

(Translation)

UAC.CS/021/2018

November 14, 2018

Subject: Explanation of the operating results for the third quarter period ended September 30, 2018

To: President
The Stock Exchange of Thailand

Attachment: Auditor's Report and Financial Statement for the third quarter period ended September 30, 2018

UAC GLOBAL Public Company Limited ("UAC") would like to report the operating result of UAC according to the financial statement for the 3-month and 9-month period ended September 30, 2018, details are as follows:

The operating results of the consolidated financial statement for the 3-month and 9-month period ended September 30, 2018

The Consolidated Financial Statement	For the year period of (unit: million baht)							
	Q3.2018	Q3.2017	YoY		9M.2018	9M.2017	YoY	
Sales and Services	500.65	417.11	83.54	20.03%	2,154.48	1,179.06	975.42	82.73%
Gross Profit	90.25	78.57	11.69	14.87%	301.43	280.81	20.62	7.34%
Other Income	31.68	6.65	25.02	376.07%	93.26	20.30	72.96	359.42%
Selling & Administrative Expenses	58.92	50.89	8.03	15.78%	163.24	153.45	9.78	6.38%
Finance Cost	21.11	16.17	4.94	30.54%	62.09	50.55	11.54	22.83%
EBT	41.90	18.16	23.74	130.71%	169.36	97.10	72.25	74.41%
Tax	5.25	4.87	0.38	7.85%	26.31	25.05	1.26	5.05%
Total Comprehensive Income	36.65	13.29	23.36	175.71%	143.05	72.06	70.99	98.52%

The operating results of the consolidated financial statement for the third quarter period ended September 30, 2018, resulted in increase in net profit of Baht 23.36 million or 175.71% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 83.54 million or 20.03 % from the corresponding period of the previous year, mostly from revenue from UAC which increased Baht 80.22 million.
2. Other income increased Baht 25.02 million or 376.07% from the corresponding period of the previous year, derived from recording interest income separately from revenue from sales (financing component separation) at the amount of Baht 7.83 million and then gradually recognized as revenue for each period until maturity date.
3. Selling and Administrative expenses increased Baht 8.03 million or 15.78% from the corresponding period of the previous year, mostly from unrealized loss on exchange rate from UAC at the amount of Baht 7.66 million (in the beginning of the 4th quarter this loss will be reversed to be gain on exchange rate and UAC had already made forward contract to reserve US dollars in full amount to avoid exchange rate fluctuation of Trust Receipt (T/R).
4. Finance Cost increased Baht 4.94 million or 30.54% from the corresponding period of the previous year, mostly from increase of short term loans from UAC.
5. Comprehensive Income increased Baht 23.36 million or 175.71% from the corresponding period of the previous year, mostly from increase of gross margin and other income.

The operating results of the consolidated financial statement for the 9-month period ended September 30, 2018, resulted in increase in net profit of Baht 70.99 million or 98.52% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 975.42 million or 82.73% from the corresponding period of the previous year, mostly from revenue from UAC which increased Baht 977.69 million, which resulted in

the increase in gross profit of Baht 20.62 million and the decrease in gross profit margin for 9-month period of 13.99% from the corresponding period of the previous year (9M/2017 = 23.82%).

- Other income increased Baht 72.96 million or 359.42% from the corresponding period of the previous year, derived from recording interest income separately from revenue from sales (financing component separation) at the amount of Baht 16.85 million and then gradually recognized as revenue for each period until maturity date and an increase of profit sharing from investment of Baht 60.16 million.
- Selling and Administrative expenses increased Baht 9.78 million or 6.38% from the corresponding period of the previous year, mostly from unrealized loss on exchange rate from UAC at the amount of Baht 11.01 million (in the beginning of the 4th quarter this loss will be reversed to be gain on exchange rate and UAC had already made forward contract to reserve US dollars in full amount to avoid exchange rate fluctuation of Trust Receipt (T/R).
- Finance Cost increased Baht 11.54 million or 22.83% from the corresponding period of the previous year, mostly from increase of short term loans from UAC.
- Comprehensive Income increased Baht 70.99 million or 98.52% from the corresponding period of the previous year, mostly from increase of gross margin and profit sharing from investment.

The operating results of **the separated financial statement** for the 3-month and 9-month period ended **September 30, 2018**

The Separated Financial Statement	For the year period of (unit: million baht)							
	Q3.2018	Q3.2017	YoY		9M.2018	9M.2017	YoY	
Sales and Services	408.84	328.62	80.22	24.41%	1868.47	890.77	977.69	109.76%
Gross Profit	74.56	59.87	14.69	24.53%	250.82	212.62	38.20	17.97%
Other Income	19.91	4.11	15.80	384.98%	40.29	70.47	(30.19)	(42.83%)
Selling & Administrative Expenses	44.19	35.54	8.65	24.33%	118.32	107.72	10.60	9.84%
Finance Cost	14.65	9.62	5.03	52.28%	40.97	30.21	10.76	35.63%
EBT	35.63	18.82	16.81	89.35%	131.82	145.16	(13.34)	(9.19%)
Tax	6.10	4.01	2.09	52.05%	28.14	20.40	7.74	37.97%
Total Comprehensive Income	29.53	14.81	14.72	99.45%	103.68	124.76	(21.08)	(16.90%)

The operating results of the separated financial statement for the third quarter period ended September 30, 2018, resulted in increase in net profit of Baht 14.72 million or 87.38% from the corresponding period of the previous year as the following details below:

- Revenue from sales and services increased Baht 80.22 million or 24.41 % from the corresponding period of the previous year, which resulted in the increase of gross margin of Baht 14.69 million, mostly from revenue from Trading.
- Other income increased Baht 15.80 million or 384.98% from the corresponding period of the previous year, derived from recording interest income separately from revenue from sales (financing component separation) at the amount of Baht 7.83 million and then gradually recognized as revenue for each period until maturity date.
- Selling and Administrative expenses increased Baht 8.65 million or 24.33% from the corresponding period of the previous year, mostly from unrealized loss on exchange rate at the amount of Baht 7.66 million (in the beginning of the 4th quarter this loss will be reversed to be gain on exchange rate and UAC had already made forward contract to reserve US dollars in full amount to avoid exchange rate fluctuation of Trust Receipt (T/R).
- Finance Cost increased Baht 5.03 million or 52.28% from the corresponding period of the previous year, mostly from increase of short term loans.
- Comprehensive Income increased Baht 14.72 million or 99.45% from the corresponding period of the previous year, mostly from increase of gross margin and other income.

The operating results of the separated financial statement for the 9-month period ended September 30, 2018 resulted in decrease in net profit of Baht 21.08 million or 16.90 % from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 977.69 million or 109.76% from the corresponding period of the previous year, mostly from the increase in revenue from Trading of Baht 1,048.11 million and the decrease in revenue from consulting fee of Baht 61.57 million, which resulted in the decrease in gross profit margin for 9-month period of 13.42% from the corresponding period of the previous year (9M/2017 = 23.87%).
2. Other income increased Baht 14.83 million or 58.23% from the corresponding period of the previous year, derived from recording interest income separately from revenue from sales (financing component separation) at the amount of Baht 16.85 million and then gradually recognized as revenue for each period until maturity date.
3. Selling and Administrative expenses increased Baht 10.60 million or 9.84% from the corresponding period of the previous year, mostly from unrealized loss on exchange rate at the amount of Baht 11.01 million (in the beginning of the 4th quarter this loss will be reversed to be gain on exchange rate and UAC had already made forward contract to reserve US dollars in full amount to avoid exchange rate fluctuation of Trust Receipt (T/R).
4. Finance Cost increased Baht 10.76 million or 35.63% from the corresponding period of the previous year, mostly from increase of short term loans.
5. Comprehensive Income decreased Baht 21.08 million or 16.90% from the corresponding period of the previous year, mostly from decrease of dividend from the associated company of Baht 45.01 million.

The Statements of Financial Position as of September 30, 2018 has changed from December 31, 2017 as follows;

The Statements of Financial Position	Consolidated Financial Statement			
	Sept 30, 2018	Dec 31, 2017	YoY	
Current Assets	2,192.99	700.84	1,492.15	212.91%
Non-current Assets	2,448.02	2,434.07	13.95	0.57%
Total Assets	4,641.01	3,134.91	1,506.09	48.04%
Current Liabilities	2,140.87	1,200.02	940.85	78.40%
Non-current Liabilities	1,126.77	626.08	500.68	79.97%
Total Liabilities	3,267.64	1,826.10	1,441.53	78.94%
Issued and paid-up share capital	333.80	333.80		
Premium on ordinary shares	587.17	587.17		
Retained earnings – Appropriated	40.00	36.29	3.71	10.22%
Retained earnings – Unappropriated	377.06	315.16	61.91	19.64%
Total owners of the Company	1,338.03	1,272.42	65.62	5.16%
Non-controlling interests	35.34	36.39	(1.06)	(2.90%)
Total Shareholders' equity	1,373.37	1,308.81	64.56	4.93%
Total Liabilities & Shareholders' equity	4,641.01	3,134.91	1,506.09	48.04%

Total Assets was Baht 4,641.01 million, increased Baht 1,506.09 million or 48.04%, mostly from the increase in current assets of Baht 1,492.15 million consisted of;

1. Trade receivable increased Baht 669.26 million, mostly from trade receivable from sale of Big Lot of UAC in the 1st quarter of 2018 at the amount of Baht 606.00 million which will be paid within December 2018.
2. Inventories increased Baht 778.88 million, mostly from goods in transit which was imported according to purchase orders.

Total Liabilities was Baht 3,267.64 million, increased Baht 1,441.53 million or 78.94%, mostly from the increase in current liabilities of Baht 940.85 million consisted of;

1. Short-term loans increased Baht 502.51 million, mostly from loan from Trust Receipt (T/R) from UAC which will be paid within December 2018.
2. Trade and other current payable increased Baht 806.66 million, mostly from trade payable from importing goods for sales according to purchase orders, categorized as goods in transit.

Total Shareholders' Equity was Baht 1,373.37 million, increased Baht 64.56 million or 4.93%, resulting from increase in business performance.

From above Statements of Financial Position, D/E Ratio as of September 30, 2018 was 2.44 times, increased from ratio as of December 31, 2017 (1.44 times), resulting from the increase in short-term loans and trade payable from importing goods for sales according to purchase orders. D/E ratio is expected to be decreased to not exceed 2 times within the 1st quarter of 2019.

Please be informed accordingly

Yours sincerely,

-Signature-

(Miss Nilrat Jarumanopas)

Chief Financial Officer

Authorized to sign on behalf of the Company