

Ref: CK-22-0000-AFD(AC)-L-0022

28 February 2022

Subject: Clarification on Operating Result and Financial Position for the Year Ended December 31, 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 year ended December 31, 2021, as follows:

Performance Overview

The Company and its subsidiaries had net profit attributable to equity holders of the Company amounting to Baht 905.70 million, an improvement of Baht 293.54 million or increase of 47.95% as compared to the same period of the previous year. This was mainly due to the increased other revenue which are consist of the Company has 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 increase from gain on sales of land. Moreover, an increase from share of profit from investments in associated companies because of the better financial performance of CK Power Public Company Limited which has more electricity generation.

Revenues from construction contracts

For the year 2021, the Company and its subsidiaries reported revenues from construction contracts of Baht 12,198.80 million, representing 84.60% of total revenues, a decrease of Baht 4,546.97 million or 27.15% 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 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. Moreover, some projects are signed in December 2021, namely the Construction of the Railway Project, Den Chai-Chiang Rai-Chiang Khong, Contract 2: Ngao-Chiang Rai Section and the Construction of the Railway Project, Den Chai-Chiang Rai-Chiang Khong, Contract 3: Chiang Rai-Chiang Khong Section.

Cost of construction services

For the year 2021, the Company and its subsidiaries registered cost of construction services amounting to Baht 11,235.50 million, a decrease by Baht 4,105.02 million or 26.76% from the same period of the prior year. Gross profit for the year of 2021 was Baht 963.30 million, dropped by Baht 441.95 million or 31.45% from the same period of last year due to decreased revenues from construction contracts, while gross profit margin was 7.90% in 2021, decrease from last year which has gross profit margin 8.39%.

Other income

For the year 2021, the Company and its subsidiaries had other income of Baht 2,220.49 million, increased by Baht 524.05 million or 30.89% from the same period of last year due to one-time transaction related to interest income and other income which are mentioned above.

Administrative Expenses

For the year 2021, the Company and its subsidiaries had administrative expenses of Baht 1,914.73 million, reduced by Baht 112.69 million or 5.56% from the same period of last year mainly due to the decreased employee-related expenses.

Share of profit from investments in associated companies

For the year 2021, the Company and its subsidiaries reported share of profit from investments in associated companies of Baht 1,087.89 million up by Baht 231.27 million, or 27.00%, 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

For the year 2021, the Company and its subsidiaries had the finance cost amounted to Baht 1,385.59 million, up by Baht 109.98 million or 8.62% 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 December 31, 2021, was 1.39 times, increase 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 December 31, 2021, the Company and its subsidiaries had total assets of Baht 83,420.94 million. A growth of Baht 646.92 million from the end of prior year was mainly due to more construction progress in costs to fulfill contracts with customers and additional investment in Luang Prabang Power Company Limited, its associated companies. Total liabilities amounted to Baht 57,312.98 million, up by Baht 809.60 million from the end of prior year due to advance received from employers and debentures. Total shareholders' equity amounted to Baht 26,107.96 million and decrease of Baht 162.68 million from the end of prior year. As the decrease the other components of shareholders' equity.

Cash Flow

For the year ended of 2021, the Company and its subsidiaries had net cash used in operating activities of Baht 1,879.39 million which was in line with the operating performance. Net cash from investing activities was Baht 613.02 million mainly from dividend income and sales of investment in CK Power Public Company Limited, offsetting with additional investment in Luang Prabang Power Company Limited and property, plant and equipment. Net cash from financing activities was Baht 467.45 million mainly from more debentures. As a result, net cash decreased by Baht 793.45 million from the beginning balance.

Income Statement	For the year ended		Change	
	December 31			
Unit: Million Baht	2021	2020	Amount	%
Revenues from construction contracts	12,198.80	16,745.77	(4,546.97)	(27.15)
Other income	2,220.49	1,696.44	524.05	30.89
Total revenues	14,419.29	18,442.22	(4,022.92)	(21.81)
Cost of construction services	11,235.50	15,340.52	(4,105.02)	(26.76)
Administrative expenses	1,914.73	2,027.42	(112.69)	(5.56)
Total expenses	13,150.23	17,367.94	(4,217.71)	(24.28)
Profit from operating activities	1,269.06	1,074.27	194.79	18.13
Share of profit from investments in associated companies	1,087.89	856.62	231.27	27.00
Finance cost	1,385.59	1,275.61	109.98	8.62
Income tax expenses	37.89	28.36	9.53	33.60
Profit (loss) for the period	933.47	626.92	306.55	48.90
Profit (loss) attributable to non-controlling interests of the subsidiaries	27.77	14.76	13.01	88.14
Profit (loss) attributable to equity holders of the Company	905.70	612.16	293.54	47.95

Statement of Financial Position	December 31, 2021	December 31, 2020	Change	
			Amount	%
Unit: Million Baht				
Assets	83,420.94	82,774.02	646.92	0.78
Liabilities	57,312.98	56,503.38	809.60	1.43
Shareholders' equity	26,107.96	26,270.64	(162.68)	(0.62)

Please be informed accordingly.

Sincerely yours

(Mrs. Suparmas Trivisvavet and Mr. Anukool Tuntimas)

Directors