

No. CRD/100/2561

November 9, 2018

Subject: Management Discussion and Analysis of Operating Results for the 3rd Quarter of 2018, Ended September 30, 2018

Attention: The President

The Stock Exchange of Thailand

Chiang Mai Rimdoi Public Company Limited (“The Company”) would like to clarify the operating result for the 3rd quarter of 2018 (July 1, 2018 - September 30, 2018). Details are as follows:

Business Overview

To summarized, 3rd quarter of 2018, the Company had total revenue from construction of 332.07 million baht and net profit of 7.62 million baht which equivalent to net profit margin of 2.28%. The total backlog at the end of September 2018 was 768.18 million baht.

Income Statement for the 3rd quarter of 2018 and 9-month of 2018

Income Statement	Q3/2018	Q3/2017	Increasing (Decreasing)	9M/2018	9M/2017	Increasing (Decreasing)
	MB	MB	%	MB	MB	%
Revenue from construction	332.07	359.95	(7.75%)	954.80	938.08	1.78%
Revenue from service	-	7.78	(100.00%)	-	23.18	(100.00%)
Total revenue from construction and service	332.07	367.73	(9.70%)	954.80	961.26	(0.67%)
Cost of construction	309.74	325.73	(4.91%)	879.78	857.98	2.54%
Cost of service	-	7.09	(100.00%)	-	21.49	(100.00%)
Total cost from construction and service	309.74	332.82	(6.93%)	879.78	879.47	0.04%
Gross profit	22.33	34.91	(36.04%)	75.02	81.79	(8.28%)
Other incomes	2.76	6.30	(56.19%)	9.47	11.27	(15.97%)
Service & Administrative expenses	14.50	20.42	(28.99%)	51.29	51.07	0.43%
Finance costs	1.31	2.10	(37.62%)	3.43	5.31	(35.40%)
Sales profit of Joint Venture and Consortium	0.38	0.31	22.58%	1.09	0.88	23.86%
Income tax expenses	2.04	3.87	(47.29%)	7.48	8.17	(8.45%)
Net profit	7.62	15.13	(49.64%)	23.38	29.39	(20.45%)
Gross profit margin	6.72%	9.70%		7.86%	8.72%	
Net profit margin	2.28%	4.05%		2.42%	3.02%	



Total Revenue

The total revenues of the 3rd quarter of 2018 was 332.07 million baht, decreased by 9.70% compared to the same period of last year (YOY). Details are as follows:

Revenue

Revenue from construction was 332.07 million baht, decreased by 7.75% YoY, consisting of the continuing works of 274.52 million baht and the new projects of 57.55 million baht. The decreasing was mainly due to a lower proportion of revenue recognition of work progress. Proportion of revenue from government sector and private sector were 39% and 61% respectively.

Revenue from service Since the waste management service contract has ended in 3rd quarter of 2017, the Company had no revenue from service.

Other incomes were 2.76 million baht, decreased by 56.19% YoY, mainly from the decrease in interest received from the cash deposit.

Cost and Expenses

Cost of construction was 309.74 million baht, the reduction was in line with the construction revenue recognition.

Service & Administrative expenses was 14.50 million baht, decreased by 28.99% YOY, mainly due decreased of the staff costs.

Finance Cost was 1.31 million baht, decreased by 37.62% YOY, because the Company used capital from IPO as a working capital, therefore the Company used less overdraft from banks.

Gross Profit & Net Profit

The gross profit was 22.33 million baht, represent gross profit margin of 6.72% of revenue from construction and service. The net profit was 7.62 million baht, represent the net profit margin of 2.28% of total revenue.

Your Sincerely,

(Mrs.Patcharin Thumtanom)

Chief Financial Officer