

Company Year-End 2017 Reviews

Company structure

Construction business - by Pre-Built "PREB"

Construction Material Production and Sales – by PCM

Past



Real estate business – by BL

- Preb holds 100% in PCM and BL.
- BL had planned to spin-off the real estate business in the last two years. However, the plan changed to disposal of the whole business to a related person.
- Preb recorded a THB 288 million profit and received cash of almost THB 1.8 billion (including related payables) from such transaction.

Present

Construction business - by Pre-Built "PREB"



Construction Material Production and Sales – by PCM

Investment business – by PBH

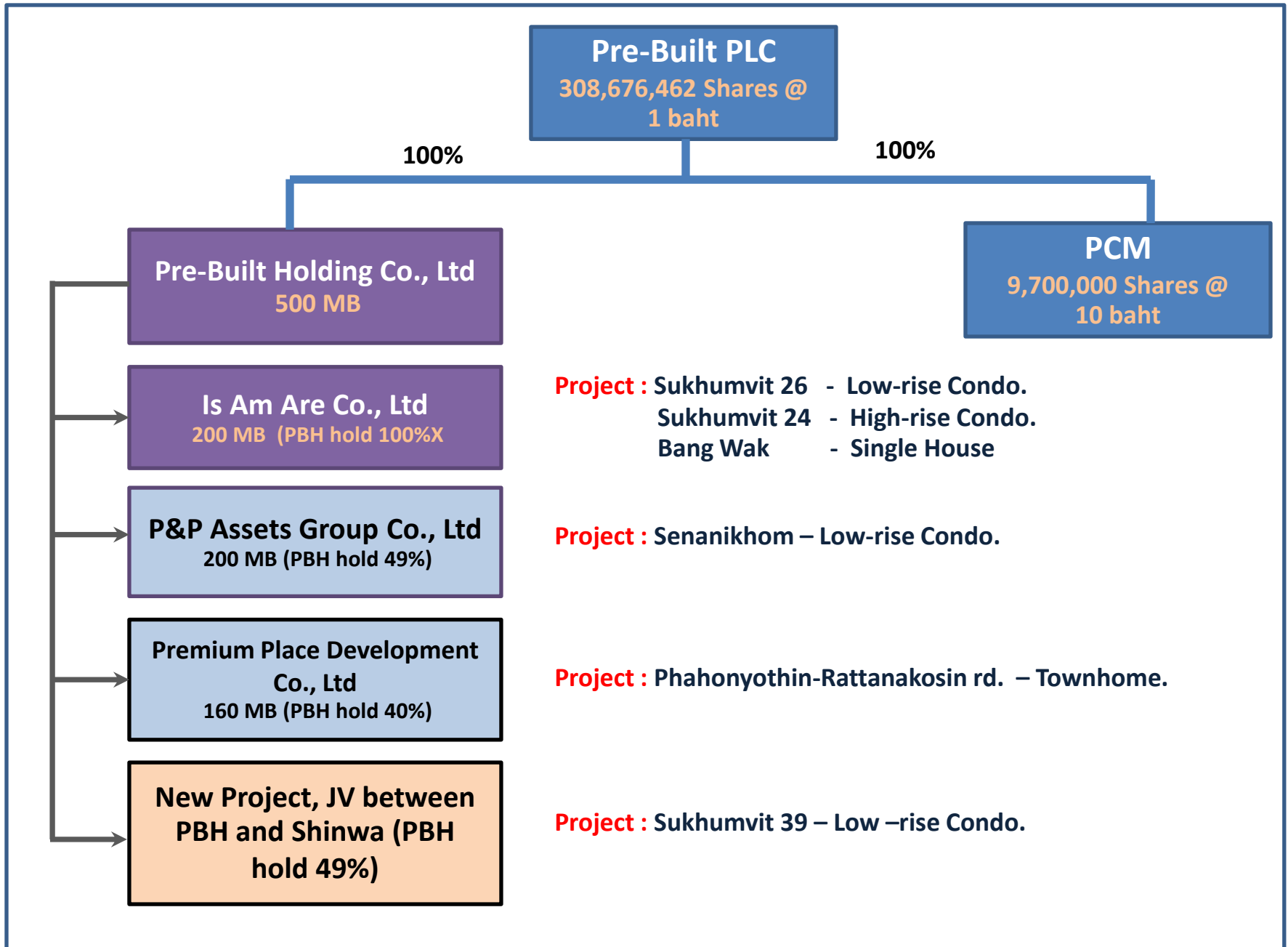


Self development – by IS AM ARE

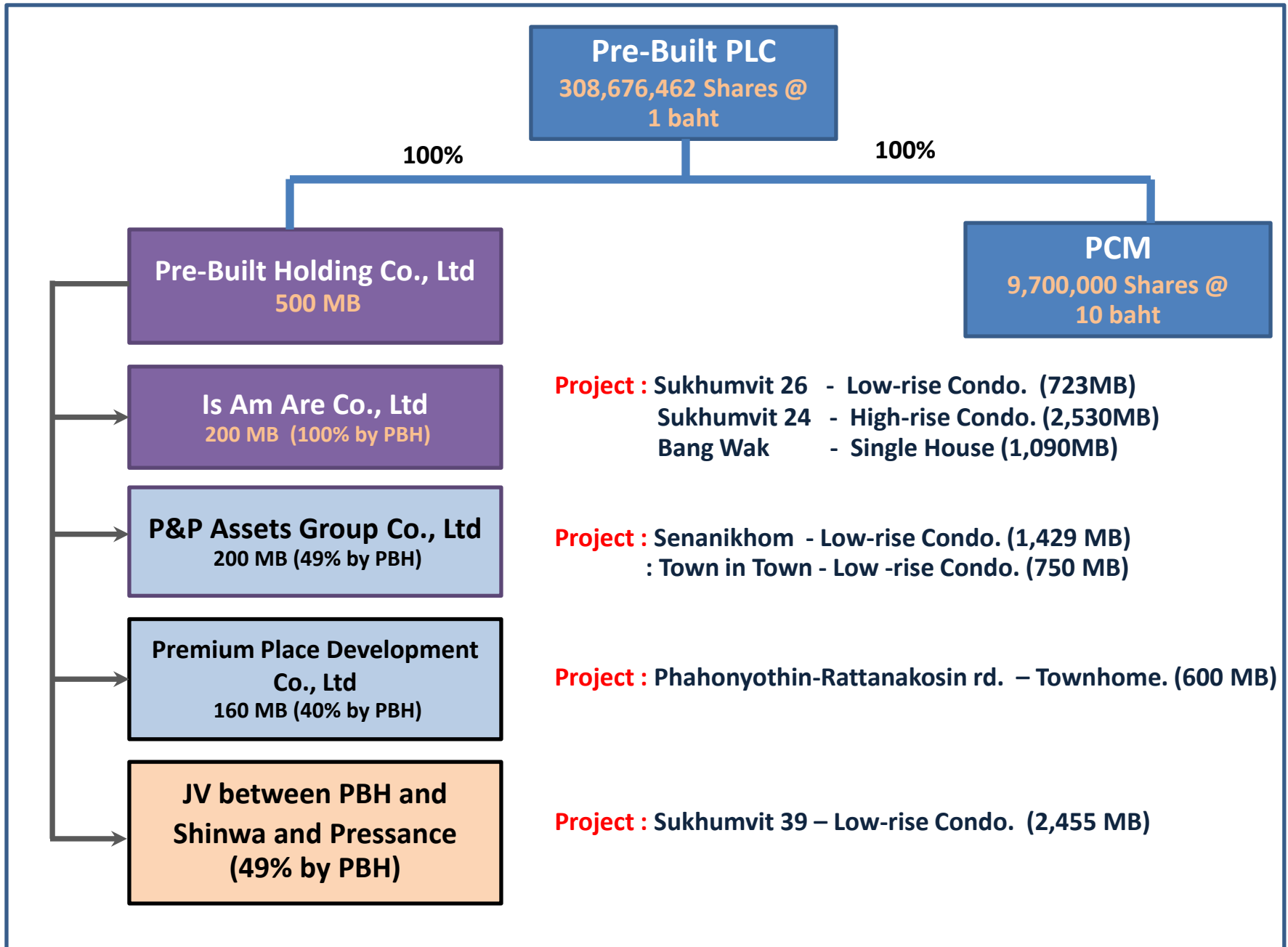
JV

- Preb holds 100% in PCM, PBH and IS AM ARE
- Preb paid a dividend of 1.8 baht per share for the 2017 performance
- IS AM ARE bought land at Sukhumvit 26. PBH jointly invested in two projects with Premium Place Group: one on Phahonyothin Rd, near Senanikhom BTS station and another townhome project located at Phahonyothin Rd, near Big C. PBH also has a joint investment with the Shinwa Group. The project is located on Sukhumvit 39.

Company Structure (as at Dec 2017)



Company Structure as at Q3/2018



Executive Summary

- Construction business in 2018 is predicted to maintain the margin in line with last year
- In 2018, Preb is investing in both self development and JVs with project value of around THB 5.5 billion.
- Moreover, Preb expects to invest by itself in available land, which can contribute project value of around THB 2.5 billion within 2018.
- All investment starts in 2018 and profit will be evident in 2019 onward.
- Preb has a good dividend yield and ROE, which are above the market.

Key Experience

Construction Business

- Preb has experience in construction of high-rise buildings of more than 50 floors.
- Half of the backlog on hand is from old customers, which believe in the quality and timeliness of its work.
- Preb is able to maintain a high gross margin.

Real Estate Business

- Preb delivers a gross margin of around 30% in the real estate business, which is in line the market, due to synergy with the construction business.

Past Record - Construction Business (only 2017)

Construction (partial)

Period	Type of Work	Projects	Contract Value (MB)
2012 - 2015	54 floor and 37 floor buildings	Zire Wongamat Pattaya ↓	1,159.00
2013 - 2015	Parking Building	Dhammakaya Car Park	1,102.00
2013 - 2015	Parking Building	Dhammakaya Residential Building ↓	1,167.00
2014 - 2017	24 floor and 32 floor buildings	Tempo Grand Sathorn - Wutthakat ↓	1,500.00
2015 - 2017	28 floor building	Whizdom Avenue Ratchada - Ladprao	674.00
2015 - 2016	Three 8 floor buildings	Premio Fresco	233.00
2016 - 2017	32 floor building	Ideo Mobi Bangsue Grand Interchange	771.00
2015 - 2017	Townhomes	Mews Yen Akat	176.00
2014 - 2017	12 floor building	Dhammakaya Residential Building	1,282.00
2015 - 2017	39 floor building	Aeras	554.00
2015 - 2018	12 floor building	Dhammakaya Residential Building Phase 2	1,027.00
2015 - 2018	System work	Dhammakaya Residential Building Phase 2 (M&E)	190.00
2015 - 2018	56 floor building	Ashton Chula - Silom ↓	2,010.00
2016 - 2018	34 floor building	Beatniq	720.00
2016 - 2019	Parking and office buildings	Puay 100 Years Learning Park	873.00
2016 - 2018	Office building	Central Building Phase 2	595.00
2016 - 2018	27 floor building	Sand Pratamnak	477.00
2016 - 2018	37 floor building	Whizdom Station Ratchada - Thapra	674.00
2016 - 2018	33 floor building	Tela Thonglor	529.00
2017 - 2019	34 floor building	Target Place Hotel and Executive Service Residence	501.00
2017 - 2018	Two 8 floor buildings	Present Condo	232.00
2018 - 2020	37 floor building	The Lofts Silom	766.00

Past Record - Real Estate Business

Pre-built has experience in land development for both high rise and low rise. Pre-built used to run a real estate business through a subsidiary company, namely, Built Land Company Limited, under the brand “Tempo”. All projects around 1,600 units in 7 projects were achieved. However, Prebuilt sold its investment in the real estate business in 2017 after receiving a good offer.

Financial Statement Review – Year-End 2017

Pre-Built PCL “PREB” – Company Update



consolidated

Company Information:

CG Report:

CAC Certificated on **25 May 2017**
 Authorized Capital **308,676,462.00**
 Par Value **1 Baht**
 First Trade Date **02 Dec 2005**

Major Share Holders

Charoentra Family **26.32%**
 Other **73.68%**

Statement of Financial Position			
Year End	2015	2016	2017
GPM-construction	12.55%	14.72%	13.30%
GPM-PCM	25.05%	17.11%	19.17%
GPM-total	13.73%	14.93%	13.83%
SG&A / Sales	5.50%	5.53%	4.81%
Core profit margin	7.13%	6.70%	10.83%
Total profit margin	7.77%	22.67%	15.64%
Interest-bearing Debt / Equity (%)	58.25%	10.36%	0.00%
ROE	21.51%	38.63%	33.06%

PREB

Statement of Comprehensive Income

Year End (Btm)	2015	2016	2017
Construction revenues	3,532	3,117	4,091
Construction Material Sale	366	309	408
<i>Total sales & services</i>	<i>3,898</i>	<i>3,425</i>	<i>4,499</i>
Gain on sales of investment in subsidiaries	-	-	289
Other income	74	51	39
Total revenues	3,972	3,476	4,827
Total cost of sales & services	(3,363)	(2,914)	(3,877)
Construction GM	443	459	544
Construction Material Sale GM	92	53	78
Total Gross Profit Margin	535	511	622
SG & A	(214)	(189)	(217)
EBIT	394	373	733
Interest expense	(20)	(17)	(0)
Corporate tax	(82)	(123)	(210)
Profit for the year from continuing operations	293	233	523
Profit for the year from discontinued operations	11	555	181
Net Profit	303	788	704
Cash Dividend	0.50	1.00	1.8
Stock dividend	-	-	-

Statement of Financial Position

Year End (Btm)	2015	2016	2017
Cash & equivalent	544	707	449
Current investment	1,041	948	1,569
Account Receivables	456	573	511
Construction in progress	1,753	1,255	198
Total current assets	4,434	4,219	3,646
Investments in associates			95
PP & E	370	344	306
Land held for development		169	
Total assets	5,253	5,056	4,326
ST loans & current portion			
Trade & unbilled payables	1,032	1,179	1,005
Advances revied from Construction contracts & c	1,637	1,239	918
Total current liabilities	2,983	2,761	2,160
LT loans from financial institutions	421	211	
LT debt & corporate bond	400		
Total liabilities	3,845	3,016	2,198
Paid-up capital	309	309	309
Share premium	284	284	284
Total Shareholders' equity	1,409	2,040	2,128

Net Profit breakdown



(Net Profit ' 000 Baht)	2015	%	2016	%	2017	%
PB-Construction	252,869.25	83.4%	228,610.21	29.0%	511,380.32*	72.7%
PCM-Construction Material Sales	29,443.18	9.7%	4,369.75	0.6%	14,806.92	2.1%
PBH-Holding Co.	-	0.0%	-	0.0%	(3,223.18)	-0.5%
Real Estate	20,754.93	6.8%	555,153.57	70.4%	180,552.79	25.7%
Conso. Net Profit	303,067.36	100.0%	788,133.53	100.0%	703,516.85	100.0%

Note: *Net profit in 2017 of THB 511,380.32 million includes profit from selling of investment in Built land of THB 288 million.

(Excluding the dividend received and its tax benefit, net profit of the construction business in 2017 was around THB 271 million.)

The drop in the net profit of the construction business in 2016 is explained by the related margin between Prebuilt and Built Land on the Tempo Grand Project, which had to be deducted from construction income. 2015 and 2017 had minor deductions for this transaction.

Key explanations for FS at December 2017

- Construction income in 2017 showed a better performance than FY 2015 and FY 2016 because of the clear economic trend and the stable political situation. Most of the company's customers were the same as in the past.
- Construction material sales income in 2017, operated by PCM, increased from the previous year due to an increase in precast wall sales.
- The gross margin of the construction business was in the average range of 10%-15%, dependent on the competitive situation and conditions of construction. The highlighted risk concerns for job acceptance are the continuance of tasks, margin and payment risk.
- The gross margin in PCM is normally higher than 15%. The variation of the gross margin each year depends on the product mix.
- The gross profit in the core business was 10.83%, which was higher than the previous year because of the exclusion of the real estate business that was sold.
- The gross profit of the company in 2017 was 15.64%, lower than the previous year due to the fact that the performance of the real estate business in 2017 was consolidated for only five months before its disposal.
- After selling the investment in the real estate business, the company had no debt.
- Return on equity in 2017 was 33.06%, decreasing slightly from the previous year due to the disposal of the discontinued business.