

EMC 015/2019

November 12, 2019

Subject : Management Discussion and Analysis for Quarter 3/2019

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 3/2019 ended September 30, 2019 as follows:

REVENUES FROM THE OPERATION

In quarter 3/2019, the total revenue of the Company and subsidiaries is Baht 176.19 million, a decrease of Baht 504.31 million or 74.11 percent comparing to that of quarter 3/2018 which the total revenue was Baht 680.50 million due to a decrease in revenue from construction services and revenue from sales of real estate.

For 9 months of 2019, the total revenue of the Company and subsidiaries is Baht 1,062.61 million, a decrease of Baht 141.47 million or 11.75 percent comparing to that of 9 months of 2018 which the total revenue was Baht 1,204.08 million due to a decrease of the revenue realization from construction services and sale of real estate.

CONSTRUCTION AND REAL ESTATE COSTS

In quarter 3/2019, the Company and subsidiaries has recorded the construction costs amounting to Baht 143.26 million or 91.01 percent of the construction service revenues, a decrease of Baht 287.59 million or 66.75 percent comparing to that of quarter 3/2018 which the total cost was Baht 430.85 million. The construction and services costs of real estate business are Baht 17.66 million or 140.49 percent of the real estate revenues.

For 9 months of 2019, the Company and subsidiaries has the construction costs amounting to Baht 712.45 million or 89.19 percent of the construction service revenues, a decrease of Baht 63.09 million or 8.13 percent comparing to that of 9 months of 2018 which the total cost was Baht 775.54 million. The construction and services costs of real estate business are Baht 163.07 million or 77.25 percent of the real estate revenues.

SALES AND ADMINISTRATION EXPENSES

The sales and administration expense in quarter 3/2019 is Baht 49.24 million representing 27.95 percent of the total revenue, an increase of Baht 0.49 million or 1.01 percent comparing to that of the same quarter of the previous year.

The sales and administration expenses for 9 months of 2019 is equivalent to Baht 159.33 million or 14.99 percent of the total revenue, an increase of Baht 15.80 million or 11.01 percent comparing to that of the same period of the previous year due to an increase in administration expenses of Baht 16.41 million and a decrease in sales expenses of Baht 0.61 million.

FINANCIAL COSTS

The financial costs in quarter 3/2019 is Baht 1.86 million, a decrease of Baht 4.67 million or 71.52 percent comparing to that of the same quarter last year.

The financial costs for 9 months of 2019 is Baht 6.60 million, a decrease of Baht 6.38 million or 49.15 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 3/2019, the Company and subsidiaries has recorded a net loss of Baht 35.98 million representing a net profit margin of -20.42 percent of the total revenue, a decrease of Baht 102.21 million or 154.33 percent comparing to that of the same period last year.

For 9 months of 2019, the Company and subsidiaries has recorded a net profit of Baht 19.20 million representing a net profit margin of 1.81 percent of the total revenue, a decrease of Baht 52.37 million or 73.17 percent comparing to that of the same period last year.

Please be informed accordingly.

Yours faithfully,

(Mr. Ratchai Pichayapoom)

Chief Financial Officer