

No. ETE-66/009

Date 21 February 2023

Subject: Explanation and analysis from the management team regarding the performance results for the year 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 year ended 31 December 2022, which have been approved by the Board of Directors meeting no. 1/2023 held on 21 February 2023 with details as follows.

Performance results for the year ended 31 December 2022

Performance results	Consolidated financial information			
	(Unit : Million Baht)			
	2022	2021	Change	% Change
Revenue from construction service	411.40	450.62	(39.23)	-8.70%
Revenue from management service	698.60	782.63	(84.03)	-10.74%
Revenue from alternative energy	134.74	131.09	3.65	2.79%
Revenue from sale of goods and other services	13.24	16.45	(3.22)	
Revenue	1,257.97	1,380.79	(122.81)	-8.89%
Cost	1,101.47	1,181.14	(79.67)	-6.75%
Gross profit	156.50	199.65	(43.15)	-21.61%
Other income	3.34	7.02	(3.69)	-52.51%
Selling & Admin expenses	112.62	135.70	(23.08)	-17.01%
Finance costs	25.93	36.64	(10.70)	-29.21%
Share of loss from associate	0.41	0.40	0.01	3.58%
Income(Revenue) tax expense	(2.80)	7.92	(10.73)	-135.39%
Profit for the period	23.68	26.01	(2.33)	-8.97%

The Company and its subsidiaries had net profit for the year ended 31 December 2022 amounted to Baht 23.68 million, decreasing by Baht 2.33 million or 8.97 %, when compared with the same period of last year which the net profit was Baht 26.01 million due to the following reasons.



Revenues

The Company and its subsidiaries had total revenues for the year ended 31 December 2022 amounted to Baht 1,257.97 million, decreasing by Baht 122.81 million or 8.89% when compared with last year which the amount was Baht 1,380.79 million. Consequently, gross profit for the year ended 31 December 2022 amounted to Baht 156.50 million, decreasing by Baht 43.15 million or 21.61% when compared with previous year.

1. Revenue from construction service for the year ended 31 December 2022 was Baht 411.40 million, decreasing Baht 39.23 million or 8.70 % when compared with last year which the amount was Baht 450.62 million because there were due projects during period in 2021 more than 2022.
2. Revenue from management service for the year ended 31 December 2022 was Baht 698.60 million, decreasing Baht 84.03 million or 10.74% when compared with previous year which the amount was Baht 782.63 million. This was because management team considered to accept only projects which no risks of project delay or budget cancellation in the future.
3. Revenue from alternative energy for the year ended 31 December 2022 was Baht 134.74 million, increasing Baht 3.65 million or 2.79% when compared with last year which the amount was Baht 131.09 million because, in the fourth quarter, the Company started to recognize revenues from biomass power generation business which COD on 14 November 2022, and the Company has focused on maintenance in solar power plant system each area regularly to remain stable of power generation capacity continuously.
4. Revenue from sale of goods and other services for the year ended 31 December 2022 was Baht 13.24 million, decreasing Baht 3.22 million when compared with previous year.

Selling and Administrative Expenses

Selling and administrative expenses for the year ended 31 December 2022 amounted to Baht 112.68 million, decreasing by Baht 23.02 million or 16.96 % when compared with the same period of last year which the amount was Baht 135.70 million. The main reasons was loss on impairment on asset from power converters of alternative energy business in 2021. However, there was no this transaction in 2022. Moreover, the Company had expenses decreasing and controlling measures at office. Therefore, overall selling and administrative expenses decreased in 2022.

Financial Cost

Financial cost for the year ended 31 December 2022 amounted to Baht 25.93 million, decreasing by Baht 10.70 million or 29.21% when compared with last year which the amount was Baht 36.64 million due to the gradual repayments of long-term debts from alternative energy project.



Financial Position as of 31 December 2022

Consolidated financial information (Unit : Million Baht)			
	December 31	December 31	Change
	2022	2021	
Current assets	844.96	609.70	235.26
Non-current assets	1,293.46	1,255.74	37.72
Total assets	2,138.42	1,865.44	272.98
Current liabilities	821.26	495.45	325.81
Non-current liabilities	410.25	484.48	(74.24)
Total liabilities	1,231.51	979.94	251.57
Equity	906.91	885.50	21.41

Total Assets

Total assets of the Company and its subsidiaries as of 31 December 2022 amounted to Baht 2,138.42 million, increasing by Baht 272.98 million from the end of 2021 due to these main reasons.

- Trade and other receivables amounted to Baht 307.99 million, increasing by Baht 88.22 million from the end of 2021 because of increase in trade receivables from construction service.
- Contract assets amounted to Baht 346.75 million, increasing by Baht 160.73 million from the end of 2021 because of increase in billing process of construction service.
- Property, plant and equipment amounted to Baht 1,093.55 million, increasing by Baht 56.14 million from the end of 2021 because of investment in biomass power generation business. However, some items of property, plant and equipment decreased during the period because they were calculated accumulated depreciation.
- Inventories amounted to Baht 60.84 million, decreasing by Baht 52.98 million from the end of 2021 because they were installed in the project of construction service business.



Total Liabilities

Total Liabilities of the Company and its subsidiaries as of 31 December 2022 amounted to Baht 1,231.51 million, increasing by Baht 251.57 million from the end of 2021 because of these main reasons.

- Bank overdrafts and short-term loans from financial institutions amounted to Baht 475.31 million, increasing by Baht 231.65 million from the end of 2021.
- Trade and other payables amounted to Baht 223.45 million, increasing by Baht 75.33 million from the end of 2021 due to increase in trade payables and accrued costs from construction.
- Contract liabilities amounted to Baht 37.61 million, increasing by Baht 32.58 million from the end of 2021 because the Company had new projects and received advance payment from contracts.
- Long-term loans from financial institutions amounted to Baht 415.76 million, decreasing by Baht 86.78 million from the end of 2021 due to regular long-term loan repayments during the period.

Shareholders' Equity

The Company and its subsidiaries had shareholders' equity as of 31 December 2022 amounted to Baht 906.91 million, increasing by Baht 21.41 million from 31 December 2021 because group companies had higher net profits. Consequently, shareholders' equity increased in line with the former amount.

Please be informed accordingly.

Yours Respectfully,

(Mr. Preecha Suan)

Chief Financial Officer

