

Subject: Explanation of the operating results for the year period ended December 31, 2018

To: President
The Stock Exchange of Thailand

Attachment: Auditor's Report and Financial Statement for the year period ended December 31, 2018

UAC GLOBAL Public Company Limited ("UAC") would like to report the operating result of UAC according to the financial statement for the year period ended December 31, 2018, details are as follows:

The operating results of **the consolidated financial statement** for the year period ended December 31, 2018

The Consolidated Financial Statement (Unit: Million Baht)	2018	2017	YoY	
Sales and Services	2,552.89	1,626.87	926.03	56.92%
Gross Profit	349.38	353.85	(4.47)	(1.26%)
Other Income	115.14	32.26	82.89	256.97%
Selling & Administrative Expenses	222.36	200.40	21.96	10.96%
Finance Cost	83.41	66.17	17.24	26.05%
EBT	158.75	119.54	39.22	32.81%
Tax	22.25	24.37	(2.12)	(8.71%)
Total Comprehensive Income	136.51	95.40	41.11	43.09%

The operating results of the consolidated financial statement for the year period ended December 31, 2018, resulted in increase in net profit of Baht 41.11 million or 43.09% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 926.03 million or 56.92 % from the corresponding period of the previous year, derived mostly from revenue from UAC which increased Baht 930.68 million. Gross profit margin was 13.69%, decreased from the corresponding period of the previous year at 21.75%
2. Other income increased Baht 82.89 million or 256.97% from the corresponding period of the previous year, derived mostly from profit sharing from investment in associated company which increased Baht 56.60 million and interest income which recorded separately from revenue from sales (financing component separation) at the amount of Baht 22.47 million and then gradually recognized as revenue for each period until maturity date.
3. Selling and Administrative expenses increased Baht 21.96 million or 10.96% from the corresponding period of the previous year, based on an increase of sales and services and from reserve for impairment of assets of subsidiary companies at the amount of Baht 12.32 million.
4. Finance Cost increased Baht 17.24 million or 26.05% from the corresponding period of the previous year, derived mostly from an increase of short term loans from UAC.
5. Comprehensive Income increased Baht 41.11 million or 43.09% from the corresponding period of the previous year, derived mostly from an increase of profit sharing from investment in associated company.

The operating results of **the separated financial statement** for the year period ended December 31, 2018

The Separated Financial Statement (Unit: Million Baht)	2018	2017	YoY	
Sales and Services	2,178.98	1,248.30	930.68	74.56%
Gross Profit	288.72	267.27	21.45	8.03%
Other Income	84.21	78.78	5.43	6.89%
Selling & Administrative Expenses	167.73	140.62	27.11	19.28%
Finance Cost	56.15	39.52	16.63	42.08%
EBT	149.05	165.92	(16.86)	(10.16%)
Tax	25.58	24.83	0.75	3.01%
Total Comprehensive Income	123.47	139.96	(16.49)	(11.78%)

The operating results of the separated financial statement for the year period ended December 31, 2018, resulted in decrease in net profit of Baht 16.49 million or 11.78% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 930.68 million or 74.56% from the corresponding period of the previous year, derived mostly from revenue from Trading - Petrochemicals Industry which increased Baht 1,003.45 million and resulted in an increase in gross margin of Baht 21.45 million or 8.03% from the corresponding period of the previous year.
2. Other income increased Baht 5.43 million or 6.89% from the corresponding period of the previous year, derived from an decrease in dividend income at the amount of Baht 20.94 million and increase in recording interest income separately from revenue from sales (financing component separation) at the amount of Baht 22.47 million and then gradually recognized as revenue for each period until maturity date.
3. Selling and Administrative expenses increased Baht 27.11 million or 19.28% from the corresponding period of the previous year, derived from business expansion and unrealized loss on exchange rate at the amount of Baht 11.01 million and from reserve for impairment of investment in subsidiary companies at the amount of Baht 18.14 million.
4. Finance Cost increased Baht 16.63 million or 42.08% from the corresponding period of the previous year, derived mostly from increase of short term loans.
5. Comprehensive Income increased Baht 16.49 million or 11.78% from the corresponding period of the previous year

The Statements of Financial Position as of December 31, 2019 has changed from December 31, 2018 as follows;

The Statements of Financial Position (Unit: Million Baht)	Consolidated Financial Statement			
	Dec 31, 2019	Dec 31, 2018	YoY	
Current Assets	1,625.47	700.84	869.01	131.93%
Non-current Assets	2,407.19	2,462.80	(55.61)	(2.26%)
Total Assets	4,032.66	3,163.65	872.64	27.47%
Current Liabilities	1,631.56	1,204.61	426.95	35.44%
Non-current Liabilities	1,097.07	646.26	450.80	69.76%
Total Liabilities	2,728.63	1,850.87	877.75	47.42%
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	308.12	319.12	(11.00)	(3.45%)
Total owners of the Company	1,269.08	1,276.38	(7.29)	(0.57%)
Non-controlling interests	34.95	36.39	(1.45)	(3.97%)
Total Shareholders' equity	1,304.03	1,312.77	(8.74)	(0.67%)
Total Liabilities & Shareholders' equity	4,032.66	3,163.65	869.01	27.47%

Total Assets was Baht 4,032.66 million, increased Baht 869.01 million or 27.47%, derived mostly from an increase in current assets of Baht 924.63 million consisted of;

1. Cash and cash equivalent increased Baht 59.90 million
2. Inventories increased Baht 870.44 million, mostly from goods in transit at the amount of Baht 882.44 million which was imported according to purchase orders and already delivered to customers in January 2019.

Total Liabilities was Baht 2,728.63 million, increased Baht 877.75 million or 47.42%, derived from an increase in current liabilities and non-current liabilities of Baht 426.95 million and Baht 450.80 million respectively, consisted of;

1. Short-term loans increased Baht 646.92 million which already paid back in full amount in February 2019.
2. Trade and other current payable increased Baht 212.35 million, mostly from trade payable from importing goods for sales according to purchase orders of UAC, categorized as goods in transit.
3. Non-current Liabilities increased from issuance of Bond at Baht 400 million, 2 years, with maturity date at on June 12, 2020

Total Shareholders' Equity was Baht 1,304.03 million, decreased Baht 8.74 million or 0.67%, resulting from dividend payment in 2017 and interim dividend payment in 2018 paid from retained earnings, totaling Baht 146.87 million.

From above Statements of Financial Position, D/E Ratio as of December 31, 2018 was 2.15 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