

No. ETE-65/022

Date 11 May 2022

**Subject:** Explanation and analysis from the management team regarding the performance results for the first quarter as of 2022

**To:** The President of The Stock Exchange of Thailand

The Eastern Technical Engineering Public Co., Ltd. (“the Company”) wishes to clarify the overall performance results of the Company and its subsidiaries, for the first quarter and period ended 31 March 2022, which have been approved by the Board of Directors meeting no. 3/2022 held on 11 May 2022 with details as follows.

**Performance results for three-month period ended 31 March 2022**

Performance results	Consolidated financial information			
	(Unit : Million Baht)			
	Quarter 1 2022	Quarter 1 2021	Change	% Change
Revenue from construction service	38.79	171.33	(132.54)	-77.36%
Revenue from management service	175.25	196.81	(21.56)	-10.95%
Revenue from alternative energy	36.55	37.41	(0.86)	-2.30%
Revenue from sale of goods and other services	0.04	-	0.04	
Revenue	250.63	405.55	(154.92)	-38.20%
Cost	217.06	348.20	(131.14)	-37.66%
Gross profit	33.57	57.35	(23.78)	-41.46%
Other income	0.20	3.16	(2.96)	-93.55%
Selling & Admin expenses	31.03	32.80	(1.77)	-5.39%
Finance costs	7.94	8.92	(0.99)	-11.09%
Share of loss from associate	0.20	0.10	0.11	111.59%
Income(Revenue) tax expense	(0.78)	4.56	(5.34)	-117.06%
Profit for the period	(4.61)	14.13	(18.74)	-132.62%

The Company and its subsidiaries had net loss for the first quarter period ended 31 March 2022 amounted to Baht 4.61 million, decreasing by Baht 18.74 million or 132.62 %, when compared with the same period of last year which had net profit amounted to Baht 14.13 million due to the following reasons.

## Revenues

Total revenues of the Company and its subsidiaries for the first quarter period ended 31 March 2022 amounted to Baht 250.63 million, decreasing by Baht 154.92 million or 38.20 % when compared with the same period of last year which the amount was Baht 405.55 million. Consequently, gross profit for the first quarter as of 2022 amounted to Baht 33.57 million, decreasing by Baht 23.78 million or 41.46 % when compared with the same period of previous year because of the following reasons.

1. Revenue from construction service for the first quarter period ended 31 March 2022 was Baht 38.79 million, decreasing Baht 132.54 million or 77.36 % when compared with the same period of last year which the amount was Baht 171.33 million because the deliverable projects in the first quarter as of 2022 decreased when compare with previous year.
2. Revenue from management service for the first quarter period ended 31 March 2022 was Baht 175.25 million, decreasing Baht 21.56 million or 10.95 % when compared with the same period of last year which the amount was Baht 196.81 million because management team considered to accept only projects which did not have risks of project delay or budget cancellation in the future.
3. Revenue from alternative energy for the first quarter period ended 31 March 2022 was Baht 36.55 million, decreasing Baht 0.86 million or 2.30 % when compared with the same period of last year which the amount was Baht 37.41 million. Nowadays, the Company's revenue from alternative energy was generated by solar power plants total 4 projects. The Company focused on maintenance in solar power plant system each area regularly to maintain stable of power generation capacity continuously.

## Other Income

Other income for the first quarter period ended 31 March 2022 amounted to Baht 0.20 million, decreasing by Baht 2.96 million when compared with the same period of last year which the amount was Baht 3.16 million because in the first quarter of 2021 the Company received income compensation from damage to power converters of alternative energy business.

## Selling and Administrative Expenses

Selling and administrative expenses for the first quarter period ended 31 March 2022 amounted to Baht 31.03 million, decreasing by Baht 1.77 million or 5.39 % when compared with the same period of last year because in the first quarter of 2021 the Company had loss on asset impairment from the case which damaged in power converters of alternative energy business. However, in the first quarter of 2022 had no that transaction. Moreover, the Company had measures to reduce and control expenses in the office. Then, overall administrative expenses reduced.

### Financial Cost

Financial cost for the first quarter period ended 31 March 2022 amounted to Baht 7.94 million, decreasing by Baht 0.99 million or 11.09 % when compared with the same period of last year which the amount was Baht 8.92 million due to the gradual repayments of long-term debts from alternative energy project.

### Income Tax (Revenue) Expense

In the first quarter period ended 31 March 2022, the Company and its subsidiaries had income tax revenue amounted to Baht (0.78) million because the Company recorded more deferred tax assets, which they were allowance for doubtful accounts on credit side, contract assets, allowance for inventory to net realizable value, and increasing in employee benefit obligation.

### Financial Position as of 31 March 2022

	Consolidated financial information (Unit : Million Baht)		
	March 31	December 31	Change
	2022	2021	
Current assets	537.91	609.70	(71.78)
Non-current assets	1,271.85	1,255.74	16.11
Total assets	1,809.76	1,865.44	(55.68)
Current liabilities	462.69	495.45	(32.76)
Non-current liabilities	466.10	484.48	(18.38)
Total liabilities	928.79	979.94	(51.14)
Equity	880.97	885.50	(4.53)

### Total Assets

Total assets of the Company and its subsidiaries as of 31 March 2022 amounted to Baht 1,809.76 million, decreasing by Baht 55.68 million from the end of 2021 due to these main reasons.

- Cash and cash equivalents amounted to Baht 62.33 million, increasing by Baht 10.36 million from the end of 2021. Although the Company paid for machines and under-construction power plant in alternative energy business and due long-term loan repayments during the period, the Company had net cash and cash equivalents from operation activities.

- Trade and other receivables amounted to Baht 199.89 million, decreasing by Baht 19.88 million because trade receivables from construction service decreased.
- Contract assets amounted to Baht 145.14 million, decreasing by Baht 40.88 million from the end of 2021, for asset from construction service contracts decreased.
- Inventories amounted to Baht 91.19 million, decreasing by Baht 22.63 million from the end of 2021 because they were installed in the project of construction service business.
- Property, plant and equipment amounted to Baht 1,050.76 million, increasing by Baht 13.34 million. Although during the period plant and equipment were calculated accumulated depreciation, overall property, plant and equipment increased because of investment in biomass power generation business and wood cutting business.

### Total Liabilities

Total Liabilities of the Company and its subsidiaries as of 31 March 2022 amounted to Baht 928.79 million, decreasing by Baht 51.14 million from the end of 2021 because of these main reasons.

- Trade and other payables amounted to Baht 118.37 million, decreasing by Baht 29.74 million from the end of 2021 due to a decrease in trade payables and retention payables.
- Long-term loans from financial institutions amounted to Baht 479.78 million, decreasing by Baht 22.75 million from the end of 2021 because of regular long-term loan repayments.

### Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries as of 31 March 2022 amounted to Baht 880.97 million, decreasing by Baht 4.53 million from 31 December 2021, resulting from the net loss during the period from group companies to decrease shareholders' equity in line with the former amount.

Please be informed accordingly.

Yours Respectfully,

( Mr. Preecha Suan )

Chief Financial Officer