



No. Demco AC003/2019

August 14, 2019

Subject : The company's operating result for the 2<sup>nd</sup> 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 2<sup>nd</sup> quarter of year 2019 according to the company's consolidated financial statement ended June 30, 2019. The conclusions are as follow;

**Operating performance :**

1. Revenue : The total revenue of the 2<sup>nd</sup> quarter of year 2019 was Baht 858.56 million representing a decrease 26.96% comparing to the total revenue of Baht 1,175.44 million of the same period of last year.

The revenue from service business of the 2<sup>nd</sup> quarter of year 2019 amount Baht 807.93 million was decreased of Baht 152.67 million or 15.89% from the revenue from services business of Baht 960.60 million of 2<sup>nd</sup> quarter of year 2018. The significant decreasing came from the reduction of the revenue from construction works of substation, renewable energy plant.

The revenue from sale business of the 2<sup>nd</sup> quarter of year 2019 Baht 40.93 million was decreased of Baht 168.27 million or 80.43% from the revenue of Baht 209.20 million of 2<sup>nd</sup> 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 2<sup>nd</sup> quarter of year 2019 was Baht 128.19 million representing an decreased of Baht 8.18 million or 6% of the total gross profit of Baht 136.38 million of 2<sup>nd</sup> quarter of year 2018. The total gross profit rate was increased from 11.66% to 15.10% as follow:

The gross profit from service business of the 2<sup>nd</sup> quarter of year 2019, the Company has gross profit from service income of Baht 126.40 million or 15.65% increased from the same period of last year of Baht 2.55 million or 2.06%

The gross profit from sale business of 2<sup>nd</sup> quarter of year 2019, the Company has a gross profit from sale income of Baht 1.79 million or 4.37% of sale revenue decreasing from the same period of last year of profit Baht 10.73 million. The gross profit rate from sale business was decreased from 5.99% to 4.37%.

3. Sales and administrative expenses : Sales and administrative expenses of the 2<sup>nd</sup> quarter of year 2019 was Baht 136.96 million increased of Baht 52.07 million comparing to the 2<sup>nd</sup> quarter of year 2018 which be Baht 84.90 million or 61.33%.

Sales and administrative expenses (Normal entry) was Baht 84.51 million which increased 10.17% comparing to the sales and administrative expenses (normal entry) of Baht 76.71 million of 2<sup>nd</sup> quarter of year 2018.

Sales and administrative expenses (Special entry) was Baht 52.45 million result from compensation for loss of production cost which increased comparing to the compensation of Baht 8.19 million of 2<sup>nd</sup> quarter of year 2018.

Details of the costs involving to the WTGs foundation improvement for Huay Bong 2&3 Wind Farm as at June 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 – Q2 2019	Estimated total improvement cost (as of 2 <sup>nd</sup> quarter of year 2019)	Aggregate actual cost ended as of June 30, 2019	Estimated Improvement cost (For remaining works) As at June 30, 2019
Improvement cost	681.69	-	681.69	573.38	108.31
Re-design cost, advisor cost, insurance, etc.	111.08	-	111.08	96.79	14.29
Sub-total cost	792.77	-	792.77	670.17	122.60
Compensation for Loss of production cost	788.91	71.04	859.95	859.95	-
Total cost	1,581.68	71.04	1,652.72	1,530.12	122.60
Deduct owners' compensation	(30.00)	-	(30.00)	-	(30.00)
Net cost	1,551.68	71.04	1,622.72	1,530.12	92.60

4. Net profit : the net profit of the 2<sup>nd</sup> quarter of year 2019 is Baht 5.88 million representing an decreased of 88.35% of the net profit of 2<sup>nd</sup> quarter of year 2018 of Baht 50.51 million mainly due to the decrease in revenue and increased from administrative expenses(Special entry). The Net profit rate was decreased from 4.30% to 0.69%

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

	Quantity (Projects)	Amount (Million Baht)
Power Electrical Engineering System	69	2,003.44
Telecommunication & Signaling	4	263.28
Renewable Energy Project	2	81.77
<b>Total</b>	<b>75</b>	<b>2,348.49</b>

#### Consolidated Financial Position information

Current assets as at 30<sup>st</sup> June, 2019 was Baht 2,275.65 million. Increase amount of Baht 249.85 million or 12.33% was from current assets amount of Baht 2,025.79 million as at 31<sup>st</sup> December 2018. The mainly increase was from the recorded Unbilled installments on completed works Baht 112.03 million, trade and other receivables of amount Baht 95.77 million and inventories Baht 73.83 million.

Non-current assets as at 30<sup>st</sup> June, 2019 was Baht 3,865.75 million decrease slightly amount Baht 15.34 million or 0.40% compared to non-current assets as at 31<sup>st</sup> December 2018

Current liabilities as at 30<sup>st</sup> June, 2019 was Baht 2,576.26 million increase of Baht 305.70 million or 13.46% from current liabilities amount of Baht 2,270.56 million as at 31<sup>st</sup> December 2018, the increase was from recorded account payables and other payables amount Baht 294.06 million.

Non-current liabilities as at 30<sup>st</sup> June, 2019 was Baht 372.32 million decreased slightly amount Baht 73.21 million or 16.43% from non-current liabilities amount of Baht 445.53 million as at 31<sup>st</sup> December 2018.

**Shareholders' equity** as at 30<sup>st</sup> June, 2019 was Baht 3,192.82 million. Increased amount of Baht 17.90 million was from Performance Operation results of 2<sup>nd</sup> 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