

No. AC 004/2019 (PPP)

17 February 2019

Subject: Clarification on the difference of the profit (loss) from the same period of the previous year

To: Director

Listing & Disclosure Department, The Stock Exchange of Thailand.

According to the Company and its subsidiaries' business operational results for the year ending 31 December 2018, the net profit of the Company and its subsidiaries was Baht 57.37 million, decreasing from the same period of the previous year by Baht 61.03 million, or 51.55%; whereby the Company's profit alone decreased by Baht 40.43 million and the subsidiaries' profit decreased by Baht 20.60 million. Such result represents the difference of the Company and its subsidiaries' business operational results for this period from the same period of the previous year of more than 20%. The Company would like to clarify the causes of such significant change as follows:

1. The revenue from sale and service of the Company was Baht 1,099.19 million, decreasing from the same period of the previous year by Baht 19.35 million, due to the sales of environmental products which decreased by Baht 28.35 million and sales of construction materials and industrial products which increased by Baht 9.00 million.
2. The gross profit of the Company was Baht 314.27 million, whereby the gross profit margin was at 28.59%, lower than the gross profit margin for the previous year which was at 30.16%. The decrease was due to the gross profit margin in sales of environmental products.
3. The selling expense of the Company was Baht 182.30 million, increasing from the same period of the previous year by Baht 14.08 million. The increase was mainly due to the increase in personnel expenses. The selling expense was accounted for 16.58% of the total sales, increasing from the same period of the previous year which was 15.04% of the total sales.
4. The administrative expense of the Company was Baht 140.36 million, increasing from the previous year by Baht 9.22 million. The key items were the management fee which increased by Baht 4.48 million, the personnel related expenses which increased by Baht 3.07 million, the research and development expense which increased by Baht 1.27 million and other expenses which increased by Baht 0.40 million.

5. The financial expense of the Company was Baht 7.64 million, increasing from the same period of the previous year by Baht 0.49 million.
6. The income tax expense of the Company was Baht 0.49 million, comprising of the corporate income tax in the amount of Baht 1.93 million and the deferred income tax reversal amount of Baht 1.44 million.
7. According to the business operational results of Infinite Green Co., Ltd. for this period, the total revenue from sale of electricity was Baht 241.96 million, decreasing from the same period of the previous year by Baht 4.38 million. The gross profit margin was at 61.78%. The earnings from operations before financial expense was Baht 91.83 million and the net profit was Baht 70.81 million.

Please be informed accordingly.

Yours faithfully,

-Signed-
Mrs. Pensri Dettingeng

Authorized Person

Premier Products Public Company Limited