

(Translation)

UAC.CS/010/2019

May 10, 2019

Subject: Explanation of the operating results for the first quarter period ended March 31, 2019

To: President
The Stock Exchange of Thailand

Attachment: Auditor's Report and Financial Statement for the first quarter period ended March 31, 2019

UAC GLOBAL Public Company Limited ("UAC") would like to report the operating result of UAC according to the financial statement for the first quarter period ended March 31, 2019, details are as follows:

The operating results of the separated financial statement for the first quarter period ended March 31, 2018

The Separated Financial Statement (Unit: Million Baht)	Mar 31, 2019	Mar 31, 2018	YoY	
Sales and Services	1,228.88	1,179.39	49.48	4.20%
Gross Profit	109.18	127.02	(17.83)	(14.04%)
Other Income	14.87	8.27	6.60	79.83%
Selling & Administrative Expenses	39.72	35.60	4.12	11.57%
Finance Cost	10.99	10.66	0.33	3.05%
EBT	73.34	89.03	(15.68)	(17.61%)
Tax	(13.22)	(22.12)	(8.90)	(40.22%)
Total Comprehensive Income	60.12	66.91	(6.79)	(10.14%)

The operating results of the separated financial statement for the first quarter period ended March 31, 2019 resulted in decrease in net profit of Baht 6.79 million or 10.14% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 49.48 million or 4.20% from the corresponding period of the previous year, derived mostly from revenue from Trading increased Baht 49.32 million
2. The higher competition in Trading business resulted in gross profit of Baht 109.18 million which decreased Baht 17.83 million or 14.04% from the corresponding period of the previous year.
- Gross profit margin of first quarter was 8.88% of revenue from sales and services decreased from the corresponding period of the previous year (Q1/2018 = 10.77%)
3. Other income increased Baht 6.60 million or 79.83% from the corresponding period of the previous year, derived from gain on exchange rate.
4. Selling and Administrative expenses increased Baht 4.12 million or 11.57% from the corresponding period of the previous year, derived from an increase of provision for long-term employee benefits according to The Labor Protection ACT (no.7) B.E. 2562 was announced in the Royal Gazette on April 5, 2019. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate (previously stipulated at 300 days).
5. Comprehensive Income decreased Baht 6.79 million or 10.14% from the corresponding period of the previous year.

The operating results of the consolidated financial statement for the first quarter period ended March 31, 2019

The Consolidated Financial Statement (Unit: Million Baht)	Mar 31, 2019	Mar 31, 2018	YoY	
Sales and Services	1,329.58	1,279.79	49.79	3.89%
Gross Profit	131.58	148.50	(16.92)	(11.40%)
Other Income	18.63	33.81	(15.18)	(44.90%)
Selling & Administrative Expenses	53.82	50.68	3.14	6.20%
Finance Cost	16.76	18.58	(1.81)	(9.75%)
EBT	79.62	113.06	(33.43)	(29.57%)

The Consolidated Financial Statement (Unit: Million Baht)	Mar 31, 2019	Mar 31, 2018	YoY	
Tax	(12.29)	(21.64)	(9.35)	(43.19%)
Total Comprehensive Income	67.33	91.42	(24.09)	(26.35%)

The operating results of the consolidated financial statement for the first quarter period ended March 31, 2019 resulted in decrease in net profit of Baht 24.09 million or 26.35% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 49.79 million or 3.89 % from the corresponding period of the previous year, derived mostly from revenue from UAC which increased Baht 49.48 million. Gross profit margin was 9.90% of revenue from sales and services decreased from the corresponding period of the previous year (Q1/2018 = 11.60%)
2. Other income decreased Baht 15.18 million or 44.90% from the corresponding period of the previous year, derived mostly from a decrease in profit sharing from investment in associated company (BBF) of Baht 19.93 million since there were new biodiesel producers and the existing biodiesel producers expanded their production capacity, resulting in high competition and continuously declining of crude palm oil price.
3. Selling and Administrative expenses increased Baht 3.14 million or 6.20% from the corresponding period of the previous year, derived from an increase of provision for long-term employee benefits according to The Labor Protection ACT (no.7) B.E. 2562 was announced in the Royal Gazette on April 5, 2019. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate (previously stipulated at 300 days).
5. Comprehensive Income decreased Baht 24.09 million or 26.35% from the corresponding period of the previous year, derived mostly from decreases in gross profit and profit sharing from investment in associated company.

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

The Statements of Financial Position (Unit: Million Baht)	Consolidated Financial Statement			
	March 31, 2019	Dec 31, 2018	YoY	
Current Assets	770.35	1,622.26	(851.91)	(52.51%)
Non-current Assets	2,401.73	2,410.40	(8.66)	(0.36%)
Total Assets	3,172.08	4,032.66	(860.58)	(21.34%)
Current Liabilities	757.73	1,625.53	(867.80)	(53.39%)
Non-current Liabilities	1,042.99	1,103.10	(60.11)	(5.45%)
Total Liabilities	1,800.72	2,728.63	(927.91)	(34.01%)
Issued and paid-up share capital	333.80	333.80	-	-
Premium on ordinary shares	587.17	587.17	-	-
Retained earnings – Appropriated	40.00	40.00	-	-
Retained earnings – Unappropriated	375.98	308.12	67.86	22.02%
Total owners of the Company	1,336.94	1,269.08	67.86	5.35%
Non-controlling interests	34.42	34.95	(0.53)	(1.51%)
Total Shareholders' equity	1,371.36	1,304.03	67.33	5.16%
Total Liabilities & Shareholders' equity	3,172.08	4,032.66	(860.58)	(21.34%)

Total Assets was Baht 3,172.08 million, decreased Baht 860.58 million or 21.34%, derived mostly from an decrease in current assets of Baht 851.91 million consisted of;

1. Trade and other receivables decreased Baht 78.77 million.
2. Inventories decreased Baht 822.68 million, derived mostly from decrease in goods in transit at December 31, 2018 which was imported according to purchase orders and already delivered to customers in January 2019.

Total Liabilities was Baht 1,800.72 million, decreased Baht 927.91 million or 34.01%, derived from a decrease in current liabilities Baht 867.80 million and decrease in non-current liabilities of Baht 60.11 million, consisted of;

1. Short-term loans decreased Baht 739.49 million which already paid back in full amount in the first quarter.
2. Trade and other current payable decreased Baht 127.47 million

3. Long-term loans and liabilities under long-term lease agreements, net of current portion decreased Baht 63.69 million due to repayment loan to financial institution.

Total Shareholders' Equity was Baht 1,371.36 million, increased Baht 67.33 million or 5.16%, resulting from the operating result in the first quarter.

From above Statements of Financial Position, D/E Ratio (Owners of the Company) as of March 31, 2019 was 1.35 times, decreased from ratio as of December 31, 2018 (2.15 times), resulting from the decrease in short-term loans and trade payable.

Financial Ratio Position:

Consolidated Financial Statement	Q1/2019	Q1/2018
NET PROFIT (%)	5.06%	7.14%
EBIT (%)	7.25%	10.29%
EBITDA (%)	9.38%	12.68%
ROE (%)	20.83%	28.10%
Consolidated Financial Statement	March 31, 2019	Dec 31, 2018
D/E RATIO (Times)	1.35	2.15

Please be informed accordingly

Yours sincerely,

-Signature-

(Miss Nilrat Jarumanopas)

Chief Financial Officer

Authorized to sign on behalf of the Company