



No. Demco AC004/2019

November 13, 2019

Subject : The company's operating result for the 3rd quarter of year 2019

To : The president,
The Stock Exchange of Thailand.

Demco Public Company Limited would like to inform you herewith the company result for the 3rd quarter of year 2019 according to the company's consolidated financial statement ended September 30, 2019. The conclusions are as follow;

Operating performance :

1. Revenue : The total revenue of the 3rd quarter of year 2019 was Baht 724.46 million representing a decrease 29.95% comparing to the total revenue of Baht 1,034.17 million of the same period of last year.

The revenue from service business of the 3rd quarter of year 2019 amount Baht 652.87 million was decreased of Baht 187.47 million or 22.31% from the revenue from services business of Baht 840.34 million of 3rd quarter of year 2018. The significant decreasing came from the reduction of the revenue from construction works of substation, Transmission line work.

The revenue from sale business of the 3rd quarter of year 2019 Baht 60.67 million was decreased of Baht 119.14 million or 66.26% from the revenue of Baht 179.81 million of 3rd quarter of year 2018. The revenue was decreased from the revenue of sold electrical equipment and the revenue from the sold telecommunication towers because the communication system 4G is coming to the end of the investment period.

2. Gross profit : The total gross profit of the 3rd quarter of year 2019 was Baht 108.66 million representing an decreased of Baht 23.10 million or 26.99% of the total gross profit of Baht 85.57 million of 3rd quarter of year 2018. The total gross profit rate was increased from 8.39% to 15.23% as follow:

The gross profit from service business of the 3rd quarter of year 2019, the Company has gross profit from service income of Baht 121.07 million or 18.54% increased from the same period of last year of Baht 33.76 million or 38.66%

The gross profit from sale business of 3rd quarter of year 2019, the Company had a gross loss from sale income of Baht 12.41 million or 20.45% of sale revenue decreased from the same period of last year of profit Baht 10.66 million. The loss profit rate from sale business was decreased from 0.97% to 20.45%.

3. Sales and administrative expenses : Sales and administrative expenses of the 3rd quarter of year 2019 was Baht 196.56 million increased of Baht 97 million comparing to the 3rd quarter of year 2018 which was Baht 99.56 million or 97.43%.

Sales and administrative expenses (Normal entry) was Baht 95.35 million which increased 17.17% comparing to the sales and administrative expenses (normal entry) of Baht 81.38 million of 3rd quarter of year 2018.

Sales and administrative expenses (Special entry) was Baht 101.21 million which resulted from compensation for loss of production cost which increased comparing to the compensation of Baht 18.18 million of 3rd quarter of year 2018.

Details of the costs involving to the WTGs foundation improvement for Huay Bong 2&3 Wind Farm as at September 30, 2019 were as shown in the table.

Description	Estimated total improvement cost (as of year 2018)	Estimated and cost for accounting recorded In Q1 – Q3 2019	Estimated total improvement cost (as of 3 rd quarter of year 2019)	Aggregate actual cost ended as of September 30, 2019	Estimated Improvement cost (For remaining works) As at September 30, 2019
Improvement cost	681.69	-	681.69	702.62	-
Re-design cost, advisor cost, insurance, etc.	111.08	-	111.08	103.26	-
Sub-total cost	792.77	-	792.77	805.88	-
Compensation for Loss of production cost	788.91	172.25	961.16	961.16	-
Total cost	1,581.68	172.25	1,753.93	1,767.04	-
Deduct owners' compensation	(30.00)	-	(30.00)	(30.00)	-
Net cost	1,551.68	172.25	1,723.93	1,737.04	-

4. Net profit : the net profit of the 3rd quarter of year 2019 is Baht 5 million representing an decreased of 92.05% of the net profit of 3rd quarter of year 2018 of Baht 62.91 million mainly due to increased from administrative expenses(Special entry). The Net profit rate was decreased from 6.08% to 0.69%

5. The projects still being under construction (not yet delivered to the owner) at November 13, 2019 are as follows;

	Quantity (Projects)	Amount (Million Baht)
Power Electrical Engineering System	37	1,741.50
Telecommunication & Signaling	3	1,041.29
Renewable Energy Project	2	61.99
Total	42	2,844.78

Consolidated Financial Position information

Current assets as at 30st September, 2019 was Baht 2,275.50 million. Increased amount of Baht 249.71 million or 12.33% was from current assets amount of Baht 2,025.79 million as at 31st December 2018. The mainly increased from the Trade and other receivables of amount Baht 98 million and recorded Unbilled installments on completed works Baht 88.24 million, and inventories Baht 59.96 million.

Non-current assets as at 30st September, 2019 was Baht 3,955.96 million which increased slightly amount Baht 74.87 million or 1.93% compared to non-current assets as at 31st December 2018

Current liabilities as at 30st September, 2019 was Baht 2,582.05 million which increased of Baht 311.50 million or 13.72% from current liabilities amount of Baht 2,270.56 million as at 31st December 2018, the mainly increased from Bank overdrafts and short-term loans from financial institutions Baht 209.62 million, recorded account payables and other payables amount Baht 192.51 million.

Non-current liabilities as at 30st September, 2019 was Baht 451.58 million which increased slightly amount Baht 6.05 million or 1.36% from non-current liabilities amount of Baht 445.53 million as at 31st December 2018.

Shareholders' equity as at 30st September, 2019 was Baht 3,197.82 million. Increased amount of Baht 22.90 million was from Performance Operation results of 3rd quarter of year 2019.

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