

013/0566

May 12, 2023

Subject: Management Discussion and Analysis for Quarter 1/2023
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 three month periods ended March 31, 2023 as reviewed by the authorized Company’s auditor as follows;

Summary of Financial Performance for the three-month periods ended March 31, 2023 – Consolidated financial statements

Financial Performance for the three months periods ended March 31, 2023 (Unit :Million Baht)	2023		2022		YoY	
	MB	%	MB	%	MB	%
Construction income	16.60	94.48	57.92	97.76	(41.32)	(71.34)
Service income	-	-	0.31	0.52	(0.31)	(100.00)
Other income	0.97	5.52	1.02	1.72	(0.05)	(4.90)
Total Revenues	17.57	100.00	59.25	100.00	(41.68)	(70.35)
Costs of construction	15.97	90.89	55.47	93.62	(39.50)	(71.21)
Costs of services	-	-	0.82	1.38	(0.82)	(100.00)
Administrative expenses	11.88	67.62	10.74	18.13	1.14	10.61
Finance Cost	2.32	13.20	2.39	4.03	(0.07)	(2.93)
Total Expenses	30.17	171.71	69.42	117.16	(39.25)	(56.54)
Profit (Loss) for the period attributable to equity holders of the Company	(12.55)	(71.43)	(10.19)	(17.20)	(2.36)	23.16

The Group’s operating result for the year ended March 31, 2023, the Group has construction income from the Group’s projects for 2 contracts amount Baht 16.60 million. The construction income was decreased from prior period amount Baht 41.32 million or 71.34% because the Group still mainly works on civil works and pipeline system for construction projects which progress of 2 projects in prior period still delivers work normally. In this period, one such project is nearing completion and most of work is in the collection period before delivery of all works, the results, the revenue recognition was decrease from the prior period. The Group has no service income in this period because the work was completed in the prior period.

Moreover, the costs of construction were decreased Baht 39.50 million or 71.21% from the prior year because at the beginning of 2022, there was construction works for 2 projects so there were more purchased of construction materials and labored costs. In this period, there was 1 project near the end of the project so there was decreased in the cost of purchasing materials. In the first quarter of 2023, the Group has no service costs. because the work was completed in the same quarter of the previous year

For the administrative expense was increased Baht 1.14 million or 10.61% 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 three-month periods ended March 31, 2023 - Separate financial statements

Financial Performance for the three months periods ended March 31, 2023 (Unit :Million Baht)	2023		2022		YoY	
	MB	%	MB	%	MB	%
Construction income	-	-	-	-	-	-
Service income	-	-	0.31	9.78	(0.31)	(100.00)
Other income	2.54	100.00	2.86	90.22	(0.32)	(11.19)
Total Revenues	2.54	100.00	3.17	100.00	(0.63)	(19.87)
Costs of construction	-	-	-	-	-	-
Costs of services	-	-	0.82	25.87	(0.82)	(100.00)
Administrative expenses	12.78	503.15	10.26	323.66	2.52	24.56
Finance Cost	2.34	92.13	2.41	76.03	(0.07)	(2.90)
Total Expenses	15.12	595.28	13.49	425.55	1.63	12.08
Profit (Loss) for the period attributable to equity holders of the Company	(12.58)	(495.28)	(10.32)	(325.55)	(2.26)	21.90

The Company's operating result for the three month periods ended March 31, 2023, 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 0.31 million or 100%. The result came from the Company has income from consulting and services about system work for prior period.

The costs of service were decreased Baht 0.82 million or 100% from the prior year because there was no service income in this period. However, the administrative expense was increased Baht 2.52 million or 24.56% due to the Company's employee compensation and other expenses related to administrative work increased during the operation.

Summary of Financial as at 31 March 2023 – Consolidated financial statements

Financial Position as at 31 March (Unit : Million Baht)	2023		2022		YoY	
	MB	%	MB	%	MB	%
Current assets	208.75	51.54	203.00	50.13	5.75	2.83
Non-current assets	196.24	48.46	201.97	49.87	(5.73)	(2.84)
Total assets	404.99	100.00	404.97	100.00	0.02	0.00
Current liabilities	307.01	75.81	294.51	72.72	12.50	4.24
Non-current liabilities	20.24	5.00	20.16	4.98	0.08	0.40
Total liabilities	327.25	80.80	314.67	77.70	12.58	4.00
Issued and paid-up share capital	311.93	77.02	311.93	77.03	-	-
Premium on ordinary shares	-	-	-	-	-	-
Discount on ordinary shares	-	-	-	-	-	-
Regal Reserve	-	-	-	-	-	-
Dificits	(234.19)	(57.83)	(221.63)	(54.73)	(12.56)	5.67
Other components of shareholders' equity	-	-	-	-	-	-
Equity attributable to the owners of the company	77.74	19.20	90.30	22.30	(12.56)	(13.91)

The Group's financial position as at 31 March 2023, the Group has current assets has increased Baht 5.75 million when compared with financial position as at 31 December 2022 due to advance payments for construction materials and contract work in a construction project and other receivables increased during the quarter. As for non-current assets, there was decreased Baht 5.73 million baht compared to the prior period due to the delivery of the work, the retention can be withdrawn during the first quarter.

The current liabilities were increased 12.50 million when compare with prior period due to Accounts payable for materials and contracting work of the construction projects of the Group, other related accrued expenses and there was loan from during the period. The Company's shareholders' equity decreased by 12.56 million baht due to operating losses during the period.

Summary of Financial as at 31 March 2023 – Separate financial statements

Financial Position as at 31 March (Unit : Million Baht)	2023		2022		YoY	
	MB	%	MB	%	MB	%
Current assets	184.69	54.84	186.67	54.97	(1.98)	(1.06)
Non-current assets	152.10	45.16	152.91	45.03	(0.81)	(0.53)
Total assets	336.79	100.00	339.58	100.00	(2.79)	(0.82)
Current liabilities	268.83	79.82	258.87	76.23	9.96	3.85
Non-current liabilities	8.01	2.38	8.17	2.41	(0.16)	(1.96)
Total liabilities	276.84	82.20	267.04	78.64	9.80	3.67
Issued and paid-up share capital	311.93	92.62	311.93	91.86	-	-
Premium on ordinary shares	-	-	-	-	-	-
Discount on ordinary shares	-	-	-	-	-	-
Regal Reserve	-	-	-	-	-	-
Dificits	(251.98)	(74.82)	(239.39)	(70.50)	(12.59)	5.26
Other components of shareholders' equity	-	-	-	-	-	-
Equity attributable to the owners of the company	59.95	17.80	72.54	21.36	(12.59)	(17.36)

The Company's financial position as at 31 March 2023, the Company has current assets was decreased Baht 1.98 million when compared with financial position as at 31 December 2022 due the company's other income was decreased compared to the previous year and the Company still has higher administrative expenses than the prior period. As a result, Cash and cash equivalents was decreased considerably. The non-current assets were decreased 0.81 million when compare with prior period due to the accumulated depreciation from the use of the company's fixed assets.

The current liabilities were increased 9,96 million when compare with prior period due to the others payable, other related accrued expenses and there was loan from during the period. The Company's shareholders' equity decreased by 12.59 million baht due to operating losses during the period.

Please kindly be informed accordingly.

Yours faithfully,

(Mr. Sukrit Jintanakosin)
Chief Executive Officer