

No. Demco AC003/2018

MAY 15, 2018

Subject : The company's operating result of the 1st quarter of year 2018.

To : The president,
The Stock Exchange of Thailand.

Demco Public Company Limited would like to inform you herewith the company result of the 1st quarter of year 2018 according to the company's consolidated financial statement ended March 31, 2018. The conclusions are as follow;

1. Revenue: The total revenue of the 1st quarter of year 2018 of Baht 1,284.33 million increased of Baht 46.92 million or 3.79% comparing to the total revenue of the same period of last year of Baht 1,237.41 million.

The revenue form service business increased of Baht 24.93 million or 2.66% comparing to services income of the 1st quarter of year 2017 of Baht 936.54 million. Revenue from services business of the 1st quarter of year 2018 was Baht 961.48 million. The significant increase due to the increase of the revenue construction works of transmission line towers and substations construction projects.

The revenue from sale business was increased of Baht 15.14 million or 5.25% comparing to the revenue from sales business of 1st quarter of year 2017 of Baht 288.59 million. The revenue from sale business of 1st quarter of year 2018 was Baht 303.73 million. The revenue was increased from sales of high voltage transmission line towers.

2. Gross profit: The total gross profit of the 1st quarter of year 2018 was Baht 152.98 million representing an increase of 6.59 % of the total gross profit of 1st quarter of year 2017 of Baht 143.52 million. The gross profit rate was increased from 11.72% to 12.09%. The profit detail was as follow;

The gross profit from service business of the 1st quarter of year 2018, the Company has gross profit from service income of Baht 131.51 million or 13.68 % increasing from the same period of last year of 28.10 million or 27.17% because the gross profit of substations and high voltage transmission line construction projects are high gross profit rates while last year, the Company has renewable energy construction projects that low rate.

The gross profit from sale business of the 1st quarter of year 2018, the Company has gross profit from sale income of Baht 21.46 million or 7.07% decreasing from the same period of last year of 18.64 million or 46.49% because of selling to Government department section the has low amount of profit in this quarter.

3. Sales and administrative expenses: Sales and administrative expenses of the 1st quarter of year 2018 of Baht 90.12 million decreased of Baht 38.59 million or 29.98% when comparing to the 1st quarter of year 2017 which was Baht 128.70 million as follow:



Sales and administrative expenses (Normal entry) was Baht 81.93 million which decreased 16.91% comparing to the 1st quarter of year 2017 of Baht 98.60 million.

Sales and administrative expenses (Special entry) was Baht 8.19 million which decreased 72.79% comparing to the 1st quarter of year 2017 of Baht 30.10 million.

Details of the costs involving to the WTGs foundation improvement for Huay Bong 2&3 Wind Farm as at March 31, 2018 are as shown in the table.

Description	Estimated total improvement cost (as of year 2017)	Estimate and cost for accounting recorded in 2018	Estimated total improvement cost (until Q1 2018)	Aggregate actual cost ended as of March 31, 2018	Estimated Improvement cost (For remaining works) As at March 31, 2018
Improvement cost	645.35	-	645.35	484.64	160.71
Re-design cost, advisor cost, insurance, etc.	93.72	-	93.72	73.55	20.17
Sub-total cost	739.07	-	739.07	558.19	180.88
Compensation for Loss of production cost	756.32	8.19	764.51	764.51	-
Total cost	1,495.39	8.19	1,503.58	1,322.70	180.88
Deduct owners' compensation	(30.00)	-	(30.00)	-	(30.00)
Net cost	1,465.39	8.19	1,473.58	1,322.70	150.88

4. Net profit: the 1st quarter of year 2018, the Company has net profit of Baht 77.80 million representing an increase of 46.81% when comparing to the net profit of 1st quarter of year 2017 of Baht 53 million. The major reason was due to the reduction of cost of sales and service. In the 1st quarter of year 2018, the company recorded shared profit from the investment in associate company of amount Baht 34.99 million. The net profit rate was increased from loss of 4.28% to profit of 6.06%.

Please be informed accordingly,

Yours sincerely,

.....
Paitoon Gumchai
Director and The Company's Secretary
Authorized sign on behalf of the Company