



No. CRD/027/2567

February 22, 2024

**Subject:** Management Discussion and Analysis of Operating Results of the year 2023, ended December 31, 2023

**Attention:** The President

The Stock Exchange of Thailand

Chiangmai Rimdoi Public Company Limited (“The Company”) would like to clarify the operating result of year 2023, ended December 31, 2023. Details are as follows:

### Business Overview

To summarize, in 2023, the Company had total revenue from construction and service of 799.80 million baht and presented loss profit of 74.46 million baht resulting in a net loss margin of 9.22%. The total backlog at the end of December 2023. was 1,109.02 million baht, consisting of the revenue from construction of 435.97 million baht, which mostly will be recognized as revenue in year 2024, and revenue from waste collection and disposal services of 673.05 million baht which will be recognized as revenue until the 1<sup>st</sup> quarter of 2027.

### Income Statement

Income Statement	2023		2022		Increasing (Decreasing)	
	MB	%	MB	%	MB	%
Revenue from construction	522.57	65.34%	1,005.00	80.55%	(482.43)	-48.00%
Revenue from service	277.23	34.66%	242.65	19.45%	34.58	14.25%
<b>Total revenue from construction and service</b>	<b>799.80</b>	<b>100.00%</b>	<b>1,247.65</b>	<b>100.00%</b>	<b>(447.85)</b>	<b>-35.90%</b>
Cost of construction	577.07	72.15%	998.82	80.06%	(421.75)	-42.22%
Cost of service	228.71	28.60%	201.57	16.16%	27.14	13.46%
<b>Total cost from construction and service</b>	<b>805.78</b>	<b>100.75%</b>	<b>1,200.39</b>	<b>96.21%</b>	<b>(394.61)</b>	<b>-32.87%</b>
<b>Gross profit</b>	<b>(5.98)</b>	<b>-0.75%</b>	<b>47.26</b>	<b>3.79%</b>	<b>(53.24)</b>	<b>-112.65%</b>
Other incomes	7.71	0.96%	7.20	0.58%	0.51	7.08%
Service & Administrative expenses	55.90	6.99%	52.73	4.23%	3.17	6.01%
Finance costs	19.60	2.45%	17.54	1.41%	2.06	11.74%
Sales profit of Joint Venture and Consortium	(0.23)	-0.03%	0.37	0.03%	(0.60)	-162.16%
Corporate tax expenses / (tax incomes)	0.46	0.06%	(1.20)	-0.10%	1.66	-138.33%
<b>Net profit</b>	<b>(74.46)</b>	<b>-9.31%</b>	<b>(14.24)</b>	<b>-1.14%</b>	<b>(60.22)</b>	<b>422.89%</b>
<b>Gross profit margin</b>	<b>-0.75%</b>		<b>3.79%</b>			
<b>Net profit margin</b>	<b>-9.22%</b>		<b>-1.13%</b>			

**Total Revenue** for the year 2023 of 799.80 million baht, decreased by 35.90% compared to the last year (YOY), details are as follows:

- **Revenue from construction** for the year 2023 of 522.57 million baht which decreased by 48.00% YoY, consisting of the continuing projects of 269.21 million baht and the new projects of 253.36 million baht. The contract revenue decreases due to reduced project activities as compared to the previous year.
- **Revenue from services** for the year 2023 of 277.23 million baht, increased by 14.25% 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.
- **Other incomes** consisted of the revenue from disposal of assets, sales of scrap material, and interest income. Other incomes for the year 2023 of 7.71 million baht, increased by 7.08% YoY.

#### **Cost and Expenses**

**Total Cost** for the year 2023 of 805.78 million baht, decreased by 32.87% compared to the last year (YOY), details are as follows:

- **Cost of construction** for the year 2023 of 577.07 million baht, decreased by 42.22% YOY, the decrease coincided with the decline in revenue. However, it decreased by a smaller proportion due to the company's increased project cost estimates. This is due to the delay of construction. And there is work to correct construction defects. which is work that does not generate income.
- **Cost of service**, which mostly were wages & salaries and garbage vehicle related expenses, for the year 2023 of 228.71 million baht, which increased according to the revenue from service.

**Administrative expense** for the year 2023 of 55.90 million baht, increased by 6.01% YOY, mainly resulting from the increased in employee related expenses.

**Finance Cost** for the year 2023 of 19.60 million baht, increased by 11.74% YOY, due to the increase in long-term loans for working capital.

#### **Gross Profit (Loss) & Net Profit (Loss)**

**Gross Loss** for the year 2023 of 5.98 million baht, representing the gross loss margin of 0.75% which decreased from the gross profit margin of the same period previous year which had a net profit margin of 3.79%.

**Net Loss** for the year 2023 of 74.46 million baht, representing the net loss margin of 9.22%. The Company had higher net loss margin comparing to the same period of previous year which had a net loss was 14.24 million baht.

Your Sincerely,



(Mrs.Patcharin Thumtanom)

Chief Financial Officer