

Management Discussion and Analysis for the Year 2021

1. Operating Results

In 2021, the company had a net profit of 5.76 million baht, an increased compared to the same period in 2020 by 53.51 million baht, or 112.1%.

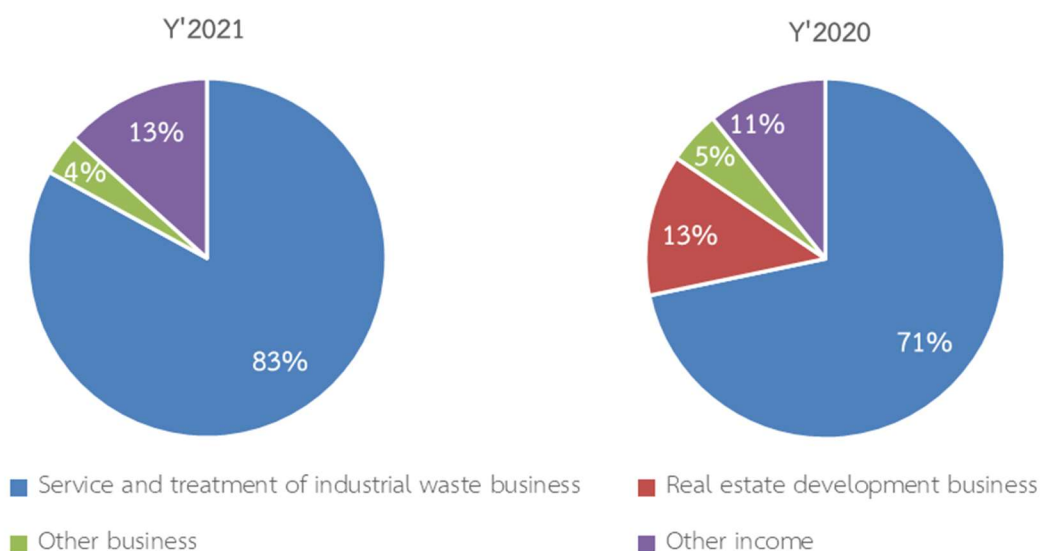
Unit: Million Baht

Consolidate Financial Statement	Y'2021	Y'2020	± %
Operating revenue ^(a)	201.34	243.12	-17.2%
Operating cost ^(b)	131.02	187.78	-30.2%
Operating gross profit	70.32	55.34	27.1%
Total revenue	242.71	287.85	-15.7%
Net Loss	5.76	(47.75)	112.1%

(a) Operating revenue = Operating revenue excludes income from other businesses and other income

(b) Operating cost = Operating cost exclude costs from other businesses and expenses.

Consolidated revenue for year ended 2021 of totally 242.71 million baht, consisting of revenues from industrial waste business division 201.34 million baht, other business division 9.04 million baht, and other income 32.33 million baht. Total revenues decreased by 45.14 million baht or 15.7%. compared with same period of year 2020. Mostly, the decrease was from property development business division 36.67 million baht



In 2021, COVID-19 situation remains concerning, backed by the economic recession where the overall production rate was reduced and even halted in 2020. However, the vaccination process has a positive trend therefore the outbreak is expected to ease up in Q4/2021, resulting in the promising future for GENCO in 2022.

The company is continually investing in other businesses to reduce risks likely to happen if investing in one business solely. The investment compiles of the medical mask manufacture and commerce since 2020 with a total income of 9.04 million baht and in 2022, the marijuana and cannabis planting for medical use business is set to launch in accordance to the preparation in Q4/2021.

The total income from other businesses is 32.33 million baht, 4.1% or 1.28 MB higher than last year's. The income is from the deposit confiscated of 8 million baht due to the breach of contract of the land sale. No revenue is shown in property sales this year, in which in 2021, the revenue was 4.69 million baht.

Treatment of Industrial Waste Business

Unit: Million Baht

Consolidated	Y'2021	Y'2020	± %
Revenue from waste treatment business	201.34	206.45	-2.5%
Cost of waste treatment business	131.02	156.22	-16.1%
Gross profit	70.32	50.23	-40.0%
Gross profit margin	34.9%	24.3%	

Service income for the year ended 2021 amounted 201.34 million baht compared same period last year, decreased in amount of 5.11 million baht or 2.5%. With gross profit margin from service was 34.9% increased from the same period last year was 10.6%. Due to the reduction of cost and budget with no effect to the service quality from the Q3/2020 provided the positive result, as projected in this year.

Revenue from Property Development Business

Unit: Million Baht

Consolidated	Y'2021	Y'2020	± %
Revenues from sales real estate	-	36.67	-100%
Cost of sales real estate	-	31.56	-100%
Gross profit	-	5.11	-100%
Gross profit margin	-	13.9%	

In 2021, there is no commercial building transferred as the target is mainly entrepreneur or small SME. The SMEs are highly affected by the recession due to the COVID-19 situation and many have closed down their business or halted the investment. Therefore, the company has made a new property unit rental policy allowing some income to the company while expecting for a better economic situation. As for new projects, the company has decided to postpone until further notice.

Expenses

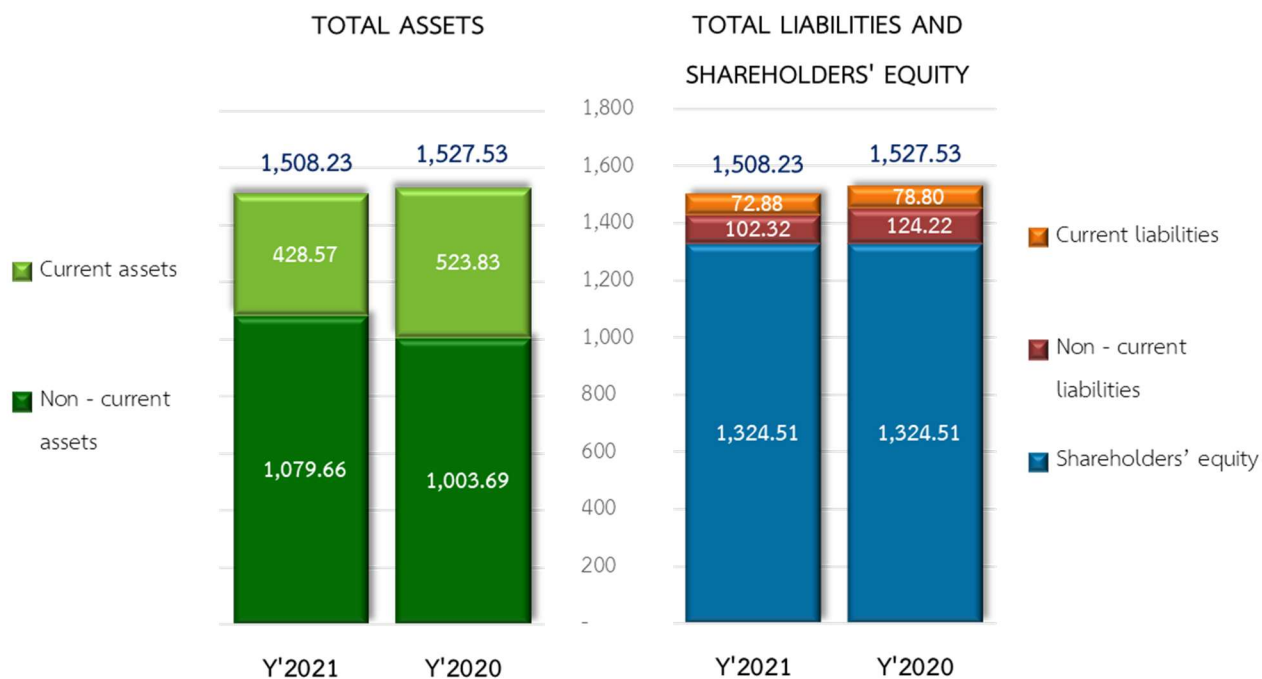
Selling and administrative expenses for the year ended 2021 was of 73.84 million baht, decreasing 14.65 million baht or 16.2% when compared to last year due to the organizational restructure and strict cost reduction policy.

Loss on impairment in 2021, The Company has loss on impairment of 4.33 million Baht because the performance did not meet the target. This resulted in an impairment of RDF project factory building. While In 2020, the company had a loss on impairment of RDF project factory building amounted 18.13 million baht and an impairment of the machines of the subsidiary company for 1.82 million baht.

Finance costs was amounted 4.21 million baht in 2021, decreased was 27.3% from previous year. Although in 2021, the finance costs decreased from the long-term loans from financial institutions for the investment of factory buildings and machines at Map Ta Phut Center were repaid.

Share of loss from investments in associates. Due to the fact that one associate planned to start the commercial operations in 2020, but with the COVID-19 outbreak, the associate was unable to travel to Thailand from 2020 to 2021, resulting in the suspension of the scheduled operations until Thailand is open to the foreign visitors. Most of the loss incurred this year were depreciation of fixed assets in total of 2.07 million baht.

2. Financial Position



Total Assets

The Company has total assets as of December 31, 2021 amounted 1,508.23 million Baht, decreasing 19.30 million Baht or 1.3% from the ended of the previous year amount of 1,527.53 million baht. The outstanding occasions resulting to the number are as follows

- A decrease in real estate development costs for 52.78 million baht was due to the situational adapting by changing the room for sale to for rent, by transferring real estate development costs to the property for investment.
- An increase in property, plant, and equipment for 11.79 million baht was from a major investment to the marijuana and cannabis planting project, which is now under construction of building and plant. For this project, the land is partially divided from the developing land of 9.50 million baht.
- An increase in Costs of landfills for 29.10 million baht were from the hazardous industrial waste secure landfill construction is in process, 83.14% completed or 31.87 million baht.

Total Liabilities

Company's total liabilities as of December 31, 2021 were 175.20 million baht, decreased 27.82 million baht or 13.7% compared to the total liabilities as of December 31, 2020, 203.02 million baht. The significant change occurred from the company has repayment of long-term loans from financial institutions amounted 26.76 million baht.

Shareholders' Equity

Total shareholders' equity as of December 31, 2021 was 1,333.03 million baht, increased 8.52 million baht or 0.6% compared to total shareholders' equity as of December 31, 2020.

3. Cash flows

Cash flows	For the year ended	
	2021	2020
Cash and Cash Equivalent on 1 st January	162.86	172.22
Net Cash Provided by (Used in) Operating Activities	45.96	24.72
Net Cash Provided by (Used in) Investing Activities	(65.06)	(0.41)
Net Cash Provided by (Used in) Financing Activities	(35.91)	(33.67)
Net Cash Increased by (Decreased)	(55.01)	(9.36)
Cash and Cash Equivalent on 31 th December	107.85	162.86

5. Financial ratios

	As at December 31,	
	2021	2020
Current Ratio	5.88	6.65
Debt to Equity Ratio	0.13	0.15