

Ref. CNT/SEC/004/2022

27 February 2023

Subject: Management Discussion and Analysis (MD&A) for the Year 2022

**To: The President, the Stock Exchange of Thailand
The Secretary, the Office of the Securities and Exchange
Commission (SEC)**

Christiani & Nielsen (Thai) Public Company Limited and its subsidiaries here below submit the management discussion and analysis (MD&A) report for the year ended December 31, 2022.

Overview

Christiani & Nielsen (Thai) Public Company Limited (the “Company”) is a leading construction company in Thailand and has been providing a wide range of services for over 92 years, including design and construction of buildings, civil engineering projects, design, fabrication and erection of steel structures, and mechanical and electrical installation. The Company works with both the government and private sectors. In 2019, the Company expanded its business into renewable energy which is a very promising business for the future and this business has progressed well in 2022 whereby, by the end of 2022 the Company has built (and booked) solar power plant assets valued at over THB 335 million. However, due to no recent business activity and the uncertain political situation in the country in the 4th quarter of 2022, the Company’s Board of Directors’ meeting passed a resolution to dissolve and liquidate a subsidiary in Myanmar.

In 2023, the Company plans to expand its construction business into hospitality segment through a new subsidiary established and registered on February 3, 2023 which has employed a team of experienced experts to increase the coverage of the Company’s customer groups and the nature of projects executed by the Company.

Economic Outlook Overview

World economy in 2022 and in 2023

The global economy remains sluggish as a result of

- Continuingly high global inflation
- Persistently tight monetary policy and continuingly rising interest rates to maintain fiscal stability
- Prolonged and severe energy crisis
- Slow recovery of demand compared to that in the pre-COVID period

Given the current situation, the global economy is still at great risk of a recession and now witnesses a widespread slowdown in global economic activities including demand for employment.

Many financial institutions have lowered their 2022 global economic forecasts from 3.0% to 2.9% and downgraded their 2023 forecast from 2.7% to 1.8%, representing the average of the previous recessions.

Despite recent improvements, the global inflation remains high, downgraded from 7% in 2022, to a projected 4.7% in 2023. These big problems in the world will continue to pressure the Global Economy and the slowdown may continue.

Thai economy in 2022 and in 2023

SCB Economic Intelligence Center (SCBEIC) raised the GDP growth rate in 2022 to 3.2% and downgraded its outlook for 2023 from 3.7% to 3.4% due to the global economic slowdown.

The Thai economy was supported by the tourism sector, the service sector, and recovered private consumption. The tourism sector will now grow more clearly since China has now eased its Zero-COVID policy. Domestic tourism spending is returning to close to the pre-COVID period, but the impact of inflation will cause European and American tourists to cut down on their travel spending.

The export and manufacturing sectors that rely on foreign markets are likely to slow down in line with the global economic trend.

Important risk factors for the Thai economy in 2023 include:

- The slow growth of the global economy that will put pressure on exports and investment.
- Significantly high inflation, interest rates, and household debt will cause the recovery to be sporadic and inconsistent.
- Political instability during the transition towards the next general election and formation of a new government.

Construction Industry Overview in 2022 and in 2023

The stagnation of the construction industry continued from 2021 until the end of 2022, attributed to several factors and circumstances such as massive contraction of public and private investments.

The government halted, slowed down, and postponed the development of large-scale infrastructure projects that are directly funded by the state budget. The private sector has also cut investment amid supply and demand uncertainties. The small number of projects that have been developed into actual construction work gave rise to intense competition for business survival. Most contractors were forced to focus primarily on the same backlog due to sudden rising costs resulting



from the energy crisis, higher wages due to wage increases, and shortage of skilled labor.

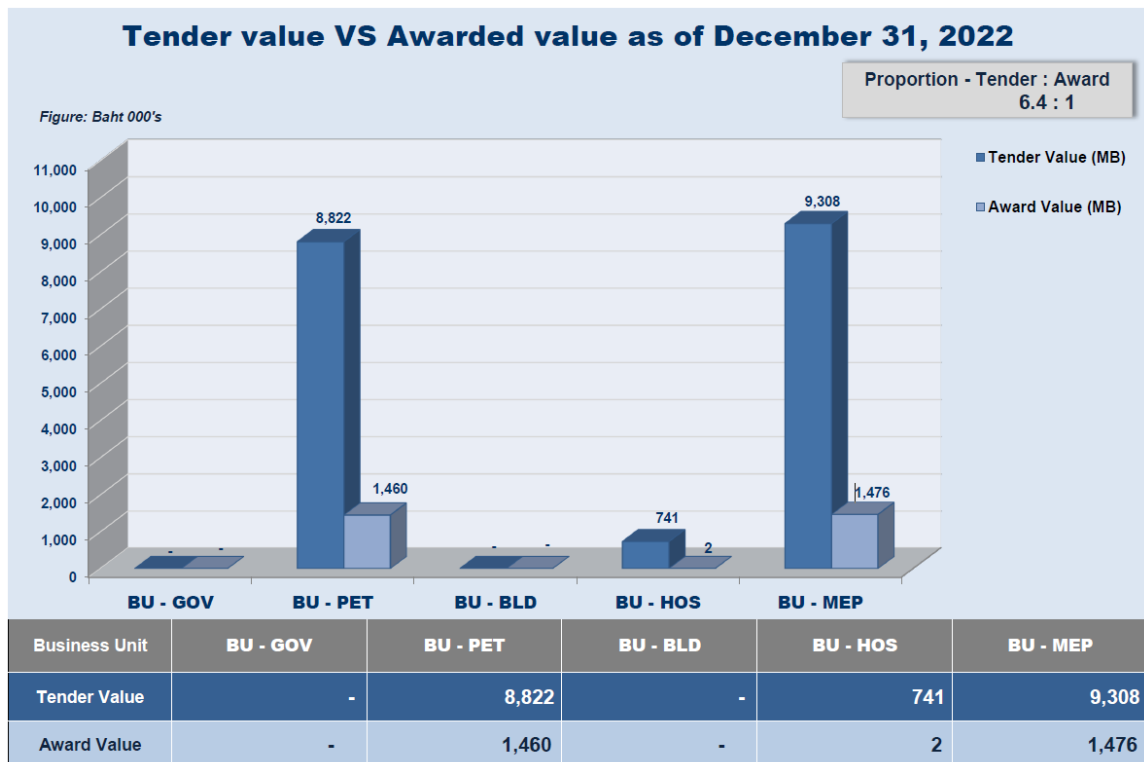
It is expected that in 2023 the construction industry will gradually pick up. Real estate developers will continue to develop in the real demand sector amid the easing of the LTV criteria.

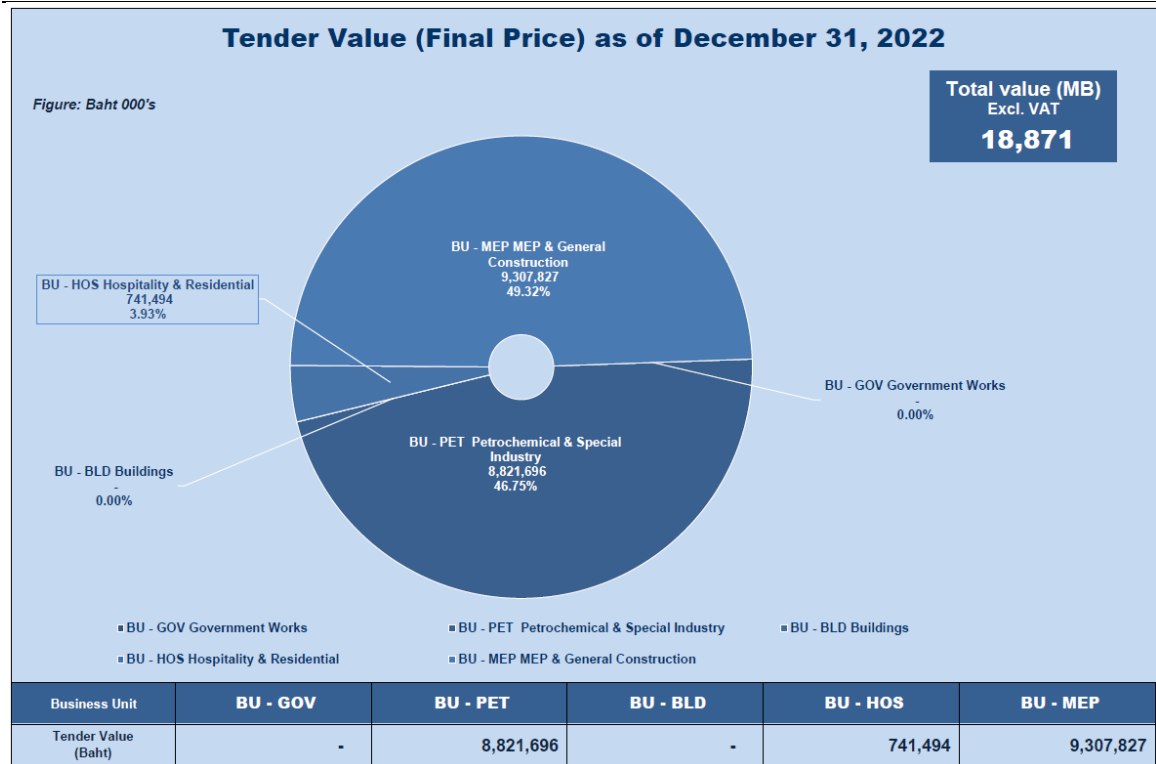
Foreign investment in some projects that respond to the recovery of consumption continues and megatrends, such as EV automotive, LNG, clean energy, digital, data center, e-commerce, will also follow suit. The time has come for the government to start investing more in mega projects in 2023 that will help lift Thailand's potential. The outlook for 2023, although not bright, can be expected to be better than 2022 which will result in a reduced competitive situation to some extent and will enable construction contractors' to return to profitability.

Company Business Overview

In the midst of the stagnation and uncertainty of the government, the Company continues to develop its internal processes, focusing on internal training, such as construction techniques training for operational staff, to enhance employee potential, skills and competitiveness to be ready when the industry recovers.

Overview of tenders and awards in 2022.





Bidding and Project Award in 2022. The Company participated in the bidding for 23 projects with a total value of THB 18,871 million and was awarded 5 projects worth THB 2,938 million with a proportion of the number of projects of 4.6:1 and the proportion in terms of bidding value of 6.4:1. Most of the awarded projects were the food and packaging industries in the private sector and more importantly the Datacenter. In 2022, the Company did not participate in the public sector bidding because there were hardly new construction works for which Tenders were issued.

Market Situation and Competition Trend in 2023

Public and private projects are still slowing down. Some of the projects that have been postponed during the COVID-19 pandemic are now being reviewed for further development, such as in LNG sector, energy sector, data centers, logistics, and food processing industries including some work related to public infrastructure. The Company has high potential in the above-mentioned works and this provides an opportunity for the company to be awarded more projects this year than in 2022.

In addition, on February 3, 2023, the Company established and registered a new subsidiary, Christiani & Nielsen DCM Company Limited, to operate in the hotel and hospitality segment. Christiani & Nielsen DCM Company Limited is now equipped with personnel and teams with experience and expertise in the construction of high-end leisure and recreation facilities. This will help expand the Company's bids to other industries to create opportunities to increase revenue and sustainability for the company.

Alternate Energy Solutions Business (CNES, a Subsidiary Company)



During Q4-2022, in addition to the ongoing works and the newly acquired projects during Q3-2022, CNES has embarked on several new solar projects in different parts of Thailand. The two solar farm projects from previous backlog that got delayed due to excessive rainfall in the early part of the year, got rebooted in December 2022 and now have progressed at a rapid pace with a mandate to conclude the installation work by Q1-2023. Projects which are in the final negotiation of the bidding phase are most likely to be won as the demand for sustainable energy increases along with the continuously rising electricity prices.

CNES is very optimistic that the business is able to maintain a consistent growth, particularly in the development of its solar power assets through power purchase agreements (PPAs). In order to be successful in this endeavour, CNES's wholly owned subsidiary, CNESD1, received an approved funding offer for long term investments by a leading financial institution during the 4th quarter of 2022.

Management Discussion and Analysis (MD&A)

Overall performance of the Company

Performance Overview

The results of operations, audited by EY Office Limited, show the financial position of the Company. For the year ended December 31, 2022, the Company had total revenues of THB 5,348 million, a decrease of THB 850 million or 13.7% from THB 6,199 million in 2021. Gross loss was THB 33 million, down 118.5% from a gross profit of THB 177 million in 2021, mainly due to the decrease in the construction revenue by THB 802 million in 2022 (to be discussed later in the revenue analysis section). The net loss amounted to THB 219 million vs a net loss of THB 130 million in the previous year, mainly due to the volatility of material costs that skyrocketed as a result of the rapid increase in the prices of construction materials and the prolonged construction of some projects that were secured before the increased prices could be incorporated in the tendered bids and the contracts.

As of 31 December 2022, the Company had total assets of THB 6,202 million, total liabilities of THB 4,553 million, and total shareholders' equity of THB 1,649 million



STATEMENTS OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	FOR THE YEAR ENDED 31 DECEMBER			
	(unit : Million Baht)			
	Consolidated financial statements			
	2022	2021	Var.	
			Inc. / (Dec.)	% Inc. (Dec.)
Revenues				
Construction income	5,214.0	6,015.5	(801.5)	(13.3%)
Revenue from sales and services	116.3	158.8	(42.6)	(26.8%)
Total Construction income & revenue from sales and services	5,330.2	6,174.3	(844.1)	(13.7%)
<i>% of total revenues</i>	<i>99.7%</i>	<i>99.6%</i>		
Other income	18.1	24.3	(6.2)	(25.5%)
Total revenues	5,348.4	6,198.7	(850.3)	(13.7%)
Costs of construction	5,245.3	5,854.5	(609.1)	(10.4%)
Cost of sales and services	117.6	143.0	(25.4)	(17.8%)
Total costs of construction & cost of sales and services	5,363.0	5,997.5	(634.5)	(10.6%)
Gross Margin	(32.7)	176.8	(209.6)	(118.5%)
<i>% Gross Margin</i>	<i>(0.6%)</i>	<i>2.86%</i>		
Bad debts	-	52.6	(52.6)	(100.0%)
Administrative expenses	250.5	249.1	1.4	0.6%
<i>% Administrative expenses / Total revenues</i>	<i>0.0</i>	<i>0.0</i>		
Profit (Loss) from operating activities	(265.1)	(100.5)	(164.6)	163.8%
Finance income	38.6	7.4	31.3	424.8%
Finance cost	(5.2)	(11.6)	(6.4)	55.1%
Profit (Loss) before income tax expenses	(231.7)	(104.7)	(126.9)	121.2%
Corporate income tax	13.1	(25.6)	38.7	(151.2%)
Net Profit (Loss) for the period	(218.6)	(130.4)	(88.2)	67.7%
<i>% Net Profit (Loss) / Total revenues</i>	<i>(4.1%)</i>	<i>(2.1%)</i>		
Earnings per share				
Basic earnings per share				
Profit (Loss) attributable to equity holders of the Company (Baht)	(0.21)	(0.13)	(0.08)	65.5%

Consolidated construction income and revenue from sales and services of the Company and its subsidiaries in 2022 was THB 5,330 million, a decrease of THB 844 million from THB 6,174 million or 13.7% from 2021, representing 99.7% of total revenues of THB 5,348 million. This resulted in THB 850 million or 13.7% decrease of total revenues from 2021. The decrease was attributed to fewer projects that the Company participated in bidding compared to 2021, including the awarded projects. Despite the ease of the Coronavirus Disease 2019 pandemic, the revenue was affected by the slow-down or postponement of investments by the private and public sectors. The Company's revenue recognition in 2022 was mainly from the balance of work under the existing projects carried over from the previous period. Yet, the Company has organized internal training to increase personnel capabilities and recruited a team with experience and expertise in the



high-end hotel and leisure industry through the establishment of a new company so as to expand bidding to that segment in 2023.

Gross margin for 2022 decreased by THB 210 million compared to that in 2021 or 118.5%, or from gross profit of 2.86% in 2021 to a loss of 0.6% in 2022, mainly due to the volatility of material costs, pushing construction material prices to rise rapidly coupled with a longer construction period for each project caused by the closing of construction sites during the Coronavirus outbreak, lasting until 2022. In spite of this, the Company executed all its projects well and achieved high margins thereon with the overall loss coming only from two projects.

In 2022, the total income dropped by THB 850 million or 13.7%, other income apart from the construction income and revenue from sales and services of the Company and its subsidiaries in 2022, dropped by THB 6 million due to a decrease in revenue of a subsidiary that was attributed to a delay in the construction projects of the subsidiary caused by erratic weather in early 2022. This resulted in lower revenue compared to that in 2021. However, the delayed project resumed in December 2022 and is expected to be completed in the first quarter of 2023.

Other income dropped by THB 6 million or 26% compared to that in 2021. In 2022, other income mainly came from profit from disposal of construction equipment of THB 15 million while a profit from disposal of construction equipment in 2021 accounted for THB 13 million. There was a reversal of the retention account of long overdue subcontractors from a subsidiary (CNTH) in the amount of THB 5 million.

The main costs of construction consist of, for instance, construction materials, subcontractors and labor, all of which vary depending on market conditions. The consolidated costs of construction of the Company and its subsidiaries in 2022 were THB 5,245 million, a decrease of THB 609 million or 10.4%, from 2021 which was lower than the rate of decline in revenue due to construction material price volatility and the construction period as mentioned in the preceding paragraph.

Administrative expenses in 2022 rose from 2021 by THB 1.4 million mainly from financial, tax and legal advisory fees to study the / acquisition of a company to expand to new customer groups and land and building taxes that did not receive special rates like those in 2021.

In 2022, Finance Income increased by THB 31.3 million from interest received from a customer in big project as per Construction Contract under which the Company can charge the interest for credit period that longer than Company's normal credit term. Whereas Finance Cost decreased by THB 6.4 million. As a result, net Finance Income (interest income minus finance cost) increased by THB 37.6 million from 2021.

The Company and subsidiaries in Thailand incurred no corporate income tax burden for 2022 due to accumulated tax losses carried forward which was allowed as deductible expense in annual tax return calculations. The Company posted deferred corporate income tax of THB 13 million.



The consolidated financial statements for 2022 show a net loss after tax of THB 219 million, an increase by THB 88 million from THB 130 million in 2021. The increase was mainly attributed to the gross profit margin decline from 2.86% in 2021 to 0.6% in 2022, resulting in the Company's gross margin in absolute terms decreasing by THB 210 million. Other income apart from the construction income and revenue from sales and services decreased by THB 6 million, administrative expenses increased marginally by THB 1.4 million. Net financial revenue increased by THB 38 million and deferred corporate income tax increased by THB 39 million as mentioned above.

The sales and service segment by a subsidiary with operations carried out in Thailand to provide energy solutions in solar, wind and other renewable energy sectors, posted revenue from sales and service of THB 116 million for 2022 with a net loss before tax of THB 35 million, with a increase in net loss of THB 12 million compared to the net loss of THB 23 million in 2021.

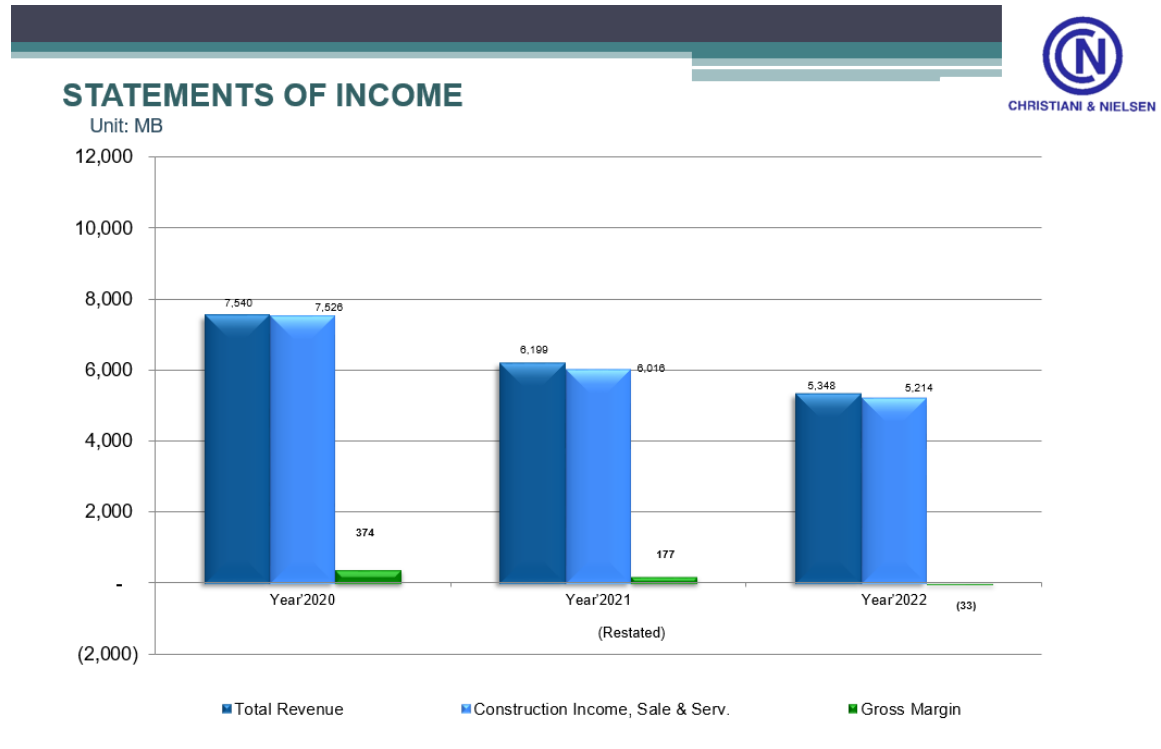
STATEMENTS OF COMPREHENSIVE INCOME		(unit : Million Baht)		
Consolidated financial statements				
	2022	2021	Var. Inc. / (Dec.)	
Net profit for the period	(218.6)	(130.4)	(88.2)	
- Exchange differences on translation of financial statements in foreign currency	0.1	1.1	(1.0)	
- Fair value reserve of financial assets at FVOCI				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net	(64.8)	(6.6)	(58.2)	
Revaluation surplus on assets	2.8	-	2.8	
Actuarial gain (loss)	4.1	10.1	(5.9)	
Other comprehensive income for the period	(57.8)	4.6	(62.3)	
Total comprehensive income for the period	(276.3)	(125.8)	(150.6)	
Equity holders of the parent	(271.2)	(124.3)	(146.8)	
Non-Controlling interests of the Subsidiary	(5.2)	(1.4)	(3.8)	
	(276.3)	(125.8)	(150.6)	

Comprehensive income

The total comprehensive income in the consolidated financial statements for 2022 decreased by THB 150 million, attributed to the THB 88 million increase in net loss from loss THB 130 million in 2021 to loss THB 219 million in 2022, an increase in loss from changes in value of equity investments designated at a fair value through other comprehensive income (net of deferred income tax) of THB 58 million, an increase of fair value reserve of financial assets at fair value (net of deferred income tax) of THB 2.8 million. Actuarial profits (net of deferred tax) decreased



from 2021 by THB 6 million and a decrease in exchange differences on conversion of financial statements to foreign currency by THB 1 million.



Statements of Financial Position Analysis

STATEMENTS OF FINANCIAL POSITION

(unit : Million Baht)

	Consolidated financial statements			
	31 Dec. 22	31 Dec. 21	Inc. (Dec.)	% Inc. (Dec.)
Assets				
Cash and cash equivalents	212.0	303.6	(91.6)	(30.2%)
Trade and other receivables	1,499.7	664.1	835.6	125.8%
Contract assets	1,566.7	1,888.7	(322.0)	(17.0%)
Inventories	101.7	64.4	37.3	57.9%
Advance payments to subcontractors	452.6	308.6	144.1	46.7%
Withholding tax deducted at source	251.9	262.4	(10.6)	(4.0%)
Other current assets	22.6	10.3	12.2	118.3%
Total current assets	4,107.1	3,502.2	605.0	17.3%
Other non-current financial assets	17.4	98.4	(81.0)	(82.4%)
Investment properties	264.2	287.5	(23.3)	(8.1%)
Property, plant and equipment	1,690.0	1,498.0	192.0	12.8%
Right-of-use assets	93.5	140.3	(46.9)	(33.4%)
Other non-current assets	30.0	25.1	4.9	19.6%
Total non-current assets	2,095.0	2,049.3	45.8	2.2%
Total assets	6,202.2	5,551.4	650.7	11.7%

Assets



As of December 31, 2022, the total assets of the Company and its subsidiaries as stated in the consolidated financial statements amounted to THB 6,202 million, an increase of THB 651 million or 12% from December 31, 2021, due to current assets increasing by THB 605 million and non-current assets increasing by THB 46 million for the following reasons:

Current assets rose by THB 605 million as trade and other receivables increased by THB 836 million due to the fact that the Company gave a major customer an unusually longer credit term this year resulting in an increased outstanding balance of receivables at the end of the year. Advance payments to subcontractors increased by THB 144 million from the advance paid to main subcontractors in big project awarded in 2022. Withholding tax decreased by THB 10.6 million due to the decrease in construction revenue. In addition, contract assets decreased by THB 322 million, mainly due to the decrease in unbilled income and the retention receivable of THB 312 million and THB 10 million, respectively. Other current assets increased by THB 12 million, cash and cash equivalents dropped by THB 92 million as a result of THB 157 million spent on operating activities and THB 124 million on investing activities, but get THB 188 million from financing activities. Inventory increased by THB 37 million.

In 2022, non-current assets increased by THB 46 million, mainly due to a decrease in right-of-use assets of THB 47 million (from the fully paid transfer of right-of-use on assets to the solar farm land, machinery and equipment account of THB 75 million, additional purchases of THB 51 million and depreciation for the period of THB 23 million). Other non-current financial assets decreased by THB 81 million from the recognition of the fair value of investments in equity securities of non-listed companies according to the financial reporting standard for Financial Instruments. Investment in machinery and equipment net of depreciation for the period increased by THB 192 million, mainly from the construction of the subsidiary's solar power plants.

Aging construction contract receivables based on due dates are detailed below:



(unit : Million Baht)

	Consolidated financial statements		
	<u>31 Dec. 22</u>	<u>31 Dec. 21</u>	<u>31 Dec. 20</u>
<u>Age of receivables</u>			
Not yet due	1,297	502	1,268
Past due			
Not over 1 month	27	48	16
	1,324	550	1,284
<i>% of total construction contracts debtors</i>	<i>87.2%</i>	<i>77.6%</i>	<i>85.7%</i>
1 - 3 months	-	3	39
3 - 6 months	59	3	42
6 - 12 months	1	36	17
Over 12 months	135	116	116
Total construction contract debtors	1,518	708	1,498

The Company has construction contract debtors categorized by the aging of balances in 2022 of THB 1,518 million, 87.2% of which were not yet due and not over 1 month past due. The Company has allowances for doubtful accounts with estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic conditions. In 2022, the balance of allowance for doubtful accounts for loss of THB 74 million is unchanged, which is about 5% of the total construction contract debtors. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore, does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risks since the Company has a large customer base and creditworthiness of customers is assessed before taking up construction work.

STATEMENTS OF FINANCIAL POSITION

(unit : Million Baht)

	Consolidated financial statements			
	<u>31 Dec. 22</u>	<u>31 Dec. 21</u>	<u>Inc. (Dec.)</u>	<u>% Inc. (Dec.)</u>
Liabilities				
Bank overdraft and short-term loans from finan	370.8	116.3	254.5	218.8%
Trade and other payables	2,271.7	1,942.4	329.3	17.0%
Contract liabilities	1,213.3	932.8	280.5	30.1%
Short term provision	275.1	235.3	39.8	16.9%
Liabilities under lease agreements	68.8	84.9	(16.1)	(19.0%)
Provision for long-term employee benefits	188.4	184.9	3.5	1.9%
Other liabilities	164.7	129.1	35.6	27.6%
Total liabilities	4,552.8	3,625.7	927.1	25.6%

Liabilities



As of 31 December 2022, the Company had total liabilities at THB 4,553 million, an increase of THB 927 million or 25.6% from THB 3,626 million as of 31 December 2021. This is mainly due to liabilities arising from contracts (including advances received from customers and construction revenue received in advance) increasing by THB 281 million or 30.1% due to the receiving of advances from large construction projects versus smaller project size in 2021. Liabilities under lease contracts decreased by THB 16 million due to an increase in leasehold assets of THB 52 million and payment of contractual liabilities of THB 68 million. Trade and other payables increased by THB 329 million or 17%. In 2022, the borrowing by the subsidiary from financial institutions to fund working capital increased by THB 255 million. The Company increased a provision for short-term liabilities based on the projection of construction project expenses by THB 40 million, partly from the estimated expenses for some construction projects that are expected to be affected by the inflation in prices of construction materials. As the fair value of the financial assets has decreased, the Company increased the provision for estimated construction expenses as mentioned above. Other liabilities increased by THB 36 million due to the increase in deferred output tax.

STATEMENTS OF FINANCIAL POSITION

(unit : Million Baht)

	Consolidated financial statements			
	31 Dec. 22	31 Dec. 21	<u>Inc. (Dec.)</u>	<u>% Inc. (Dec.)</u>
Shareholders' equity				
Share capital	1,027.9	1,027.9	-	0.0%
Share Premium	100.0	100.0	-	0.0%
Retained earnings				0.0%
Appropriated - statutory reserve	99.0	99.0	-	0.0%
Unappropriated	(80.6)	126.5	(207.1)	(163.7%)
Other components of shareholders' equity	397.7	461.8	(64.1)	(13.9%)
Premium on sales of investment in subsidiary	21.4	21.4	0.0	0.0%
Premium on sales of own shares held by subsi	68.9	68.9	0.0	0.0%
Equity attributable to Owners of the Company	1,634.3	1,905.5	(271.2)	(14.2%)
Non-controlling interests of the subsidiary	15.1	20.3	(5.2)	(25.6%)
Total shareholders' equity	1,649.4	1,925.8	(276.3)	(14.3%)

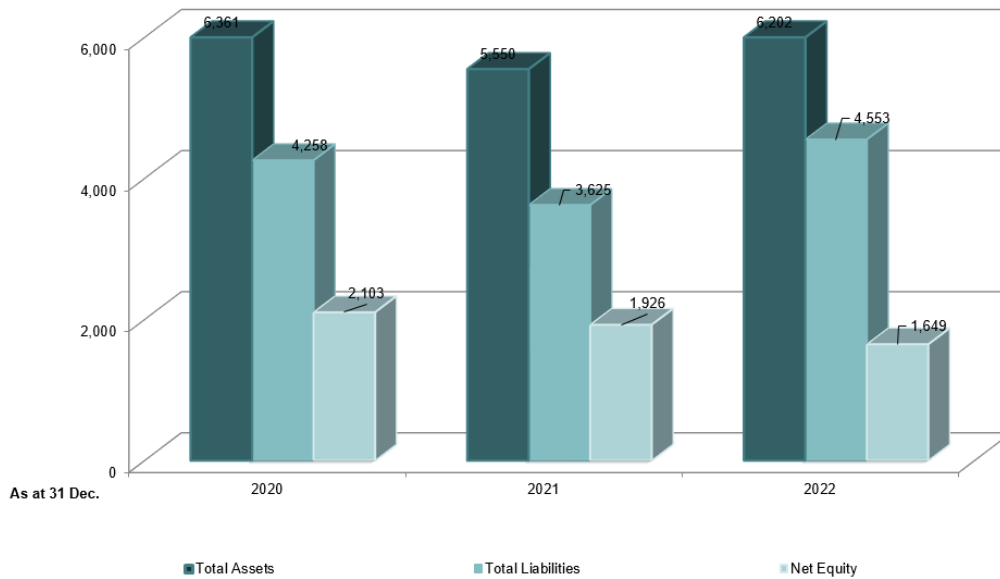
Shareholders' equity

As of 31 December 2022, the shareholders' equity of the Company was THB 1,649 million, a decrease of THB 276 million or 14.3% from that as of 31 December 2021, mainly due to the reported THB 219 million net loss for 2022. In 2022, there was an increase in revaluation surplus on assets of THB 3 million, actuarial profit decrease by THB 6 million and a loss from changes in value of other non-current financial assets designated at fair value of THB 65 million.



STATEMENTS OF FINANCIAL POSITION

Unit: MB



Cash Flow

Cash and cash equivalents as of the year ended 2022 accounted for THB 212 million, a decrease of THB 92 million from a balance of THB 304 million at the end of 2021 or beginning of 2022.

Details of cash flow by activities are as follows:

**Christiani & Nielsen (Thai) Public Company Limited and its subsidiaries****Cash flow statements****For the year ended 31 December 2022**

(Unit: Million baht)

	<u>Consolidated financial statements</u>		
	<u>2022</u>	<u>2021</u>	<u>VAR</u>
Cash flows from operating activities			<u>Inc/ (Dec.)</u>
Cash from operating activities	(204.0)	238.6	(442.6)
Interest income	38.1	7.4	30.8
Cash paid for interest expense	(0.6)	(3.2)	2.6
Refund of withholding tax deducted at source	124.2	183.9	(59.7)
Cash paid for income tax	<u>(114.2)</u>	<u>(139.7)</u>	25.5
Net cash from operating activities	<u>(156.5)</u>	<u>287.0</u>	<u>(443.5)</u>
Cash flows from investing activities			
Decrease (increase) in restricted bank deposits	(6.2)	(0.0)	(6.2)
Cash paid for acquisitions of property, plant and equipment	(146.4)	(155.1)	8.6
Proceeds from disposals of plant and equipment	32.4	25.9	6.5
Cash paid for intangible assets	<u>(3.2)</u>	<u>(3.3)</u>	0.1
Net cash from (used in) investing activities	<u>(123.5)</u>	<u>(132.5)</u>	9.0



Cash flows from financing activities			
Increase in bank overdraft and short-term loans			
from financial institutions	254.5	278.2	(23.7)
Decrease in bank overdraft and short-term loans			
from financial institutions		(202.1)	202.1
Increase in short-term loans from related party	3.0	1.5	1.5
Cash paid for long-term loans		-	-
Payment of principal portion of leases liabilities	(67.3)	(113.1)	45.7
Cash paid for interest expenses of leases liabilities	(1.9)	(4.1)	2.2
Dividend payment	-	(51.4)	51.4
Net cash used in financing activities	188.3	(91.0)	279.3
Increase in translation adjustments	0.0	1.0	(1.0)
Net increase in cash and cash equivalents	(91.6)	64.5	(156.1)
Cash and cash equivalents at beginning of year	303.6	239.1	64.5
Cash and cash equivalents at end of year (Note 7)	212.0	303.6	(91.6)

Net cash earned from operating activities decreased from 2021 by THB 444 million, mainly due to a longer collection period from a major customer according to the construction agreement. But the company will earn interest income in line with the longer collection period.

Net cash used in investing activities decreased by THB 9 million, due primarily to less spending on assets and equipment in 2022 compared to 2021.

Net cash used in financing activities jumped from 2021 by THB 279 million since short-term borrowings and bank overdrafts used as working capital increased by THB 178 million, cash paid for financial leases decreased by THB 46 million as there are a lot of contracts reaching their expiration at the year end and there were no contract renewals.

Financial Ratios



Financial ratio		Consolidate Financial Statements	
		2022	2021
Liquidity Ratios			
Current Ratio	Times	0.96	1.05
Quick Ratio	Times	0.40	0.29
Cash Flow Liquidity Ratio	Times	(0.04)	0.08
Activity Ratios			
Account Receivable Turnover	Times	4.79	5.60
Average Collection Period	Days	76.22	65.18
Account Payable Turnover	Times	2.55	3.06
Average Payment Period	Days	143.41	119.27
Fixed Asset Turnover	Times	3.36	4.35
Inventory Turnover	Times	64.57	96.77
Average Sale (Inventory) Period	Days	5.65	3.77
Cash Cycle	Days	(61.53)	(50.32)
Profitability Ratios			
Gross Profit Margin	%	(0.61)	2.86
Operating Profit (Loss) Margin	%	(4.97)	(1.63)
Quality of Earnings (%)	%	63.34	(285.48)
Net Profit (Loss) Margin	%	(4.09)	(2.10)
Return on Equity	%	(12.23)	(6.47)
Efficiency Ratios			
Return on Asset	%	(3.72)	(2.19)
Return on Fixed Asset	%	(0.00)	(0.76)
Total Asset Turnover	Times	0.91	1.04
Financial Policy Ratios			
Debt to Equity Ratio	Times	2.76	1.88
Interest Coverage Ratio	Times	(448.76)	(31.78)
Dividend Payout Ratio	%	-	-

At the end of 2022, the Company's consolidated financial statements had a liquidity ratio of 0.96 times, a slight change compared to the end of 2021. The quick ratio



stood at 0.40 times, an improvement from 0.29 times in 2021 due to increase in account receivable. The average collection time from customers is 76 days, which is longer than 65 days in 2021, due to the construction agreement with a major customer as stated above. But the company will earn interest income in line with the longer collection period. The company has a policy to grant trade credit (credit term) between 30 - 60 days and the average repayment period to creditors is 143 days, which is longer than the Company's debt repayment policy which is between 30 - 90 days. Extension of Credit terms was also agreed with main Suppliers during the year. As a result the repayment period in 2022 was longer than approximately 119 days in 2021. The Company's return on equity and return on assets decreased from 2.19% in 2021 to 3.72% and from 6.47% to 12.23%, respectively. The ratio of debt to equity for 2022 was 2.76 times compared to 1.88 times in 2021 due to the increase in external borrowing to fund the operations.

The upcoming SET Opportunity Day (quarterly investor presentation) will be held from 13.15 - 14.00 hours on 14 March 2023 via the SET live webcasts. We hope that many shareholders, investors, and analysts will attend this online event at which the Company will get a chance to thoroughly discuss the 2022 results.

Please be informed accordingly.

Yours faithfully,

Christiani & Nielsen (Thai) Public Company Limited

– Signature –
(Surasak Osathanugraha)
Director and Company Secretary