



No. CMC Sor Lor.009/2019

May 14, 2019

Re: Management Discussion & Analysis for the Period Ended 31 March 2019
 To The President of the Stock Exchange of Thailand (SET)

CHAOPRAYAMAHANAKORN PUBLIC COMPANY LIMITED (“the Company”) would like to provide an explanation regarding our financial performance and position for the 3-month period ended 31 March 2019 as follows:

Financial Performance

	For the 3-month period ended					
	31 March 2018		31 March 2019		Change	
	Millions of THB	%	Millions of THB	%	Millions of THB	%
Revenue from sale of real estate	440.40	97.86%	346.20	87.55%	(94.20)	(21.39%)
Revenue from construction service	0.00	0.00%	32.07	8.11%	32.07	100.00%
Cost of sales	(266.30)	(59.17%)	(195.11)	(49.34%)	(71.19)	(26.73%)
Cost of construction service	0.00	0.00%	(28.76)	(7.27%)	28.76	100.00%
Gross Profit	174.10	38.69%	154.40	39.05%	(19.70)	(11.32%)
Other Revenue	9.63	2.14%	17.14	4.33%	7.51	77.99%
Selling Expense	(50.80)	(11.29%)	(54.80)	(13.86%)	4.00	7.87%
Administrative Expense	(42.75)	(9.50%)	(48.54)	(12.28%)	5.79	13.54%
Other Expenses	(1.39)	(0.31%)	(12.77)	(3.23%)	11.38	818.71%
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EBIT	88.79	19.73%	55.44	14.02%	(33.35)	(37.56%)
Financing cost	(37.47)	(8.33%)	(18.46)	(4.67%)	(19.01)	(50.73%)
EBT	51.32	11.40%	36.98	9.35%	(14.34)	(27.94%)
Corporate Income Tax	(10.63)	(2.36%)	(14.09)	(3.56%)	3.46	32.55%
Net Profit	40.68	9.04%	22.90	5.79%	(17.78)	(43.71%)



Revenue from Sale of real estate

Revenue from sale of real estate for the 3-month period ended 31 March 2018 and 2019 were THB 440.40 and 346.20 million consecutively. Revenue from sale of properties decreased by THB 94.20 million or 21.39% due mainly to none of new project has been completed in the past 6 months. Therefore, most of the revenue came from the completed projects in early 2018 which was Chateau in Town Charansanitwong 96/2 and Chateau in Town Rama 8 which was completed around the end of 2017. Thus, those two projects had consistently generated revenue.

Revenue from Construction Service

Revenue from construction service for the 3-month period ended 31 March 2018 and 2019 were THB 0.00 and 32.07 million, respectively. Revenue from construction service had increased significantly due to the expansion of construction business by subsidiary which previously only focused within the group to the company outside the group. The revenue from construction service which recognized in the first quarter of 2019 has mostly come from the construction started in 2018 such as Chulalongkorn University, Institute of Molecular Biosciences, Mahidol University and Department of Provincial Administration.

Cost of sales and Gross Profit

Cost of sales for the 3-month period ended 31 March 2018 and 2019 were THB 266.30 and 195.11 million respectively. Cost of properties sale is those related to real estate project development which are recognized in accordance with Matching Principle. It will rise or fall commensurate with rise or fall in revenue from sale of properties.

Gross margins for the 3-month period ended 31 March 2018 and 2019 were 39.53% and 40.82% respectively. It could be seen that gross margin of the Group of Companies does not change significantly as it has policy to sustain appropriate gross margin for each real estate project development.

Other Income

The company's other income for the 3-month period ended 31 March 2018 and 2019 were THB 9.63 and 17.14 million respectively. Other income increased by THB 7.51 million or 77.99%. This is because the revenue from tools & machine rental and revenue from goods sold have increased significantly in the first quarter of 2019.

SG&A

The Company's selling expense for the 3-month period ended 31 March 2018 and 2019 were THB 50.80 and 54.80 million consecutively. Selling expense had risen by THB 4.00 million or 7.87% due mainly to



increase of Integrated Marketing Communications expense where the company sponsored Icon Cineconic cinema at Icon Siam with Major Cineplex Group Public Company Limited.

The Company's administrative expense for the 3-month period ended 31 March 2018 and 2019 were THB 42.75 and 48.54 million consecutively. Administrative expense increased by THB 5.79 million or 13.54%. This is because the Company recognized reversal of an impairment of asset for amount THB 6.53 resulted from revenue recognition of The Rich Rama 2 project in the first quarter of 2018. Moreover, other administration expense does not change significantly.

The Company's other expenses for the 3-month period ended 31 March 2018 and 2019 were THB 1.39 and 12.77 million consecutively. Other expenses increased significantly by THB 11.38 million or 818.71%. This is because the company's revenue from goods sold and revenue from rental and service increased notably in 2019 which lead to presenting cost of those revenue separately in other expenses (previous year was presented net with other income).

Financing Cost

The Company's financing cost for the 3-month period ended 31 March 2018 and 2019 were THB 37.47 and 18.46 million respectively, a decline by THB 19.01 million or 50.73%. This is because the Company repaid some portion of short-term. As a result, the financing cost was reduced.

Corporate Income Tax

The Company's corporate income tax for the 3-month period ended 31 March 2019 totaled THB 14.09 million. This represents an effective tax rate of 38.10% which is higher than its statutory tax rate of 20.00% due mainly to deferred tax expense was recognized in the first quarter of 2019.

Net Profit

The Company's net profit for the 3-month period ended 31 March 2018 and 2019 totaled THB 40.68 and 22.90 million consecutively, a decline by THB 17.78 million or 43.71%. Such decrease is due mainly to decrease in revenue from sale of properties. The Company's net profit margins for the 3-month period ended 31 March 2019 are 9.04% and 5.79% respectively.

Financial Position

	For the 3-month period ended					
	31 December 2018		31 March 2019		Change	
	Millions of THB	% of Total Assets	Millions of THB	% of Total Assets	Millions of THB	%
Total Assets	5,269.65	100.00%	5,163.84	100.00%	(105.81)	(2.01%)
Total Liabilities	2,643.05	50.16%	2,514.25	48.69%	(128.80)	(4.87%)
Total Shareholders' Equity	2,626.60	49.84%	2,649.59	51.31%	22.99	0.88%



The Company's total assets as of 31 March 2019 decreased by THB 105.81 million or 2.01% from that as of 31 December 2018 due mainly to decrease in real estate project under development which accordance to the increase in revenue from sale of real estate.

Total liabilities as of 31 March 2019 declined by THB 128.80 million or 4.87% from that as of 31 December 2018 due mainly to loan repayment of short-term loan during 2019.

Total shareholders' equity as of 31 March 2019 increased by THB 22.99 million or 0.88% from that as of 31 December 2018 due mainly the Company's good financial performance during the first quarter ended 31 March 2019.

Please be informed accordingly.

Yours truly,

-Mr. Vichien Paetthayanan-

Mr. Vichien Paetthayanan
Chief Executive Officer