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May 15, 2019

Subject: Clarification on Operating Result and Financial Position for the three-month ended March 31, 2019

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 three-month ended March 31, 2019 as follows:

Performance Overview

In Q1 2019, the Company and its subsidiaries had profit attributable to equity holders of the Company amounting to Baht 355.47 million, increasing from the same period of the previous year by Baht 53.75 million mainly due to increased construction revenue together with improved gross profit margin and increased share of profit from associated companies.

Revenues from construction services and sales of construction materials

In Q1 2019, the Company and its subsidiaries reported revenues from construction services and sales of construction materials of Baht 7,475.35 million, representing 96.07% of total revenues, an increase of 1.16% or Baht 85.61 million from last year.

Cost of construction services and sales of construction materials

In Q1 2019, the Company and its subsidiaries registered cost of construction services and sales of construction materials amounting to Baht 6,835.16 million, an increase by Baht 34.13 million or 0.50% from the same period of the prior year. Gross profit for Q1 2019 was Baht 640.19 million, improved by Baht 51.48 million or 8.74% from the same period of last year, resulting in gross profit margin of 8.56%, compared to 7.97% in Q1 2018.

Other income

In Q1 2019, the Company and its subsidiaries had other income of Baht 305.51 million, increased by Baht 41.63 million or 15.77% from the same period of last year as a result of increased interest income from Xayabury Power Company Limited.

### Administrative Expenses

In Q1 2019, the Company and its subsidiaries had administrative expenses of Baht 524.40 million, increased by Baht 109.38 million or 26.36% from last year mainly due to employee-related expenses and depreciation.

### Share of profit from investments in associated companies

In Q1 2019, the Company and its subsidiaries reported share of profit from investments in associated companies of Baht 257.81 million up by Baht 56.81 million, or 28.26%, from the same period of last year.

### Financial Position

As of March 31, 2019, the Company and its subsidiaries had total assets of Baht 84,560.10 million. An increase of Baht 1,059.56 million from the end of prior year was mainly due to investments in fixed assets and increased loan to an associated company. Total liabilities amounted to Baht 58,491.15 million, increasing by Baht 819.33 million from the end of prior year due to increased loans. Total shareholders' equity amounted to Baht 26,068.95 million, an increase of Baht 240.23 million from the end of prior year.

### Cash Flow

In Q1 2019, the Company and its subsidiaries had net cash from operating activities of Baht 1,127.21 million due to the Company and its subsidiaries' financial results. Net cash used in investing activities was Baht 1,480.34 million, most of which came from investments in fixed assets. Net cash from financing activities was Baht 1,010.50 million mainly from increased short-term debt. As a result, net cash increased by Baht 667.48 million from the beginning balance.

### Financing

In Q1 2019, finance cost amounted to Baht 286.50 million, fell by Baht 25.44 million or 8.16% from the same period of last year as a result of decreased average cost of debt. Net debt registered Baht 27,968.59 Million at the end of Q1 2019, an increase of Baht 207.02 Million from the end of 2018. Net-Debt-to-Equity ratio according to the Company's consolidated financial statement as of March 31, 2019 was 1.07 times, unchanged from the end of prior year. Still, the ratio did not exceed 3.00 times, which is the covenant for bank loans and debentures.

Income Statement	For the three-month ended March 31		Change	
	2019	2018	Amount	%
Revenues from construction services and sales of construction materials	7,475.35	7,389.74	85.61	1.16
Other income	305.51	263.88	41.63	15.77
<b>Total revenues</b>	<b>7,780.86</b>	<b>7,653.62</b>	<b>127.24</b>	<b>1.66</b>
Cost of construction services and sales of construction materials	6,835.16	6,801.03	34.13	0.50
Administrative expenses	524.40	415.02	109.38	26.36
<b>Total expenses</b>	<b>7,359.56</b>	<b>7,216.05</b>	<b>143.51</b>	<b>1.99</b>
Profit before share of profit (loss) from investments in associated companies, finance cost and income tax expenses	421.30	437.57	(16.27)	(3.72)
Share of profit (loss) from investments in associated companies	257.81	201.00	56.81	28.26
Finance cost	(286.50)	(311.94)	(25.44)	(8.16)
Income tax expenses	(41.10)	(25.84)	15.26	59.05
<b>Profit for the period</b>	<b>351.51</b>	<b>300.79</b>	<b>50.72</b>	<b>16.86</b>
<b>Profit attributable to equity holders of the Company</b>	<b>(3.96)</b>	<b>(0.93)</b>	<b>3.03</b>	<b>326.46</b>
Profit attributable to non-controlling interests of the subsidiaries	355.47	301.72	53.75	17.81

Statement of Financial Position	March 31, 2019	December 31, 2018	Change	
			Amount	%
Assets	84,560.10	83,500.54	1,059.56	1.27
Liabilities	58,491.15	57,671.82	819.33	1.42
Shareholders' equity	26,068.95	25,828.72	240.23	0.93

Please be informed accordingly

Sincerely yours

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

Directors