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February 28, 2023

Subject: Management Discussion and Analysis for 2022
To: Director and Manager,
The Stock Exchange of Thailand

Hydrotek Public Company Limited and its subsidiaries (“the Group”) would like to report the operating result for the year ended December 31, 2022 as reviewed by the authorized Company’s auditor as follows;

Summary of Financial Performance for the year ended December 31, 2022 – Consolidated financial statements

Financial Performance for the year ended December 31 (Unit :Million Baht)	2022		2021		YoY	
	MB	%	MB	%	MB	%
Construction income	123.62	93	262.40	90	(138.78)	(53)
Service income	6.65	5	8.09	3	(1.44)	(18)
Other income	2.74	2	22.52	7	(19.78)	(88)
Total Revenues	133.01	100	293.01	100	(160.00)	(55)
Costs of construction	150.74	113	241.03	82	(90.29)	(37)
Costs of services	2.18	2	5.52	2	(3.34)	(61)
Administrative expenses	51.27	39	50.76	17	0.51	1
Finance Cost	9.50	7	14.65	5	(5.15)	(35)
Total Expenses	213.69	161	311.96	106	(98.27)	(32)
Profit (Loss) for the period attributable to equity holders of the Company	(80.68)	(61.00)	(18.95)	(6.47)	(61.73)	326

The Group’s operating result for the year ended December 31, 2022, the Group has construction income from the Group’s projects for 2 contracts and service income for 1 contract which has shown the construction income Baht 123.62 million and Baht 6.65 million, respectively. Such construction income and service income was decreased Baht 140.22 million or 52% from the prior year. The result came from the Group has main construction of operation in civil work and pipeline system which effect to increase in progress of completion in this period. In the present, such project has almost finished. The Group has other income Baht 2.74 million which was decreased 19.78 million or 88% from the prior year, due to the Group has gain on sold land Baht 7 million, consult services income for a project Baht 11.21 million and reversed the provision for warranty of work Baht 2.10 million.

Moreover, the costs of construction and service were decreased Baht 93.63 million or 38% from the prior year because of there were construction works for 2 projects so there were more purchased of construction materials and labored costs. In the year ended, there was 1 project near the end of the project so there was decreased in the cost of purchasing materials.

For the administrative expense was increased Baht 0.51 million or 1% from the prior year due to there are the repair expenses of prior project which is in warranty period, legal consulting expense and relevant expenses. However, the other administrative expenses and finance cost decreased due to the Group has ability to has more management efficiency.

Summary of Financial Performance for the year ended December 31, 2022 - Separate financial statements

Financial Performance for the year ended December 31 (Unit :Million Baht)	2022		2021		YoY	
	MB	%	MB	%	MB	%
Construction income	-	-	-	-	-	-
Service income	6.65	40	8.09	20	(1.44)	(18)
Other income	9.84	60	32.79	80	(22.95)	(70)
Total Revenues	16.49	100	40.88	100	(24.39)	(60)
Costs of construction	-	-	-	-	-	-
Costs of services	2.18	13	5.52	14	(3.34)	(61)
Administrative expenses	85.92	521	48.99	120	36.93	75
Finance Cost	9.57	58	10.30	25	(0.73)	(7)
Total Expenses	97.67	592	64.81	159	32.86	51
Profit (Loss) for the period attributable to equity holders of the Company	(81.18)	(492)	(23.93)	(59)	(57.25)	239

The Company's operating result for the year ended December 31,2022, the Company has no construction income due to the Company has to find new partner for bidding and the Company has machine and equipment for construction operation and including the expert personnel. The service income was decreased Baht 1.44 million or 17.80%. The result came from the Company has income from successfully work after sent the final service from 1 project in this year, but the Company has project service income for a project and system installation service for a project on prior year. The other income was decreased Baht 22.95 million which or 70% due to in the prior year, the Company has gain on sold land Baht 7 million, consult services income for a project Baht 11.21 million and reversed the provision for warranty of work Baht 2.10 million.

Moreover, the costs of service were decreased Baht 3.34 million or 61% from the prior year because the Company has good in management during the final period of project. However, the administrative expense was increased Baht 36.93 million or 75% due to the Company has allowance for expected credit loss Bath 28.60 million, Salary for regular employees Baht 1.11 million, the repair expenses of prior project which is in warranty period Bath 1.24 million, the legal consulting expense and relevant expenses Baht 1.29 million.

Summary of Financial as at 31 December 2022 – Consolidated financial statements

Financial Position as at 31 December (Unit : Million Baht)	2022		2021		YoY	
	MB	%	MB	%	MB	%
Current assets	245.37	61	263.63	57	(18.26)	(7)
Non-current assets	159.60	39	196.01	43	(36.41)	(19)
Total assets	404.97	100	459.64	100	(54.67)	(12)
Current liabilities	294.51	73	189.21	41	105.30	56
Non-current liabilities	20.16	5	148.59	32	(128.43)	(86)
Total liabilities	314.67	78	337.80	73	(23.13)	(7)
Issued and paid-up share capital	311.93	77	2,304.68	501	(1,992.75)	(86)
Premium on ordinary shares	-	-	141.38	31	(141.38)	(100)
Discount on ordinary shares	-	-	(1,276.58)	(278)	1,276.58	(100)
Regal Reserve	-	-	9.62	2	(9.62)	(100)
Dificits	(221.63)	(55)	(1,055.70)	(230)	834.07	(79)
Other components of shareholders' equity	-	-	(1.86)	(0)	1.86	(100)
Equity attributable to the owners of the company	90.30	22	121.54	26	(31.24)	(26)

The Group's financial position as at 31 December 2022, the Group has current assets has decreased Baht 18.26 million when compared with financial position as at 31 December 2021 because of there was decreased in cash and cash equivalents from payment to payable of construction project for 2 projects. The non-current assets decreased 36.41 million when compare with the prior year due to the Company has redeemed the bank guarantees which has expire in warranty period.

The current liabilities were increased 105.30 million and non-current liabilities were decreased 128.43 million when compare with the prior year due to the reclassify of long term loan from Yunnan Water (Hong Kong) Company Limited to be current liabilities due to there is a notice that requesting the Company to repay the whole amount of principal plus interest to such company. Furthermore, such loan agreement granted the option to Yunnan Water (Hong Kong) Company Limited, to convert the loan to investment in subsidiary. Moreover, the issued and paid-up share capital was decreased 1,992.76 due to there is reducing the shares to eliminate the accumulated loss during this year.

Summary of Financial as at 31 December 2022 - Separate financial statements

Financial Position as at 31 December (Unit : Million Baht)	2022		2021		YoY	
	MB	%	MB	%	MB	%
Current assets	186.67	55	195.60	53	(8.93)	(5)
Non-current assets	152.91	45	170.04	47	(17.13)	(10)
Total assets	339.58	100	365.64	100	(26.06)	(7)
Current liabilities	258.87	76	123.46	34	135.41	110
Non-current liabilities	8.17	2	136.08	37	(127.91)	(94)
Total liabilities	267.04	79	259.54	71	7.50	3
Issued and paid-up share capital	311.93	92	2,304.68	630	(1,992.75)	(86)
Premium on ordinary shares	-	-	141.38	39	(141.38)	(100)
Discount on ordinary shares	-	-	(1,276.59)	(349)	1,276.59	(100)
Regal Reserve	-	-	9.62	3	(9.62)	(100)
Dificits	(239.39)	(70)	(1,072.99)	(293)	833.60	(78)
Other components of shareholders' equity	-	-	-	-	-	-
Equity attributable to the owners of the company	72.54	21	106.1	29	(33.56)	(32)

The Company's financial position as at 31 December 2022, the Group has current assets was decreased Baht 8.93 million when compared with financial position as at 31 December 2021 due the company's other income was decreased compared to the previous year and the Company still has higher administrative expenses than the prior year, together with the delivery of completed works during the year. As a result, Cash and cash equivalents was decreased considerably. and deliver the finished work during the year. The non-current assets decreased 17.13 million when compare with last year due to the Company has redeemed the bank guarantees which has expire in warranty period.

The current liabilities were increased 135.41 million and non-current liabilities decreased 127.91 million when compare with last year due to the reclassify of long term loan from Yunnan Water (Hong Kong) Company Limited to be current liabilities due to there is a notice that requesting the Company to repay the whole amount of principal plus interest to such company.

Furthermore, such loan agreement granted the option to Yunnan Water (Hong Kong) Company Limited, to convert the loan to investment in subsidiary. Moreover, the issued and paid-up share capital decreased 1,992.76 due to there is reducing the shares to eliminate the accumulated loss during this year.

Please kindly be informed accordingly.

Yours faithfully,

(Mr. Sukrit Jintanakosin)

Chief Executive Officer