PRE-BUILT

22 February 2019

SET. 2019/02/002

Subject : Clarification of the operating results of 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 December 31, 2018. The overall performance in 2018 comparison with 2017as follows:

Summary Table of Profit and Loss Comparison

Unit : Million Baht	Consolidated		
	2018	2017	Variance
Revenues – construction	3,427.07	4,090.86	(663.79)
Revenues – sales of goods	469.07	408.42	60.65
Total revenues	3,896.14	4,499.28	(603.14)
Cost of construction	2,827.24	3,546.95	(719.71)
Cost of sales of goods	366.24	330.14	36.10
Total cost	3,193.48	3,877.09	(683.61)
Gross profit - construction	599.83	543.91	55.92
%	17.50%	13.30%	4.20%
Gross profit - sales of goods	102.83	78.28	24.55
%	21.92%	19.17%	2.75%
Total gross profit	702.66	622.19	80.47
%	18.03%	13.83%	4.20%
Profit for the year from continuing operations	384.21	292.07	92.14
Profit for the year from discontinued operations (excluding vat)	0	230.9	(230.90)
Net profit – discontinued operations	0	180.55	(180.55)
Net profit	384.21	703.52	(319.31)

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Explanation of the differences of Revenue and Gross Margin

- In consolidated financial statement 2018, combined revenue of both businesses decreased by approximately 603.14 million baht from 2017. Revenue in 2018 was weaker than in 2017, due to many factors. 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. In addition, the selection in some part of contract to self-purchase by owner causes the decrease the amount of contract value. In this year, some owner postpones the project and some owner selects to purchase in some part of contract.
- Gross margin of construction business in 2018 is higher than 2017. 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. Including the selection in some part of contract to self-purchase by owner lead to the drop of income but increase in percentage of margin because the company still charged the management fee. 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 construction sale business in 2018 is higher than 2017. 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 2018, the company produced and sold a large volume of GRC and Precast Wall that had a high gross margin. However, with the fluctuating demands, 19% average gross margin in 2018 is very achievable.

Explanation of the differences of Net Profit

- 2018 net profit in continuous business is THB 384.21 million and 2017 is THB 292.07 million, increase of THB 92.14 million due to the increase in margin of that both business. In 2017 the company present net profit of THB 703.52 million, which include the profit from sale of discontinued business of THB 230.90 million (record in other income) and net profit in operation before sale of investment of THB

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180.55 million. 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	2018	2017	Variance
Cash and cash equivalents	440.67	449.1	(8.43)
Current investments	308.07	1,569.04	(1,260.97)
Land and cost of project under construction	1,419.53	197.73	1,221.80
Total assets	5,029.63	4,325.77	703.86
Loan	886.23	0	886.23
Total Liabilities	2,765.99	2,197.64	568.35
Retained earnings	1,633.71	1,496.23	137.48
Total shareholders' equity	2,263.64	2,128.12	135.52
Total liabilities and shareholders' equity	5,029.63	4,325.77	703.86
Debt to equity ratio	1.22	1.03	0.19

- By the end of 2018, the company has borrowed money from a financial institution THB 886 million for real estate business resulting in a Company Debt-to-Shareholders Equity ratio of 1.22.
- In 2018, there is a large decrease of THB 1.2 billion in Cash and Current investment. This is due to company's substantial increase in property for development valued at THB 1.2 billion. The company executed in 4 Joint Venture partnerships which are: the condominium project near Senanikom BTS (sky-train) station, Town Home project at Phahonyothin-Rattanakosin, condominium project at Sukhumvit 39. And condominium project at Town in Town.
- Backlog projects in 2018 totals THB 8.14 billion.

For your acknowledgement

Yours Faithfully

Pre-Built Public Company Limited

(Wirot Charoentra)

Managing Director

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