

No. Demco AC005/2018

November 14, 2018

Subject : The company's operating result of the 3rd 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 3rd quarter of year 2018 according to the company's consolidated financial statement ended September 30, 2018. The conclusions are as follow;

1. Revenue: The total revenue of the 3rd quarter of year 2018 was Baht 1,034.17 million decreasing of Baht 63.88 million or 5.82% comparing to the total revenue of the same period of last year at Baht 1,098.05 million.

The revenue form service business for 3rd quarter of year 2018 was Baht 840.34 million decreasing of Baht 104.96 million or 11.10% comparing to services income of the 3rd quarter of year 2017 at Baht 945.30 million. The decrease due to the decrease of the revenue from renewable energy construction projects and substations construction projects.

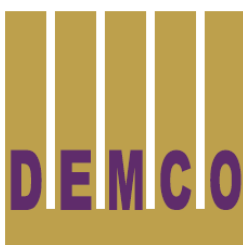
The revenue from sale business for 3rd quarter of year 2018 was Baht 179.81 million increased of Baht 41.19 million or 29.72% comparing to the revenue from sales business of 3rd quarter of year 2017 at Baht 138.62 million. The revenue was increased from the sale of high voltage equipment.

2. Gross profit: The total gross profit of the 3rd quarter of year 2018 was Baht 85.57 million representing an decreasing of 46.51% from the total gross profit of 3rd quarter of year 2017 at Baht 159.97 million. The gross profit rate was decreasing from 14.76% to 8.39%. The profit detail was as follow;

The gross profit from service business of the 3rd quarter of year 2018, the Company has gross profit from service income of Baht 87.32 million or 10.39% decreasing from the same period of last year of Baht 132.12 million or 13.98% because this quarter the Company close a lot of substations projects caused some additional expenses.

The loss from sale business of the 3rd quarter of year 2018, the Company has a loss from sale income of Baht 1.75 million or 0.97% decreasing from the same period of last year of profit Baht 27.85 million because of the decreasing of production resulting of higher production cost.

3. Sales and administrative expenses: Sales and administrative expenses of the 3rd quarter of year 2018 at Baht 99.56 million increasing of Baht 11.77 million or 13.41% when comparing to the 3rd quarter of year 2017 which was Baht 87.79 million :



Sales and administrative expenses (Normal entry) was Baht 81.38 million which increasing 4.30% comparing to the 3rd quarter of year 2017 at Baht 78.02 million.

Sales and administrative expenses (Special entry – loss of production compensation) was Baht 18.18 million which increasing 86.12% comparing to the 3rd quarter of year 2017 at Baht 9.77 million.

Details of the costs involving to the WTGs foundation improvement for Huay Bong 2&3 Wind Farm as at September 30, 2018 are as shown in the table.

Description	Estimated total improvement cost (as of year 2017)	Estimate and cost for accounting recorded In Q1-Q3 2018	Estimated total improvement cost (until Q3 2018)	Aggregate actual cost ended as of September 30, 2018	Estimated Improvement cost (For remaining works) As at September 30, 2018
Improvement cost	645.35	-	645.35	490.36	154.99
Re-design cost, advisor cost, insurance, etc.	93.72	-	93.72	73.55	20.17
Sub-total cost	739.07	-	739.07	563.91	175.16
Compensation for Loss of production cost	756.32	34.56	790.88	790.88	-
Total cost	1,495.39	34.56	1,529.95	1,354.79	175.16
Deduct owners' compensation	(30.00)	-	(30.00)	-	(30.00)
Net cost	1,465.39	34.56	1,499.95	1,354.79	145.16

4. Net profit: the 3rd quarter of year 2018, the Company has net profit at Baht 62.91 million representing an decrease of 16.60% when comparing to the net profit of 3rd quarter of year 2017 at Baht 75.43 million. The major reason was due to additional cost for closing substation projects. In the 3rd quarter of year 2018, the company recorded shared profit from the investment in associate company of amount Baht 87.22 million. The net profit rate was decreased from 6.87% to 6.08%.

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