



No. Demco 023/2017

November 14, 2017

Subject : The company's operating result of the 3rd quaternary for the year 2017.

To : The president,
The Stock Exchange of Thailand.

Demco Public Company Limited would like to inform you herewith the company result of the 3rd quaternary for the year 2017 according to the company's financial statement ended September 30, 2017. The conclusions are as follow;

1. Revenue : The total revenue of the 3rd quaternary for the year 2017 was MTHB 1,098.05 representing a decrease 51.02% comparing to the total revenue of amount MTHB 2,241.99 at the same period of year 2016.

The revenue from services business was decreased MTHB 1,087.87 comparing to the revenue from services business of amount MTHB 2,033.17 at the same period of year 2016 and representing a decrease 53.51%. The revenue from services business of the 3rd quaternary for the year 2017 was MTHB. 945.30. This was because of reduction of the revenue construction works of renewable energy power plants projects of private sector.

The revenue from sales business was decreased of MTHB 54.21 comparing to the revenue from sales business of amount MTHB 192.83 at the same period of year 2016 and representing a decrease 28.11%. The revenue from services business of the 3rd quaternary for the year 2017 was MTHB 138.62. The revenue was decreased from trading business of imported electrical equipment made for large scale projects.

2. Gross profit : The total gross profit of the 3rd quaternary for the year 2017 was MTHB 159.97 representing an increase of 17.59 percent from the total gross profit of the 3rd quaternary for the year 2016 of amount MTHB 136.04. The gross profit rate was increased from 6.11 percent to 14.76 percent. The profit detail was as follow;

The gross profit from services business was increased from MTHB 120.89 of the 3rd quaternary for the year 2016 to MTHB 132.12 of the 3rd quaternary for the year 2017 or 9.29 percent increased. Considering in the gross profit rate, it was increased from 5.95 percent to 13.98 percent. The revenue recognition from the projects of the quarter 3/2017 was from substations construction projects that caused high gross profit rate.

The gross profit from sales business was increased from MTHB 15.15 of the 3rd quaternary for the year 2016 to MTHB 27.85 of the 3rd quaternary for the year 2017 or 83.87 percent increasing. Considering in the gross profit rate, it was increased from 7.85 percent to 20.09 percent. The increased gross profit rate is from trading business of telecommunication towers.

3. Sales and administration costs: Sales and administration costs of the 3rd quaternary for the year 2017 was MTHB 87.79 increased MTHB 3.34 or 3.95 percent comparing to the one of the amount MTHB 84.45 for the 3rd quaternary of the year 2016.

Sales and administration costs (Normal entry) was MTHB 78.02 which increased 3.84 percent comparing to the one of for the 3rd quaternary for the year 2016 of amount MTHB 75.14.

Sales and administration costs (Special entry) was MTHB 9.77 which increased 4.91 percent comparing to the one of for the 3rd quaternary for the year 2016 of amount MTHB 9.31.



Details of the costs involving to the WTGs foundation improvement for Huay Bong 2&3 Wind Farm at September 30, 2017 are as shown in the table.

Description	Estimated total improvement cost (until year 2016)	Estimate and cost for accounting recorded in 2017	Estimated total improvement cost (until Q3 2017)	Aggregate actual cost Ended at Sep 30, 2017	Estimated Improvement cost (For remaining works) At Sep 30, 2017
Improvement cost	608.43	-	608.43	484.64	123.79
Re-design cost, advisor cost, insurance, etc.	93.72	-	93.72	73.55	20.17
Sub-total cost	702.15	-	702.15	558.19	143.96
Compensation for Loss of production cost	696.57	49.64	746.21	746.21	-
Total cost	1,398.72	49.64	1,448.36	1,304.40	143.96
Deduct owners' compensation	-30.00	-	-30.00	-	-30.00
Net cost	1,368.72	49.64	1,418.36	1,304.40	113.96

4. Net profit: the net profit of 3rd quaternary for the year 2017 is MTHB 75.43 representing an increase of 65.64 percent from the net profit of the 3rd quaternary for the year 2016 amount MTHB 45.54 mainly due to the reduction of cost of sales and service. In the 3rd quaternary for the year 2017, the company recorded shared profit from the investment in associate company of amount MTHB 27.71. The net profit rate was increased from 2.03 percent to 6.87 percent.

Please be informed accordingly,

Yours sincerely,

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Paitoon Gumchai

Director and The Company's Secretary

Authorized sign on behalf of the Company