

TRANSLATION

TTCL PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. Operating Performance for the period ended March 31, 2022

For period ending 31st March 2022, the Company reported Gross Profit at THB 214 million, increasing 60% year over year, mainly driven by Revenue from Construction and Service (EPC).

The foreign exchange difference on translation financial statement was THB 10 million. Therefore, the total comprehensive income for the period was THB 562 million.

The net profit for the period was THB 552 million, which attributed to the Company at THB 549 million with earnings profit of THB 0.87 per share.

2. Management Discussion and Analysis Report according to consolidated financial statements

For the Three-month period ended

(Unit: Million Baht)

	31-Mar-22		31-Mar-21		Change
Revenues from construction and service	2,580.46	99%	1,720.23	99%	50%
Revenues from operating the power plant	13.08	1%	12.36	1%	6%
Revenue from sale	-	0%	1.83	0%	-100%
Total revenues	2,593.54	100%	1,734.41	100%	50%
<u>Less</u> Cost of construction and services (EPC)	(2,376.61)	92%	(1,586.37)	91%	50%
<u>Less</u> Cost of operating the power plant	(2.80)	0%	(3.64)	0%	-23%
<u>Less</u> Costs of goods sold	-	0%	(10.42)	1%	-100%
Total Costs	(2,379.41)	92%	(1,600.44)	92%	49%
Gross profit	214.13	8.3%	133.97	7.7%	60%
<u>Add</u> Other income	31.32	1%	19.81	1%	58%
<u>Add</u> Doubtful debts recover	570.95	22%	0.00	0%	100%
<u>Less</u> Administrative Expenses	(239.25)	9%	(244.11)	14%	-2%
<u>Less</u> Gain (Loss) on exchange rate, net	(3.77)	0%	30.91	2%	N/A
<u>Add</u> Share of Profit / (Loss) of Joint venture	40.10	2%	30.35	2%	32%
Profit before Financial Cost and Income Tax	613.48	24%	(29.07)	2%	N/A
<u>Less</u> Financial Costs	(29.01)	1%	(33.67)	2%	-14%

Profit before Income Tax	584.47	23%	(62.74)	4%	N/A
<u>Less</u> Income Tax	(32.42)	1%	18.04	1%	N/A
Net Profit for this period	552.05	21.3%	(44.70)	-2.6%	N/A
Other comprehensive income (loss)					
- Add/(Less) Translation adjustments on foreign currency financial statements	9.84	0%	86.99	5%	-89%
Total comprehensive income for the period	561.88	22%	42.29	2%	1,229%
Profit attributable to:					
Owners of the parent	548.77		(46.92)		
Non-controlling interests	3.27		2.22		
	552.05		(44.70)		
Basic earnings per share (THB)	0.87		(0.09)		

2.1 Analysis of Revenues, Costs and Expenses

2.1.1 Revenues

Total Revenues recorded at THB 2,594 million, increased 50% when compare to the same period last year.

Revenues	31-Mar-22	31-Mar-21	Change
Construction and service revenues	2,580.46	1,720.23	50%
Revenue from operation power plant	13.08	12.36	6%
Revenue from sales	-	1.83	-100%
Total Revenues	2,593.54	1,734.41	50%

- EPC Businesses

Revenue from construction and service (EPC) increased by 50% to THB 2,581 million, this was anticipated due to the company had been awarded many new EPC contracts during the second half of last year as well as during the first quarter of this year.

- Power Plant Businesses

Revenue from the operation of power plants increased by 6% to THB 13 million.

- Bio Pellets Businesses

Revenue from the sale of product during the Three-month period was none due to the company having divested 90% share in HATIECO during Q4, 2021. Therefore, HATIECO is no longer a subsidiary of the company.

2.1.2 Costs & Gross Profit

Gross Profit Comparison

31-Mar-22	Revenue	Cost	Gross profit
EPC construction	2,580.46	(2,376.61)	203.85
Operation of Power Plant	13.08	(2.80)	10.28
Sales of goods	-	-	-
Total	2,593.54	(2,379.41)	214.13

Gross Profit consists of THB 204 million from construction and service (EPC), THB 10 million from operation of power plant.

The overall Gross Profit margin for the period is 8.3%, increasing from 7.7% during the same period last year, mainly due to most of the newly awarded EPC Contracts were still in the engineering phases. Hence, the engineering scope usually provides higher profit margin than procurement and construction.

2.1.3 Other Income / Doubtful debts Recover / Loss on Exchange Rate

- Other Income increased by 58% to THB 31 million mainly due to the company's subsidiary in Vietnam received an insurance claim of THB 11 million from one of the construction projects.
- Doubtful Debt Recover of THB 571 million was due to reverse in Provision for Doubtful Debts of a construction project in Laos as to reflect the current status of arbitration and the likelihood of claims.
- Loss on Exchange Rate was THB -4 million.

2.1.4 Administrative Expenses

- Administration Expenses decreased by 2% to THB 239 million. For the Three-month period of 2022, the Company recorded the Provision Expense of THB 69 million (per adoption of TFRS No. 9).

2.1.5 Share of Profit of Joint Venture

Share of Profit of Joint Venture from the investment in TTGP increased by 32% to THB 40 as the power plant in Myanmar was operating at its full capacity after having been partially shut down for a schedule maintenance during Q1, 2021.

2.1.6 Finance Cost and Income Tax

The Finance cost for the period decreased by 14% to THB 29 million. The discharge of debt obligation of THB 82 million when the company divested HATIECO in Q3, 2021 has contributed to lowering the Company's finance cost. Income tax for the period was recorded at THB 32 million.

3. Analysis of Financial Status

3.1 Analysis of Assets

Figures in THB Million	31-Mar-22	31-Dec-21	Increase/(Decrease)	% Change
Current assets	10,643.05	9,471.49	1,171.56	12.37%
Non-current assets	4,239.05	4,173.70	65.34	1.57%
Total assets	14,882.09	13,645.19	1,236.90	9.06%

As of 31 March 2022, Total Assets were THB 14,882 million, increased by 9% compared with the end of last year.

Total Current Assets increased by THB 1,172 million or 12%; major movement as the following items:

- Cash and cash equivalents increased by THB 289 million due to collection the invoices from Customers. As a result, Trade account receivable – general customers decreased by THB 499 million.
- Contract assets - general customers increased by THB 1,253 million driven by progress in large construction project.

Total Non-current Assets increased by THB 65 million or 2%; major movement as the following items:

- Property, plant and equipment increased by THB 59 million due to the investment of Black Pellet Demonstration Plant in Lampang.

3.2 Analysis of Liabilities and Shareholders' Equity

Figures in THB Million	31-Mar-22	31-Dec-21	Increase/(Decrease)	% Change
Current Liabilities	11,078.91	10,354.47	724.44	7.00%
Non-Current Liabilities	316.31	354.95	(38.64)	(10.89%)
Total Liabilities	11,395.22	10,709.42	685.80	6.40%
Shareholders' equity	3,486.87	2,935.78	551.10	18.77%
Total Liabilities and shareholders' equity	14,882.09	13,645.19	1,236.90	9.06%

As of 31 March 2022, Total Liabilities were THB 11,395 million, increased by 6% compared with the end of last year.

Total Current Liabilities increased by THB 724 million or 7%; major movement as the following items:

- Short-term loans from financial institutions decreased THB 166 million due to repayment of the short-term loan to the Financial Institutions.
- Accrued construction costs increased by THB 763 million due to the large projects have progress in the construction.

- Contract liabilities increased by THB 143 million due to the 1st payment received of the new domestic project according to EPC contract.

Total Non-current Liabilities decreased by THB 39 million or 11%; major movement as the following items:

- Lease Liabilities decreased by THB 21 million due to the payment of rental building during the period.
- Deferred tax liabilities decreased by THB 22 million due to reverse the transaction of gain on translation on foreign currencies in 2021.

Shareholder's equity were THB 3,487 million or increased by 19%. The Shareholders' Equity Opening balance as of the beginning of the year was THB 2,936 million, effect from change in equity of the period consists of 1) interest paid for the period of subordinated perpetual debentures of THB -11 million, and 2) Other comprehensive income for the period of THB 562 million. Therefore, the Closing Balance of Shareholders' Equity as of 31 March 2022 were THB 3,487 million.

4. Major Financial Measures

4.1. Profitability Ratios	31-Mar-22	31-Mar-21	Favorable/Unfavorable
4.1.1. Gross profit margin	8.26%	7.72%	Favorable
4.1.2. Net profit margin	21.29%	(2.58%)	Favorable
4.1.3. Times Interest Earned ratio	21.14	(0.86)	Favorable
4.1.4. Earnings per share	0.87	(0.09)	Favorable

4.2. Leverage Ratios	31-Mar-22	31-Dec-21	Favorable/Unfavorable
4.2.1. Current ratio	0.96	0.91	Neutral
4.2.2. Debt/ Equity ratio	3.27	3.65	Favorable
4.2.3. Interest-Bearing Debt/ Equity ratio	0.81	1.02	Favorable

4.3. Shareholders Value Ratios	31-Mar-22	31-Dec-21	Favorable/Unfavorable
4.3.1. Net Book Value	5.66	4.77	Favorable
4.3.2. Return on total assets	3.71%	2.14%	Favorable
4.3.3. Return on equity	15.83%	9.96%	Favorable