

No. QTC 0004/2020

May 8, 2020

Subject: Clarification on over 20% Changing in the first quarter of 2020

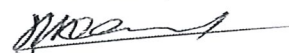
Dear Committees and Manager of the Stock Exchange of Thailand

QTC Energy Public Company Limited would like to clarify on the net profit in the first quarter of the year 2020 at March 31, 2020 that was changed over than 20%, whereas, the total financial budget of QTC Energy Public Company Limited and the company's subsidiary ("Company Group") had the net profit in the amount of 31.42 million baht that was decreased by 60.31% compared to that of 2019 with the net loss of 79.16 million baht. The major causes could be concluded as follows:

1. In the first quarter of 2020, the company earned income from sales and services in the amount of 234.55 million baht that was lower from that of 2019 that was 263.45 million baht calculated to be 10.97%. In 2020, the income earned from selling transformers to government agencies and state enterprises was lower from 220.03 million baht in the first quarter of 2019 to be 181.30 million baht in 2020 calculated to be decreased by 17.60% as a result of sales from customer in private and export sector has been postponed to 2<sup>nd</sup> quarter of 2020
2. For in the first quarter of 2020, the company had the costs of sales and services in the amount of 156.31 million baht calculated to be Gross Profit Margin of 33.36% while the costs of sales and services of 2019 were 148.73 million baht calculated to be gross profit margin was decreased by 43.55%. In the first quarter of 2020, gross profit margin was decreased by 31.80% from 2019, the reason for the gross margin for in the first quarter of 2020 decrease as a result of price competition in project bidding.
3. The company had expenses on sales and services in the amount of 40.48 million baht. For 2020, it was decreased by 10.63% from 36.59 million baht in 2019 as a result has an additional allowance for impairment loss of financial assets from adoption of TFRS 9 and the depreciation of usage rights is recognized, interest expenses of liabilities under lease agreements Instead of the expense recognition from the lease in accordance with Financial Reporting Standard No. 16 and human resource expenses decreased from 2019.

Your acknowledgement will be highly appreciated.

Yours Sincerely



Mr. Poonphiphat Tantanasin  
Chief Executive Officer