

EMC 011/2019

August 13, 2019

Subject : Management Discussion and Analysis for Quarter 2/2019

Attention : The Director and the Manager
The Stock Exchange of Thailand

EMC Public Company Limited (“the Company”) would like to clarify the Company’s results of operation as of quarter 2/2019 ended June 30, 2019 as follows:

REVENUES FROM THE OPERATION

In quarter 2/2019, the total revenue of the Company and subsidiaries is Baht 397.14 million, an increase of Baht 116.04 million or 41.28 percent comparing to that of quarter 2/2018 which the total revenue was Baht 281.10 million due to an increase in revenue from construction services.

For 6 months of 2019, the total revenue of the Company and subsidiaries is Baht 885.38 million, an increase of Baht 361.80 million or 69.10 percent comparing to that of 6 months of 2018 which the total revenue was Baht 523.58 million due to an increase of the revenue realization from construction services.

CONSTRUCTION AND REAL ESTATE COSTS

In quarter 2/2019, the Company and subsidiaries has recorded the construction costs amounting to Baht 268.42 million or 89.21 percent of the construction service revenues, an increase of Baht 78.36 million or 41.23 percent comparing to that of quarter 2/2018 which the total cost was Baht 190.06 million. The construction and services costs of real estate business are Baht 61.47 million or 77.35 percent of the real estate revenues.

For 6 months of 2019, the Company and subsidiaries has the construction costs amounting to Baht 569.19 million or 88.75 percent of the construction service revenues, an increase of Baht 224.50 million or 65.13 percent comparing to that of 6 months of 2018 which the total cost was Baht 344.69 million. The construction and services costs of real estate business are Baht 145.41 million or 76.76 percent of the real estate revenues.

SALES AND ADMINISTRATION EXPENSES

The sales and administration expense in quarter 2/2019 is Baht 57.15 million representing 14.39 percent of the total revenue, an increase of Baht 10.72 million or 23.09 percent comparing to that of the same quarter of the previous year.

The sales and administration expenses for 6 months of 2019 is equivalent to Baht 109.05 million or 12.32 percent of the total revenue, an increase of Baht 14.27 million or 15.06 percent comparing to that of the same period of the previous year due to an increase in sales expenses of Baht 5.59 million and administration expenses of Baht 8.68 million.

FINANCIAL COSTS

The financial costs in quarter 2/2019 is Baht 2.12 million, a decrease of Baht 1.54 million or 42.08 percent comparing to that of the same quarter last year.

The financial costs for 6 months of 2019 is Baht 4.74 million, a decrease of Baht 1.72 million or 26.63 percent comparing to that of the same period last year due to the repayment of loans from financial institutions for real estate development projects and construction services.

NET PROFITS

In quarter 2/2019, the Company and subsidiaries has recorded a net profit of Baht 7.94 million representing a net profit margin of 2.00 percent of the total revenue, a decrease of Baht 3.22 million or 28.85 percent comparing to that of the same period last year.

For 6 months of 2019, the Company and subsidiaries has recorded a net profit of Baht 55.18 million representing a net profit margin of 6.23 percent of the total revenue, an increase of Baht 49.84 million or 933.33 percent comparing to that of the same period last year, due to the increase in the revenue realization from construction services.

Please be informed accordingly.

Yours faithfully,

(Mr. Ratchai Pichayapoom)

Chief Financial Officer