

**EKARAT ENGINEERING PUBLIC COMPANY LIMITED**

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To: Director and Manager  
The Stock Exchange of Thailand  
Subject: Management Discussion and Analysis Year 2021

Ekarat Engineering Public Company Limited (the Company) would like to clarify the performance of the Company and subsidiaries for Year 2021 which audited by the Company's auditor. The performance of the Company is as follow:

**Summary of operating results**

As for the Company's performance in Year 2021, with Net Profit of Equity holders of the parent Baht 89.89 million, decreased 8.69% by compare to the previous year due to the impact of the Covid-19 virus outbreak situation. As a result, revenue from sales of goods and revenue from service and maintenance of transformers decreased. Because our staff couldn't enter in the customer's area to operate of transformer maintenance and services.

**Key financial figures**

	Unit	Year		Increase(Decrease)	
		2021	2020	Amount	%
Total revenue <sup>[1]</sup>	Million Baht	1,414.26	1,487.54	(73.28)	(4.93)
Total Expenses <sup>[2]</sup>	Million Baht	1,068.64	1,113.54	(44.90)	(4.03)
Gross Profit	Million Baht	345.62	374.00	(28.38)	(7.59)
Other Incomes	Million Baht	11.31	15.95	(4.64)	(29.09)
Reversal of (loss on) devaluation of goods	Million Baht	(5.99)	1.10	(7.09)	N/A
Distribution Cost	Million Baht	88.55	99.14	(10.59)	(10.68)
Administration Expenses	Million Baht	140.54	150.12	(9.58)	(6.38)
Profit from operating activities	Million Baht	121.85	141.79	(19.94)	(14.06)
Financial Cost	Million Baht	12.77	19.69	(6.92)	(35.14)
Tax expense	Million Baht	19.27	24.44	(5.17)	(21.15)
Net Profit of Equity holders of the parent	Million Baht	89.89	98.44	(8.55)	(8.69)
Profit per share	Baht/Share	0.063	0.073	(0.010)	(13.70)

Note : [1] Total revenue consist of : (1) Revenue from sales of goods (2) Revenue from services and maintenance  
(3) Revenue from service of installing a solar panel (4) Revenue from sales of electricity current

[2] Total Expenses consist of : (1) Cost of goods sold (2) Cost of services and maintenance (3) Cost of service of installing a solar panel (4) Cost of electricity current sales (5) Loss on devaluation of goods

## **Analysis of operating results in Year 2021**

### **Revenue :**

The total revenues from operation of the Company was Baht 1,414.26 million, decreased by Baht 173.28 million or about 4.93% compared to last year. Mainly due to the decrease in revenue from service and maintenance decreased about 15.88%. There were fewer contractors and transformer maintenance services because unable to access the service in the customer's area due to the Covid-19 situation. The revenue from sales of goods decreased about 5.68% from the previous year, mainly due to the decrease in sales of transformers from government agencies and foreign customers. The revenue from sales of electricity current, decreased about 13.39% because the adder of the Solar Power Plant Phase 1, Prachinburi Province has expired since mid-year 2020. The revenue from the installation of electricity generation from solar cells increased about 43.69% from the recognition of revenue from the installation of solar water pumping systems of a government agency and the major project of installation of solar power generation system of a private customer.

### **Expenses :**

The total expenses from operation of the Company was Baht 1,068.64 Million, decreased by Baht 44.90 million or about 4.03% compared to last year. The cost of good soles decreased by 7.80% from the previous year and the cost of service and maintenance decreased by 14.45%, both costs decreased in accordance with the revenue decreased. The cost of electricity sold had slightly decreased by 4.53% from the previous year. The cost from service of installing a solar panel increased by 50.11% from last year, from the installation of the solar water pumping system of a government agency and a major project of private clients. In addition, there was loss from the reduction in the value of the product increased of Baht 8.43 million from the previous year due to the provision of work in progress of the transformer.

### **Reversal of (loss on) devaluation of goods:**

Reversal of (loss on) devaluation of goods of the Company was Baht (5.96) million, decreased by Baht 7.09 Million compared to last year due to a loss from impairment of factory assets in Rayong province of Baht 5.85 million.

### **Distribution Costs :**

Distribution Costs of the Company was Baht 88.55 million, decreased by Baht 10.59 million or about 10.68% compared to last year. This is mainly reduction in expenses related to the sales of transformer, such as transportation costs, testing costs, transformer repair costs during the warranty period, etc.

### **Administrative Expenses :**

Administrative Expenses of the Company was Baht 140.54 million, decreased by Baht 9.58 million or about 6.38% compared to last year. Most of them were employee salaries, consulting fees and reduced directors' remuneration.

### **Finance Costs :**

The finance cost of the Company was Baht 12.77 million, decreased by Baht 6.92 million or 35.14% compared to last year. As a result of payment in promissory note and Trust Receipt during the year.

**Tax expenses :**

Tax expenses of the Company was Baht 19.27 million, decreased by Baht 5.17 million or 21.15% compared to last year. As a result of the difference in deferred tax assets decreased and in accordance with the operating results.

Please be informed accordingly,

Sincerely yours,

(Miss Rompissri Noichaiboon)

Managing Director