

14 November 2018

SET. 2018/11/010

Subject : Clarification of the operating results of Q3-2018

Attention : The President

The Stock Exchange of Thailand

Pre-Built Public Company Limited would like to announce the audited financial Statements for the year ended September 30, 2018. The overall performance in quarter 3 of 2018 comparison with quarter 3 of 2017 as follows:.

Summary Table of Profit and Loss Comparison

Unit : Million Baht	Consolidated			Consolidated		
	Q32018	Q32017	Variance	Q1-Q32018	Q1-Q32017	Variance
Revenues – construction	763.77	1,122.69	(358.92)	2,717.14	2,965.41	(248.27)
Revenues – sales of goods	149.20	133.00	16.20	331.94	268.35	63.59
Total revenues	912.97	1,255.69	(342.72)	3,049.08	3,233.76	(184.68)
Cost of construction	619.20	990.86	(371.66)	2,198.65	2,538.55	(339.90)
Cost of sales of goods	109.51	110.66	(1.15)	251.81	219.87	31.94
Total cost	728.71	1,101.52	(372.81)	2,450.46	2,758.42	(307.96)
Gross profit - construction	144.57	131.83	12.74	518.49	426.85	91.64
%	18.9%	11.7%	7.2%	19.1%	14.4%	4.7%
Gross profit - sales of goods	39.69	22.34	17.35	80.13	48.48	31.65
%	26.6%	16.8%	9.8%	24.1%	18.1%	6.0%
Total gross profit	184.26	154.17	30.09	598.62	475.34	123.28
%	20.2%	12.3%	7.9%	19.6%	14.7%	4.9%
Net profit – continuing operations	83.88	87.86	(3.98)	332.18	427.84	(96.66)
Net profit – discontinued operations	0	0	0	0	180.55	(180.55)
Net profit	83.88	87.86	(3.98)	332.18	608.39	(276.21)

Explanation of the differences of Revenue and Gross Margin

- In 9M18, combined revenue of both businesses increased by approximately 185 million baht from 9M17. Revenue in 9M18 was weaker than in 9M17, due to the nature of the construction business. Normally revenue is dependent on many factors such as construction period, agreed upon timing and demand for construction; these factors fluctuate from year to year. This period the project delays from the plan.

- Gross margin of construction in 3Q18 is higher than 3Q17. Since the company was able to efficiently manage the cost of projects during this period, a large profit was made. In addition, the company can deliver a completed task without defection, which it is also made more profit. However, the gross margin is expected to fluctuate over time due to the nature of construction projects, an average gross margin of 15% for year 2018 is achievable.
- Gross margin of sales in 9M18 is higher than 9M17. Due to the increase in sale volume, the cost of production per unit is decrease. These profits are dependent on what types of products are demanded during each period. In 9M18, the company produced and sold a large volume of GRC and Precast Wall that had a high gross margin. However, with the fluctuating demands, 18% average gross margin in 2018 is very achievable.

Explanation of the differences of Net Profit

- 3Q18 net profit of continuous business is THB 83.88 million and 3Q17 is THB 87.86 million. Due to the decrease of total revenue, net profit drop of THB 3.98 million even though the % of gross margin for 3 months in this period is higher than last time.
- Gross margin of 9M18 presented higher than last period of THB 123.28 million. It shows that the company has good performance in main business. However, 9M18 net profit is smaller than 9M17 net profit of THB 276.21 million, mainly because of THB 288.63 million from the sale of the discontinued operations, present in other income, and THB 180.55 million from its previous accumulated profits, which were in 2017. Due to such extraordinary profit and great performance, the company had 2 dividend payouts totaling THB 1.8 per share in 2017.

Summary Table of Balance Sheet comparison

Unit : Million Baht	30 Sep 2018	31 Dec 2017	Variance
Cash and cash equivalents	356.61	449.10	(92.49)
Current investments	106.77	1,569.04	(1,462.27)
Land and cost of project under construction	1,116.55	197.72	918.83
Total assets	4,173.93	4,325.77	(151.84)

Loan	400.00	-	400.00
Total Liabilities	1,960.56	2,197.64	(237.08)
Retained earnings	1,581.61	1,496.23	85.38
Total shareholders' equity	2,213.37	2,128.12	85.25
Total liabilities and shareholders' equity	4,173.93	4,325.77	(151.84)
Debt to equity ratio	0.89	1.03	(0.14)

- By the end of 3Q18, the company has borrowed money from a financial institution THB 400 million for real estate business resulting in a Company Debt-to-Shareholders Equity ratio of 0.89.
- In 2018, there is a large decrease of THB 1.5 billion in Cash and Current investment. This is due to company's substantial increase in property for development valued at THB 900 million. The company executed in 3 Joint Venture partnerships which are: the condominium project near Senanikom BTS (sky-train) station, Town Home project at Sapan Mai and condominium project at Sukhumvit 39. Benefit from these Joint Ventures will be realized in 2019 onwards.
- As the note of financial statement, it presents that the company invest of THB 1 billion in land for development.
- Backlog projects in 3Q18 totals THB 8 billion.

For your acknowledgement

Yours Faithfully

Pre-Built Public Company Limited

(Nata Hongladarom)

Company Secretary