

25 February 2020

SET. 2020/02/001

Subject: To clarify the operating results for 2019

Attention: President

The Stock Exchange of Thailand

Pre-Built Public Company Limited would like to submit the financial statements ended 31 December 2019, and reviewed by the authorized auditor. The operating results in 2019 compared to those in 2018, the Company hereby clarifies the changes in the performance as follows:

Comparative Profit and Loss Statement (Partial)

Unit : Million Baht	Consolidated		
	2019	2018	Variance
Revenues – construction	3,736.06	3,427.07	308.99
Revenues – sales of goods	559.37	469.07	90.30
Total revenues	4,295.43	3,896.14	399.29
Cost of construction	3,282.95	2,827.24	455.71
Cost of sales of goods	437.41	366.24	71.17
Total cost	3,720.36	3,193.48	526.88
Gross profit - construction	453.11	599.83	(146.72)
%	12.13%	17.50%	(5.37%)
Gross profit - sales of goods	121.96	102.83	19.13
%	21.80%	21.92%	(0.12%)
Total gross profit	575.07	702.66	(127.59)
%	13.39%	18.03%	(4.64%)
Administrative expenses	293.04	233.73	59.31
Finance costs	18.34	0.07	18.27
Profit (loss) from investment	37.53	(11.66)	49.19
Net profit – continuing operations	271.79	384.21	(112.42)

Revenue and net profit margin

- The consolidated financial statement for 12 months ended 31 December 2019, the Company had revenues increased by THB 399.29 million from last year. The major increase was from construction of THB 308.99 million, and sales of construction materials of THB 90.30 million.
- The increase in construction income resulted from the delay of project opening shift from 2018 to 2019. Too many factors of uncertainty of situation both of political and economy caused such project delay, which caused the increase of task in 2019.
- The drop in performance was mainly caused by the domestic and global economic slowdown, threats of US-China trade war and the BOT regulations regarding the restrictions in mortgage lending of commercial banks in order to slow down the rising household debts. Gross margin in 2019 presents of 12.13%, in line the forecast.
- PCM, the Company subsidiary had revenue increase by THB 90 million from last year. The major increase was precast wall product. Gross margin in this year present closed to last year.

Net Profit

- Surrounded by negative factors, the Company has been able to generate the profit of THB 271.79 million for this year. In 2019, construction business, construction material and sale business and investment generated the profit.

The impact on financial forecasts

- In projection in 2020, the slowdown of economic including the outbreak virus COVID-19 caused the drop in economic. The property and construction sector especially high rise projects directly received such impact. This situation will lead to more competitive bidding in construction business followed by shrinking margin. As a result, the Management had revised forecasted profit margin for year 2020 to about 10%. However, the volume of increase in project that must be delivered to its customer in this year may lead the increase value of net profit.
- For the Construction Material Production and Sale business, the Company has expected its performance will be better than last year due to more backlog in GRC of this year.
- Investment business had a backlog of Quinto Project of 50% of project value, which expected to book within this year. In addition, the subsidiary will launch 2 housing projects in first half this year. The projection such predicted the increase of net profit from investment and real estate business compare with last year.
- The future factors impact to the net profit may cause from the bad situation of spread of virus COVID-19 and uncertainty of government. Cash may important rather than profit.

Comparative Balance Sheet (Partial)

Unit : Million Baht	2019	2018	Variance
Cash and cash equivalents	547.25	440.67	106.58
Current investments	322.87	308.07	(14.80)
Land and cost of project under construction	1,778.63	1,419.53	359.10
Total assets	5,947.56	5,029.63	917.93
Loan	1,519.69	886.24	633.45
Total Liabilities	3,742.71	2,765.99	976.72
Retained earnings	1,574.92	1,633.71	(58.79)
Total shareholders' equity	2,204.85	2,263.64	(58.79)
Total liabilities and shareholders' equity	5,947.56	5,026.63	920.93
Debt to equity ratio	1.70	1.22	0.48
Interested bearing debt to equity	0.68	0.40	0.28

- Additional loan from financial institutions of THB 500 million is for real estate development business. As a result, debt to equity and interested bearing debt to equity ratio in 2019 are 1.70 times and 0.68 times. The Company has a policy to control its debt to equity ratio and interested bearing debt to equity not to be higher than 2.5 times and 2 times, respectively.
- At the end of 2019, the Company's backlog was worth THB 9 billion.

Please be informed accordingly.

Yours sincerely,

Pre-Built Public Company Limited

(Wirot Charoentra)

Managing Director