

No. AC004/2021 (PPP)

9 February 2021

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 ended 31 December 2020, the profit of the Company and its subsidiaries was Baht 29.97 million, decreasing from the previous year by Baht 101.28 million. Such change was due to that in 2019 the Company and its subsidiaries had other revenue being the profit from disposal of land, buildings, machineries and equipment for production of Sanko roof which were not used for operation in the amount of Baht 79.31 million. In relation to administrative expense, the Company and its subsidiaries recognized long-term employment benefit scheme as Past Service Cost in the amount of Baht 15.87 million due to change in employment law in 2019. If excluding the above-mentioned items, the profit of the Company and its subsidiaries for the year 2020 decreased from the previous year by Baht 37.84 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%. Key changing items are as follows:

1. The revenue from sale and service of the Company and its subsidiaries was Baht 1,115.87 million, decreasing from the previous year by Baht 213.18 million or 16.0%. The revenue from sale of water solutions products decreased by Baht 115.79 million. The revenue from sale of environmental conservation products and equipment decreased by Baht 88.00 million. The revenue from sale of electricity business decreased by Baht 9.38 million. The gross profit decreased by Baht 76.99 million. The gross profit margin for the year 2020 was at 34.0%, close to the previous year which was at 34.3%.
2. The cost of distribution (selling expense) of the Company was Baht 176.70 million, decreasing from the previous year by Baht 14.20 million, mainly due to transportation expense and expense related to the revenue. The ratio of cost of distribution to sales and services revenue was at 19.7%, increasing from the same period of the previous year by 3.53% due to the increase in number of branches and sales personnel since 2019.
3. The administrative expense of the Company and its subsidiaries was Baht 172.23 million, decreasing from the same period of the previous year by Baht 30.07 million. Such decrease was due to the expenses incurred in 2019 which mainly comprised of the expense in the amount of Baht 15.87 million which the Company and its subsidiaries recognized due to change in employment law (as mentioned above) and the allowance for doubtful accounts in 2019 which was Baht 9.91 million.

4. The financial cost of the Company and its subsidiaries was Baht 10.89 million, decreasing from the same period of the previous year by Baht 8.48 million due to the decrease in debt under long term loan agreement.
5. The loss from impairment in accordance with the TFRS 9 was Baht 0.95 million, being the allowance for doubtful accounts for the year 2020.
6. The income tax for the year 2020 presented as income was Baht 8.13 million, resulting from deferred income tax in the amount of Baht 8.97 million and corporate income tax in the amount of Baht 0.84 million.
7. In relation to the business operational results of the Company's subsidiary (Infinite Green Co., Ltd.), the profit for the year 2020 was Baht 95.10 million, while the profit for the year 2019 was Baht 152.22 million. This change was due to that in 2019, the subsidiary had profit from disposal of assets not used for operation in the amount of Baht 71.59 million as mentioned above which was one-time transaction. If excluding such item, the profit of the subsidiary for the year 2019 was Baht 80.63 million. Therefore, the profit of the subsidiary for the year 2020 increased from the previous year by Baht 14.47 million. In the period, the total revenue from sale of electricity was Baht 237.40 million, decreasing from the previous year by Baht 9.38 million. The profit margin was at 60.25% due to the expense for change of deteriorated solar panel. The administrative expense decreased by Baht 4.77 million. The financial expense decreased by Baht 7.62 million due to the repayment of loan. The income tax expense decreased by Baht 12.94 million.

Please be informed accordingly.

Yours faithfully,

-Signed-  
Mrs. Pensri Dettingeng

Authorized Person

Premier Products Public Company Limited