue and Share of Profit from Investment and Dividend Income by category of power plant are following

(Unit: Million Baht)

Power Business	2019	2018	% Change
Revenue from Power Business	10.2	3.2	221.8%
Share of Profit from Power Business	1,894.6	2,047.4	-7.5%
Dividend Income	75.0	75.0	0.0%
Total Revenue from Power Business and Share of Profit from Investments and Dividend	1,979.8	2,125.6	-6.9%
Normalized Total Revenue from Power Business and Share of Profit from Investments and Dividend¹	1,560.2	1,514.8	3.0%
- IPP	832.0	876.7	-5.1%
- SPP	728.6	647.3	12.6%
- Alternative Energy	16.3	7.7	111.0%
- Power Plants under Constuction and Development	(16.7)	(16.9)	1.3%

¹ Definition of Normalized Profit attributable to Owners of the Parent is changed to Profit attributable to Owners of the Parent excluded Foreign Exchange Gain/Loss from 2Q19 onwards (also retroactive to 1Q19 to the extent affecting YTD 2019).

² Normalized Profit for 2018 is adjusted with Adjustments of Revenue Levelization (TFRS 15) for comparison purposes. Normalized Profit for 2019 has effects from TFRS 15.

IPP

- For 2019, 3 IPPs generated Baht 832.0 million of Normalized Share of Profit and Dividend, a 5.1% decrease from 2018 due to lower contribution from GHECO-One and lower power dispatch of HHPC.

SPP

- For 2019, 8 SPPs generated Baht 728.6 million of Normalized Share of Profit, a 12.6% increase from 2018 mainly due to newly COD of GNLL2 and solid operation of other SPPs.

Renewable Energy

- For 2019, Solar Rooftop Projects (8.9 Equity MW) generated Baht 10.2 million of Revenue and Share of Profit to WHAUP.

WHAUP is a strategic co-developer of power business. We currently have total installed capacities of 559 equity MW under operation, and another 24.4 equity MW under construction. We partner with a number of key Thai and international power developers, namely the Glow Group, the Gulf Group, the B. Grimm Power Group, SUEZ, the Gunkul Group, and Mitsui and Tokyo Gas. In addition, WHAUP has also developed and operated its own Renewable Energy Projects for industrial customers started from Solar Rooftop Projects. WHAUP recognized Power Business performance in a form of (i) Revenue, (ii) Share of Profit, and (iii) Dividend Income. Share of Profit is a net profit in proportion of our equity stake (%). Such Share of Profit is net of all relevant costs in the Associates or Joint Ventures.

Projects under Construction

Utilities

- WHA ESIE 3 water treatment plant is scheduled to achieve COD in 1Q2020 with capacity of 3,600 cubic meter per day and wastewater treatment plant 1,500 cubic meter per day.
- WHAUP Nghe An Vietnam water treatment plant is scheduled to achieve COD in 3Q2020 with capacity of 9,600 cubic meter per day.

Power

- In 4Q2019, Solar Rooftop had signed new 4.0 MW, total accumulated capacity in pipe line are 24.4 MW which are under construction and scheduled to achieve COD in 1Q2020-3Q2020.

Power plant	Type of power	Category of producer	Equity holding (%)	Installed Capacity (MW)	Equity Capacity (MW)	Commercial Operation Date
Solar Rooftop	Solar	Private PPA	100%	24.4	24.4	1Q2020- 3Q2020
Total				24.4	24.4	

OVERALL PERFORMANCE

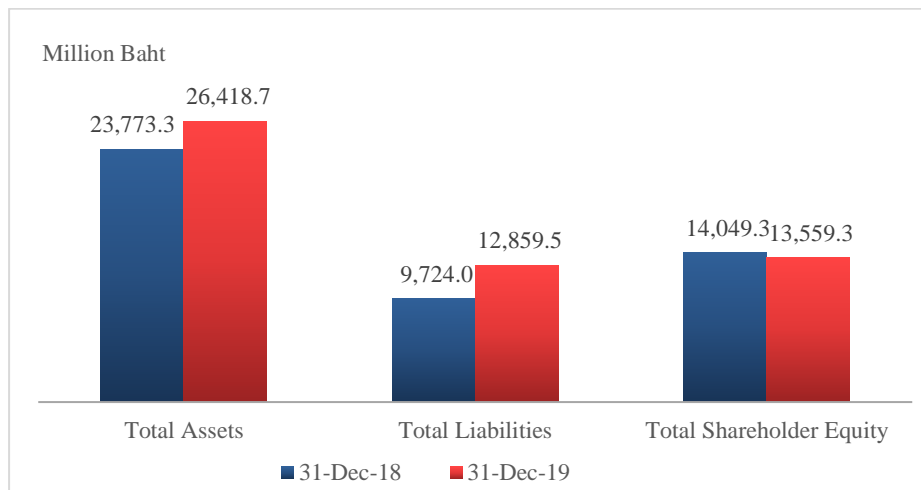
Operating Expense

- **Administrative Expenses** increased from Baht 130.8 million in 2018 to Baht 197.5 million in 2019 due to accounting adjusted of doubtful debt amounted of Baht 22.5 million in 2018, and increase of professional fee for new projects according to business plan.
- **Finance Cost** decreased from Baht 366.6 million in 2018 to Baht 342.0 million in 2019 due to bond issuance to refinance the existing bank loan totaling of Baht 4,000 million in June 2018.

As a result, Our Gross Profit Margins was 37.3% in 2019 increased from 34.4% in 2018. Gross Profit Margins of excluding Other Utilities Revenue was 33.4% in 2019 relatively flat compared to 33.5% in 2018 due to higher depreciation expense from the expansion pipeline system.

For our 2019 EBITDA was Baht 2,740.9 million, compared to Baht 2,854.8 million in 2018, or decrease by 4.2%.

2. FINANCIAL POSITION



The Consolidated Balance Sheet as of 31 December 2019 is summarized as follows.

Assets

As at 31 December 2019, the Company's total Assets was Baht 26,418.7 million, increased by Baht 2,645.4 million from Baht 23,773.3 million at year-end 2018. The increase was mainly from increase of an investment in associates amounted of Baht 2,694.2 million from Duong River project.

The key elements of Assets in the Company's Consolidated Financial Statements consisted of: (i) Investments in associates of Baht 14,587.6 million, (ii) Building and Equipment (net) of Baht 3,950.2 million (iii) Goodwill of Baht 2,772.9 million, (iv) Intangible assets of Baht 1,918.2 million and (v) Net Trade and Other Receivables Baht 811.4 million.

Liabilities

As of 31 December 2019, Total Liabilities was Baht 12,859.5 million, increased by Baht 3,135.5 million from Baht 9,724.0 million at year-end 2018 mainly due to increase of Current Portion of Long Term Liabilities Baht 4,123.1 million and increase of Short-Term from financial institutions Baht 1,765.0 million. Net Interest-bearing Debt as of 2019 was Baht 11,002.1 million, increase from Baht 8,134.5 million at the end of 2018.

Total Liabilities mainly consisted of Long-term Borrowings of Debentures amounted Baht 4,994.3 million, Current Portion of Long-term Borrowing from financial institutions amounted Baht 4,123.1 million, Short-Term Loan from financial institutions Baht 1,765 million and Provision for Liabilities from the water business amounted Baht 340.5 million.

Shareholders' Equity

As of 31 December 2019, Total Shareholders' Equity was Baht 13,559.3 million, decreased by Baht 490.0 million from Baht 14,049.3 million at the end of 2018, mainly decreased from adopting new accounting standard (IFRS 15) in Retained Earnings.

As at 31 December 2019, the Company's Debt-to-Equity ratio was 0.95x, increased from 0.69x at the end of 2018. The Net Interest-bearing Debt-to-Equity ratio was 0.81x at the end of 2019, increased from 0.58x at the end of 2018. The increase was mainly from increase of Short-Term from financial institutions Baht 1,765.0 million and decrease of Total Shareholder Equity from adopting new accounting standard IFRS 15.

3. KEY FINANCIAL RATIOS

	2019	2018
Gross Profit Margin	37.3%	34.4%
Net Profit Margin ¹	55.0%	57.5%
Return on Equity	15.5%	16.9%
Debt/Equity Ratio	0.95x	0.69x
Net Interest-bearing Debt/Equity Ratio	0.81x	0.58x

¹ Net profit margin is calculated by dividing the Net Profit attributable to Owners of the Parent by Total Revenue and Share of Profit and other income

Please be informed accordingly.

Sincerely,

.....
 Mr. Natthapatt Tanboon-ek
 Chief Financial Officer