

EMC 010/2020

August 13, 2020

Subject : Management Discussion and Analysis for Quarter 2/2020

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 2/2020 ended June 30, 2020 as follows:

REVENUES FROM THE OPERATION

In quarter 2/2020, the total revenue of the Company and subsidiaries is Baht 463.43 million, an increase of Baht 66.29 million or 16.69 percent comparing to that of quarter 2/2019 which the total revenue was Baht 397.14 million due to an increase in revenue from construction services.

For 6 months of 2020, the total revenue of the Company and subsidiaries is Baht 688.16 million, a decrease of Baht 197.22 million or 22.28 percent comparing to that of 6 months of 2019 which the total revenue was Baht 885.38 million due to a decrease of the real estate revenues.

CONSTRUCTION AND REAL ESTATE COSTS

In quarter 2/2020, the Company and subsidiaries has recorded the construction costs amounting to Baht 372.60 million or 89.36 percent of the construction service revenues, an increase of Baht 104.18 million or 38.81 percent comparing to that of quarter 2/2019 which the total cost was Baht 268.42 million. The construction and services costs of real estate business are Baht 18.09 million or 118.78 percent of the real estate revenues.

For 6 months of 2020, the Company and subsidiaries has the construction costs amounting to Baht 547.44 million or 87.97 percent of the construction service revenues, a decrease of Baht 21.75 million or 3.82 percent comparing to that of 6 months of 2019 which the total cost was Baht 569.19 million. The construction and services costs of real estate business are Baht 35.33 million or 124.40 percent of the real estate revenues.

SALES AND ADMINISTRATION EXPENSES

The sales and administration expense in quarter 2/2020 is Baht 37.01 million representing 7.99 percent of the total revenue, a decrease of Baht 20.14 million or 35.24 percent comparing to that of the same quarter of the previous year.

The sales and administration expenses for 6 months of 2020 is equivalent to Baht 80.48 million or 11.69 percent of the total revenue, a decrease of Baht 28.57 million or 26.20 percent comparing to that of the same period of the previous year due to a decrease in sales expenses of Baht 13.12 million and administration expenses of Baht 15.45 million.

FINANCIAL COSTS

The financial costs in quarter 2/2020 is Baht 1.30 million, a decrease of Baht 0.82 million or 38.68 percent comparing to that of the same quarter last year.

The financial costs for 6 months of 2020 is Baht 2.65 million, a decrease of Baht 2.09 million or 44.09 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 2/2020, the Company and subsidiaries has recorded a net profit of Baht 34.26 million representing a net profit margin of 7.39 percent of the total revenue, an increase of Baht 26.32 million or 331.49 percent comparing to that of the same period last year.

For 6 months of 2020, the Company and subsidiaries has recorded a net profit of Baht 21.84 million representing a net profit margin of 3.17 percent of the total revenue, a decrease of Baht 33.34 million or 60.42 percent comparing to that of the same period last year, due to the decrease of the real estate revenues.

Please be informed accordingly.

Yours faithfully,

(Mr. Ratchai Pichayapoom)

Chief Financial Officer