



No. Demco AC001/2020

February 28, 2020

Subject : The company's operating result for the 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 year 2019 according to the company's consolidated financial statements for the year ended December 31, 2019. The conclusions are as follow;

**Operating performance :**

1. Revenues : The total revenues of the year 2019 was Baht 2,937.98 million representing a decrease 29.23% comparing to the total revenues of Baht 4,151.37 million of last year.

The revenues from service business of the year 2019 amount Baht 2,678.34 million was decreased of Baht 680.29 million or 20.25% from the revenues from services business of Baht 3,358.62 million of the year 2018. The significant decreasing came from the reduction of the revenues from construction works of substation, communication system works, renewable energy plant.

The revenues from sale business of the year 2019 Baht 213.09 million was decreased of Baht 516.42 million or 70.79% from the revenues of Baht 729.50 million of the year 2018. The revenue was decreased from the revenues of sold electrical equipment and the revenues 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 year 2019 was Baht 420.43 million representing a decreased of Baht 39.98 million or 8.68% of the total gross profit of Baht 460.41 million of the year 2018. The total gross profit rate was increased from 11.26% to 14.54% as follow:

The gross profit from service business of the year 2019, the Company had gross profit from service income of Baht 410.99 million or 15.35% decreased from last year of Baht 51.10 million or 11.06%

The gross profit from sale business of the year 2019, the Company had a gross profit from sale income of Baht 9.43 million or 4.43% of sale revenue increased from last year of profit Baht 11.12 million. The gross profit rate from sale business was increased from gross loss rate 0.23% to gross profit rate 4.43%.

3. Sales and administrative expenses : Sales and administrative expenses of the year 2019 was Baht 555.45 million increased of Baht 104.13 million comparing to the year 2018 which was Baht 451.32 million or 23.07%.

Sales and administrative expenses (Normal entry) was Baht 383.20 million which increased 4.97% comparing to the sales and administrative expenses (normal entry) of Baht 365.04 million of the year 2018.

Sales and administrative expenses (Special entry) was Baht 172.25 million which resulted from compensation for loss of production cost which increased comparing to the compensation of Baht 86.28 million of the year 2018.

Details of the costs involving to the WTGs foundation improvement for Huay Bong 2&3 Wind Farm as at December 31, 2019 were as shown in the table.

Description	Estimated total improvement cost (as of year 2018)	Estimated and cost for accounting recorded In year 2019	Aggregate actual cost ended as of December 31, 2019
Improvement cost	681.69	24.43	706.12
Re-design cost, advisor cost, insurance, etc.	111.08	13.31	124.39
Sub-total cost	792.77	37.74	830.51
Compensation for Loss of production cost	788.91	172.25	961.16
Total cost	1,581.68	209.99	1,791.67
Deduct owners' compensation	(30.00)	-	(30.00)
Net cost	1,551.68	209.99	1,761.67

Currently the work is being inspected by the employer, which is the delivery and acceptance of the whole project.

4. Net profit : the net profit of the year 2019 is Baht 34.96 million representing a decreased of 76.47% of the net profit of the year 2018 of Baht 148.60 million mainly due to increased from administrative expenses(Special entry). The Net profit rate was decreased from 3.58% to 1.19%

5. The projects still being under construction (not yet delivered to the owner) at February 28, 2020 are as follows;

	Quantity (Projects)	Amount (Million Baht)
Power Electrical Engineering System	44	1,612.46
Telecommunication & Signaling	6	1,026.21
Renewable Energy Project	2	57.84
<b>Total</b>	<b>52</b>	<b>2,696.51</b>

### Consolidated Financial Position information

**Current assets** as at 31<sup>st</sup> December, 2019 was Baht 2,046.24 million. Increased amount of Baht 20.45 million or 1.01% was from current assets amount of Baht 2,025.79 million as at 31<sup>st</sup> December 2018. The mainly increased from the recorded Unbilled installments on completed works Baht 39.90 million, withholding tax Baht 40.41 million and cash and cash equivalents decreased from operating activities 27.30 million.

**Non-current assets** as at 31<sup>st</sup> December, 2019 was Baht 3,938.38 million which increased slightly amount Baht 57.29 million or 1.48 compared to non-current assets as at 31<sup>st</sup> December 2018

**Current liabilities** as at 31<sup>st</sup> December, 2019 was Baht 2,364.18 million which increased of Baht 93.62 million or 4.12% from current liabilities amount of Baht 2,270.56 million as at 31<sup>st</sup> December 2018, the mainly increased from Bank overdrafts and short-term loans from financial institutions Baht 190.36 million, Current portion of long-term borrowings amount Baht 94.96 million which is spent for WTGs foundation remedy work.

**Non-current liabilities** as at 31<sup>st</sup> December, 2019 was Baht 449.75 million which increased slightly amount Baht 4.22 million or 0.95% from non-current liabilities amount of Baht 445.53 million as at 31<sup>st</sup> December 2018.

**Shareholders' equity** as at 31<sup>st</sup> December, 2019 was Baht 3,170.69 million. Decreased amount of Baht 4.23 million was from dividends payment from the company's performance operation.

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