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November 15, 2021

Subject: Clarification on Operating Result and Financial Position for the nine-month period ended September 30, 2021

Attention: President

The Stock Exchange of Thailand

CH. Karnchang Public Company Limited (“the Company”) and its subsidiaries would like to clarify the consolidated operating result and financial position for the nine-month period ended September 30, 2021, as follows:

Performance Overview

The Company and its subsidiaries had net profit attributable to equity holders of the Company amounting to Baht 801.12 million, an improvement of Baht 76.49 million as compared to the same period of the previous year. This was mainly due to interest income of Baht 382.91 million related to construction period extension for Bang Phli-Suk Sawat (Bang Phli-Bang Khuntian) Expressway according to the Supreme Administrative Court’s decision and an increase by Baht 290.53 million of share of profit from investments in associated companies as a result of better financial performance of CK Power Plc.

Revenues from construction contracts

The Company and its subsidiaries reported revenues from construction contracts of Baht 8,641.53 million, representing 83.73% of total revenues, a decrease of 34.24% or Baht 4,499 million from last year. The revenue dropped because the Project Management, Supply, and Installation of the M&E Systems for the MRT Blue Line Extension Project and Xayaburi Hydropower Project were almost complete while newly awarded projects are relatively smaller than those projects and some just recently started, namely the Learning and Research Centre Commemorating Her Royal Highness Princess Chulabhorn’s 60th Birthday Anniversary and Water Transmission Tunnels along Kanchanaphisek Road.

Cost of construction services

The Company and its subsidiaries registered cost of construction services amounting to Baht 7,934.80 million, a decrease by Baht 4,074.24 million or 33.93% from the same period of the prior year. Gross profit for the first nine months of 2021 was Baht 706.73 million, dropped by Baht 424.76 million or 37.54% from the same period of last year due to decreased revenues from construction contracts, while gross profit margin was 8.18%, compared to 8.61% in the first nine months of 2020.

Other income

The Company and its subsidiaries had other income of Baht 1,679.35 million, increased by Baht 225.85 million or 15.54% from the same period of last year due to one-time transaction related to interest income mentioned above.

Administrative Expenses

The Company and its subsidiaries had administrative expenses of Baht 1,413.74 million, reduced by Baht 82.19 million or 5% mainly due to employee-related expenses and specific business tax.

Share of profit from investments in associated companies

The Company and its subsidiaries reported share of profit from investments in associated companies of Baht 897.68 million up by Baht 290.53 million, or 47.85%, from the same period of last year. The growth mainly came from CK Power Public Company Limited's improved performance from more electricity generation, while the COVID-2019 pandemic which led to less transportation still weakened the financial performance of Bangkok Expressway and Metro Public Company Limited.

Financing

Finance cost amounted to Baht 1,046.41 million, up by Baht 109.30 million or 11.66% from the same period of last year because of more debentures. Net-Debt-to-Equity ratio according to the Company's consolidated financial statement as of September 30, 2021, was 1.34 times, slightly up from the end of prior year which was 1.32 times. Still, the ratio did not exceed 3.00 times, which is the covenant for bank loans and debentures.

Financial Position

As of September 30, 2021, the Company and its subsidiaries had total assets of Baht 84,597.95 million. A growth of Baht 1,823.93 million from the end of prior year was mainly due to more cash, costs to fulfill contracts with customers and additional investment in Luang Prabang Power Company Limited, its associated companies. Total liabilities amounted to

Baht 58,318.71 million, up by Baht 1,815.33 million from the end of prior year due to advance received from employers and debentures. Total shareholders' equity amounted to Baht 26,279.24 million, an increase of Baht 8.6 million from the end of prior year.

Cash Flow

For the first nine months of 2021, the Company and its subsidiaries had net cash used in operating activities of Baht 301.64 million which was in line with the operating performance. Net cash from investing activities was Baht 115.06 million mainly from dividend income and sales of investment in CK Power Plc, offsetting with additional investment in Luang Prabang Power Company Limited and property, plant and equipment. Net cash from financing activities was Baht 841.52million mainly from more debentures. As a result, net cash increased by Baht 635.10 million from the beginning balance.

Income Statement	For the nine-month ended September 30		Change	
	Unit: Million Baht	2021	2020	Amount
Revenues from construction contracts	8,641.53	13,140.53	(4,499.00)	(34.24)
Other income	1,679.35	1,453.50	225.85	15.54
Total revenues	10,320.88	14,594.03	(4,273.15)	(29.28)
Cost of construction services	7,934.80	12,009.04	(4,074.24)	(33.93)
Administrative expenses	1,413.74	1,495.93	(82.19)	(5.49)
Total expenses	9,348.54	13,504.97	(4,156.43)	(30.78)
Profit from operating activities	972.34	1,089.06	(116.72)	(10.72)
Share of profit from investments in associated companies	897.68	607.15	290.53	47.85
Finance cost	1,046.41	937.11	109.30	11.66
Income tax expenses	24.77	16.03	8.74	54.52
Profit (loss) for the period	798.84	743.07	55.77	7.51
Profit (loss) attributable to non-controlling interests of the subsidiaries	(2.28)	18.44	(20.72)	(112.36)
Profit (loss) attributable to equity holders of the Company	801.12	724.63	76.49	10.56

Statement of Financial Position	September 30, 2021	December 31, 2020	Change	
			Amount	%
Unit: Million Baht				
Assets	84,597.95	82,774.02	1,823.93	2.20
Liabilities	58,318.71	56,503.38	1,815.33	3.21
Shareholders' equity	26,279.24	26,270.64	8.60	0.03

Please be informed accordingly.

Sincerely yours

(Mr. Prasert Marittanaporn) (Mr. Anukool Tuntimas)

Directors