

No. CRD/017/2565

February 26, 2022

Subject: Management Discussion and Analysis of Operating Results of the year 2021,
ended December 31, 2021

Attention: The President
The Stock Exchange of Thailand

Chiangmai Rimdoi Public Company Limited (“The Company”) would like to clarify the operating result for year 2021,
ended December 31, 2021. Details are as follows:

Business Overview

To summarize, in 2021, the Company had total revenue from construction and service of 885.84 million baht and presented net profit of 9.30 million baht resulting in a net profit margin of 1.04%. The total backlog at the end of December 2021 was 2,118.07 million baht, consisting of the revenue from construction of 946.60 million baht, which mostly will be recognized as revenue in 2022, and revenue from waste collection and disposal services of 1,171.47 million baht which will be recognized as revenue until the 1st quarter of 2027.

Income Statement

Income Statement	2021		2020		Increasing (Decreasing)	
	MB	%	MB	%	MB	%
Revenue from construction	745.49	84.16%	764.87	96.64%	(19.38)	-2.53%
Revenue from service	140.35	15.84%	26.59	3.36%	113.76	427.83%
Total revenue from construction and service	885.84	100.00%	791.46	100.00%	94.38	11.92%
Cost of construction	703.22	79.38%	823.48	104.05%	(120.26)	-14.60%
Cost of service	121.49	13.71%	25.27	3.19%	96.22	380.77%
Total cost from construction and service	824.71	93.10%	848.75	107.24%	(24.04)	-2.83%
Gross profit	61.13	6.90%	(57.29)	-7.24%	118.42	-206.70%
Profit from acquisition business under net fair value	3.90	0.44%	0.00	0.00%	3.90	100.00%
Other incomes	6.08	0.69%	6.47	0.82%	(0.39)	-6.03%
Service & Administrative expenses	50.58	5.71%	52.65	6.65%	(2.07)	-3.93%
Finance costs	8.85	1.00%	8.19	1.03%	0.66	8.06%
Sales profit of Joint Venture and Consortium	0.81	0.09%	0.17	0.02%	0.64	376.47%
Corporate tax expenses / (tax incomes)	3.19	0.36%	(20.52)	-2.59%	23.71	-115.55%
Net profit	9.30	1.05%	(90.97)	-11.49%	100.27	-110.22%
Gross profit margin	6.90%		-7.24%			
Net profit margin	1.04%		-11.40%			

Total Revenue for the year 2021 was 891.92 million baht, increased by 11.78% compared to the same period last year (YOY), details are as follows:

- **Revenue from construction** for the year 2021 was 745.49 million baht which decreased by 2.53% YoY, consisting of the revenue from ongoing project of 527.81 million baht and the new projects of 217.68 million baht. due to the Company's clients on several projects had postponed the project construction plan due to impact from COVID-19 epidemic. Therefore, construction has no progress and revenue cannot be recognized.
- **Revenue from services** for the year 2021 was 140.35 million baht, increased by 427.83% YoY. The revenue from services is the waste collection and disposal services. The increase of revenue from services in this quarter was due to another waste collection and disposal project from Nonthaburi Municipal which the Company had started the service in 2nd quarter of 2021.
- **Other incomes** consisted of the revenue from project management fee, sales of scrap material, and interest income. Other incomes for the year 2021 were 6.08 million baht, decreased by 6.03% YoY.

Cost and Expenses

Total Cost for the year 2021 was 824.71 million baht, decreased by 2.83% compared to the same period last year (YOY), details are as follows

- **Cost of construction** for the year 2021 was 703.22 million baht, decreased by 14.60% YOY, The Company could control cost in accordance with the budget. As a result, the cost of construction ratio had decreased to 79.38% compared to the same period of the previous year at 104.05%.
- **Cost of service**, which mostly were wages & salaries and garbage vehicle related expenses, for the year 2021 was 121.49 million baht which was correspondingly increase to the revenue from service due to the new project.

Administrative expense for the year 2021 was 50.58 million baht, decreased by 3.93% YOY, resulting from the decrease in the employee expenses and office expenses.

Finance Cost for the year 2021 was 8.85 million baht, increased by 8.06% YOY, due to the increase in long-term loans for working capital.

Gross Profit & Net Profit

Gross Profit for the year 2021 was 61.13 million baht, representing the gross profit margin of 6.90% which increased from the gross profit margin of the same period previous year which had a loss profit margin of 7.24%. The Company had greater gross profit margin because of (1) the Company had better control in construction cost which raised gross profit margin of construction revenue to 5.67% compared to the same period of previous year at -7.66% and (2) the Company started earning more from waste collection and disposal services which had a gross profit margin of 13.44% compared to the same period of previous year at 4.96%.



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CHIANGMAI RIMDOI PUBLIC COMPANY LIMITED

Net Profit for the year 2021 was 9.30 million baht, representing the net profit margin of 1.04%. The Company had higher net profit margin comparing to the same period of previous year which had a net loss of 11.40%. The turnaround of profit mainly came from (1) the increasing in revenue from waste collection and disposal services and (2) the increasing in gross profit which due to the Company' better cost control in construction service and the increasing in gross profit from the waste collection and disposal services.

Your Sincerely,

(Mrs.Patcharin Thumtanom)
Chief Financial Officer