



No. CRD/067/2565

August 13, 2022

**Subject:** Management Discussion and Analysis of Operating Results of the 2<sup>nd</sup> Quarter of 2022, ended June 30, 2022

**Attention:** The President

The Stock Exchange of Thailand

Chiangmai Rimdoi Public Company Limited (“The Company”) would like to clarify the operating result of the 2<sup>nd</sup> quarter of 2021, ended June 30, 2021. Details are as follows:

### Business Overview

To summarize overview of the 2<sup>nd</sup> quarter of 2022, the Company had total revenue from construction and service of 300.37 million baht and presented loss profit of 7.76 million baht resulting in a loss profit margin of 2.57%. The total backlog at the end of June 30, 2022. was 1,637.73 million baht, consisting of the revenue from construction of 580.02 million baht, which mostly will be recognized as revenue in year 2022, and revenue from waste collection and disposal services of 1,057.71 million baht which will be recognized as revenue until the 1<sup>st</sup> quarter of 2027.

### Income Statement

| Income Statement                                      | Q2/2022       | Q2/2021       | Increasing<br>(Decreasing) | 6M/2022       | 6M/2021       | Increasing<br>(Decreasing) |
|---|---------------|---------------|----------------------------|---------------|---------------|----------------------------|
|   | MB            | MB            | %                          | MB            | MB            | %                          |
| Revenue from construction                             | 235.54        | 170.29        | 38.32%                     | 458.32        | 352.54        | 30.01%                     |
| Revenue from service                                  | 64.83         | 43.83         | 47.91%                     | 112.08        | 54.31         | 106.37%                    |
| <b>Total revenue from construction and service</b>    | <b>300.37</b> | <b>214.12</b> | <b>40.28%</b>              | <b>570.40</b> | <b>406.85</b> | <b>40.20%</b>              |
| Cost of construction                                  | 245.48        | 157.74        | 55.62%                     | 466.94        | 325.98        | 43.24%                     |
| Cost of service                                       | 50.34         | 37.16         | 35.47%                     | 90.44         | 47.44         | 90.66%                     |
| <b>Total cost from construction and service</b>       | <b>295.82</b> | <b>194.90</b> | <b>51.78%</b>              | <b>557.38</b> | <b>373.42</b> | <b>49.26%</b>              |
| <b>Gross profit</b>                                   | <b>4.55</b>   | <b>19.22</b>  | <b>-76.33%</b>             | <b>13.02</b>  | <b>33.43</b>  | <b>-61.05%</b>             |
| Profit from acquisition business under net fair value | 0.00          | 0.00          | -                          | 0.00          | 3.90          | -100.00%                   |
| Other incomes   | 2.15          | 0.90          | 138.89%                    | 3.81          | 2.03          | 87.68%                     |
| Service & Administrative expenses                     | 11.11         | 10.62         | 4.61%                      | 25.53         | 25.20         | 1.31%                      |
| Finance costs   | 5.06          | 2.02          | 150.50%                    | 8.29          | 3.86          | 114.77%                    |
| Sales profit of Joint Venture and Consortium          | 0.09          | 0.20          | -55.00%                    | 0.25          | 0.37          | -32.43%                    |
| Income tax expenses                                   | -1.62         | 1.93          | -183.94%                   | -2.98         | 2.03          | -246.80%                   |
| <b>Net profit</b>                                     | <b>-7.76</b>  | <b>5.75</b>   | <b>-234.96%</b>            | <b>-13.76</b> | <b>8.64</b>   | <b>-259.38%</b>            |
| <b>Gross profit margin</b>                            | <b>1.51%</b>  | <b>8.98%</b>  |                            | <b>2.28%</b>  | <b>8.22%</b>  |                            |
| <b>Net profit margin</b>                              | <b>-2.57%</b> | <b>2.67%</b>  |                            | <b>-2.40%</b> | <b>2.11%</b>  |                            |





**Total Revenue** 2<sup>nd</sup> quarter of 2022 was 302.52 million baht, increased by 40.70% compared to the same period last year (YOY), details are as follows:

- **Revenue from construction** for the 2<sup>nd</sup> quarter of 2022 was 235.54 million baht which increased by 38.32% YoY, consisting of the continuing projects of 218.65 million baht and the new projects of 16.89 million baht. The increasing was mainly due to a higher proportion of revenue recognition of work progress.
- **Revenue from services** for the 2<sup>nd</sup> quarter of 2022 was 64.83 million baht, increased by 47.91% (YoY). The revenue from services is the waste collection and disposal services. The increase of revenue from services in this quarter was due to the waste collection and disposal project from Nonthaburi and Chiangmai Municipal.
- **Other incomes** for the 2<sup>nd</sup> quarter of 2022 were 2.15 million baht, increased by 138.89% (YoY). The other incomes consist of the revenue from winning a lawsuit amount of 1.40 million baht. revenue from sales of scrap material and interest income.

#### Cost and Expenses

**Total Cost** 2<sup>nd</sup> quarter of 2022 was 295.82 million baht, increased by 51.78% compared to the last year (YOY), details are as follows:

- **Cost of construction** for the 2<sup>nd</sup> quarter of 2022 was 245.48 million baht, increased by 55.62% (YOY), The Company has adjusted the cost estimate due to the delay of construction and the price of building materials and labor costs is higher.
- **Cost of service**, which mostly were wages & salaries and garbage vehicle related expenses, for the 2<sup>nd</sup> quarter of 2022 was 50.34 million baht which was correspondingly increased to the revenue from service due to the new project.

**Administrative expense** for the 2<sup>nd</sup> quarter of 2022 was 11.11 million baht, close to the same period of the previous year.

**Finance Cost** for the 2<sup>nd</sup> quarter of 2022 was 5.06 million baht, increased by 150.50% YOY, due to the increase in long-term loans for working capital.

#### Gross Profit & Net Profit

**Gross Profit** for the 2<sup>nd</sup> quarter of 2022 was 4.55 million baht, representing the gross profit margin of 1.51% which decreased from the gross profit margin of the same period previous year which had a loss profit margin of 8.98%. due to the increase in the costs mentioned above.

**Loss Profit** for the 2<sup>nd</sup> quarter of 2022 was 7.76 million baht, representing the loss profit margin of 2.57%. The Company had lower net profit margin comparing to the same period of previous year which had a net profit was 5.75 million baht.

Your Sincerely,

(Mrs. Patcharin Thumtanom)

Chief Financial Officer