

NO. AC 011/2020 (PT)

5 August 2020

Subject: Clarification on the difference of the profit (loss) from the same period of the previous year, as of 30 June 2020
To : Director
Listing & Disclosure Department, the Stock Exchange of Thailand

According to the Company and its subsidiaries' business operational results for the three-months period ended 30 June 2020, the Company and its subsidiaries had profit of Baht 34.5 million, increasing from the same period of the previous year by Baht 20.3 million.

In the same period of the previous year, the Company's subsidiaries realized impact from change in employment law which increases retirement benefit of employees with employment term of 20 years or more to be 400 days, requiring expense reserve in the total amount of Baht 21.5 million. Therefore, the net profit of the Company and its subsidiaries before such retirement benefit expense reserve for the same period of the previous year was Baht 35.6 million. When comparing to the business operational results for the three-months period ended 30 June 2020, the operational results of the Company and its subsidiaries this year decreased by Baht 1.1 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. Revenue from sale and provision of services relating to computer and computer system

The revenue from sale was Baht 443.8 million, increasing from the same period of the previous year by Baht 145.9 million or 49.0%. Such increase was due to the return to normal operation of most customers during the end of this period, enabling the Company to provide installation services and deliver works for many projects which have been delayed since the first quarter due to the situation of COVID-19, especially financial institutions and technology sector customers. The gross profit margin was at 15.6%, decreasing from the same period of the previous year by 6.0%.

The revenue from provision of services was Baht 274.5 million, increasing from the same period of the previous year by Baht 21.0 million or 8.3% owing to revenue from provision of Professional Services. The revenue from provision of services was mainly derived from work under maintenance service contracts which was the services work continual from products the Company increasingly sold to its customers. The gross profit margin was at 24.7%, decreasing from the previous year by 11.0%.

2. Other revenue

The other revenue was Baht 15.0 million, decreasing from the same period of the previous year by Baht 16.9 million mainly due to the discount and marketing funding support received from manufacturers.

3. Cost of distribution and administrative expenses

The cost of distribution (selling expense) was Baht 19.3 million, not changing from the same period of the previous year. The ratio of cost of distribution to revenue from sale and provision of services was at 2.7% (comparing to 3.2% in 2019).

The administrative expense was Baht 95.5 million, decreasing from the same period of the previous year by Baht 32.9 million or 25.6%, due to the decrease in personnel related expense by Baht 15.8 million and decrease in seminar expense by Baht 1.3 million. The allowance for doubtful accounts decreased by Baht 2.8 million given that this period last year a reserve was set for doubtful accounts in the amount of Baht 2.8 million, while this period there was a reverse of doubtful accounts in the amount of Baht 2.9 million, being the reverse of loss from financial assets impairment. The donation amount decreased by Baht 9.6 million.

4. Financial expense

The financial expense was Baht 2.1 million, increasing from the same period of the previous year by Baht 0.7 million.

5. Income tax

The income tax was Baht 7.9 million, comprising of the computed corporate income tax in the amount of Baht 9.7 million and the deferred tax income in the amount of Baht 1.8 million.

Please be informed accordingly.

Yours faithfully,

-Signed-

(Mrs. Pensri Dettingeng)

Authorized Person

Premier Technology Public Company Limited