



No. CRD/013/2562

February 18 , 2019

Subject: Management Discussion and Analysis of Operating Results for the year 2018 ended December 31, 2018

Attention: The President

The Stock Exchange of Thailand

Chiangmai Rimdoi Public Company Limited (“The Company”) would like to clarify the operating result for the year 2018 ended December 31, 2018 as details as follows:

Business Overview

To summarized, in 2018, the Company had total revenue from construction of 1,251.00 million baht and net profit of 30.02 million baht which equivalent to net profit margin of 2.37%. The total backlog as of December 31, 2018 was 997.42 million baht which will be recognize as revenue within 18 months.

Income Statement

Income Statement	2018		2017		Increasing (Decreasing)	
	MB	%	MB	%	MB	%
Revenue from construction	1,251.00	100.00%	1,343.62	98.30%	(92.62)	(6.89%)
Revenue from service	-	0.00%	23.18	1.70%	(23.18)	(100.00%)
Total revenue from construction and service	1,251.00	100.00%	1,366.80	100.00%	(115.80)	(8.47%)
Cost of construction	1,156.21	92.42%	1,231.36	90.09%	(75.15)	(6.10%)
Cost of services	-	0.00%	21.49	1.57%	(21.49)	(100.00%)
Total cost from construction and service	1,156.21	92.42%	1,252.85	91.66%	(96.64)	(7.71%)
Gross profit	94.79	7.58%	113.95	8.34%	(19.16)	(16.81%)
Other incomes	15.00	1.20%	13.68	1.00%	1.32	9.65%
Service & Administrative expenses	67.07	5.36%	66.01	4.83%	1.06	1.61%
Finance costs	4.56	0.36%	6.71	0.49%	(2.15)	(32.04%)
Sales profit of Joint Venture and Consortium	1.45	0.12%	1.24	0.09%	0.21	16.94%
Income tax expenses	9.59	0.77%	12.24	0.90%	(2.65)	(21.65%)
Net profit	30.02	2.40%	43.91	3.21%	(13.89)	(31.63%)
Gross profit margin	7.58%		8.34%			
Net profit margin	2.37%		3.18%			



Total Revenue

The Company had total revenues for the year 2018 of 1,251.00 million baht, decreased by 8.47% compared to last year (YOY), Details are as follows:

Revenue

Revenue from construction was 1,251.00 million baht, decreased by 6.89% compared to last year (YoY), consisting of the continuing works of 817.17 million baht and the new projects of 433.83 million baht. The decreasing was mainly due to a lower proportion of revenue recognition of continuing work progress. Proportion of revenue from government sector and private sector were 47% and 53% respectively.

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

Other incomes were 15.00 million baht, increase by 9.65% YoY, mainly from the interest from the cash deposit as per fund raising from IPO and cash flow from operation increasing.

Cost and Expenses

Cost of construction was 1,156.21 million baht, the reduction was from the decreased of revenue.

Service & Administrative expenses was 67.07 million baht, increase by 1.61% YOY. The increasing of expenses such as personnel expenses, various advisory fee and public relation expense.

Finance Cost was 4.56 million baht, decreased by 32.04% YOY. Because lower collection period from accounts receivable, hence bank interest expense and charge reducing.

Gross Profit & Net Profit

The gross profit was 94.79 million baht, represent gross profit margin was 7.58% of revenue from construction and service which was lower than the same period of last year. This was due to the higher of construction cost. Net profit was 30.02 million baht. The net profit margin was 2.37% of total revenue which was lower than the same period of last year. This was due to the decreasing of revenue and also gross profit margin as describe prior.

Your Sincerely,

(Mrs.Patcharin Thumtanom)

Chief Financial Officer