

017/0866

August 10, 2023

Subject: Management Discussion and Analysis for Quarter 2/2023  
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 period ended June 30,2023 as reviewed by the authorized Company’s auditor as follows;

**Summary of Financial Performance for the six-month periods ended June 30, 2023**

Financial Performance for the six months periods ended June 30,2023 (Unit :Million Baht)	2023		2022		YoY	
	MB	%	MB	%	MB	%
Construction income	33.87	94.37	111.07	98.22	(77.20)	- 69.51
Service income	0.62	1.73	0.59	0.52	0.03	5.08
Other income	1.40	3.90	1.42	1.26	(0.02)	- 1.41
<b>Total Revenues</b>	<b>35.89</b>	<b>100.00</b>	<b>113.08</b>	<b>100.00</b>	<b>(77.19)</b>	<b>- 68.26</b>
Costs of construction	36.34	101.25	107.20	94.80	(70.86)	- 66.10
Costs of services	0.41	1.14	1.92	1.70	(1.51)	- 78.65
Administrative expenses	24.17	67.34	20.66	18.27	3.51	16.99
Finance Cost	4.70	13.10	4.76	4.21	(0.06)	- 1.26
<b>Total Expenses</b>	<b>65.62</b>	<b>182.84</b>	<b>134.54</b>	<b>118.98</b>	<b>(68.92)</b>	<b>- 51.23</b>
Share of Gain(Loss) on investment in JV	0.04	0.11	-	-	0.04	100.00
<b>Profit (Loss) for the period attributable to equity holders of the Company</b>	<b>(29.69)</b>	<b>(82.72)</b>	<b>(21.85)</b>	<b>(19.32)</b>	<b>(7.84)</b>	<b>35.91</b>

The Group has construction income from the Group’s projects for 2 contracts amount Baht 33.87 million. The construction income was decreased from prior period amount Baht 77.20 million or 69.51% 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.

Moreover, the costs of construction were decreased Baht 70.86 million or 69.51% 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. Administrative expenses was decreased Baht 3.51 million or 16.99% mainly from loss from sale of assets.

**Summary of Financial Performance for the three-month period ended June 30, 2023**

Financial Performance for the three months periods ended June 30,2023 (Unit :Million Baht)	2023		2022		YoY	
	MB	%	MB	%	MB	%
Construction income	17.27	94.22	53.16	98.74	(35.89)	- 67.51
Service income	0.62	3.38	0.28	0.52	0.34	121.43
Other income	0.44	2.40	0.40	0.74	0.04	10.00
<b>Total Revenues</b>	<b>18.33</b>	<b>100.00</b>	<b>53.84</b>	<b>100.00</b>	<b>(35.51)</b>	<b>- 65.95</b>
Costs of construction	20.37	111.13	51.73	96.08	(31.36)	- 60.62
Costs of services	0.41	2.24	1.10	2.04	(0.69)	- 62.73
Administrative expenses	12.30	67.10	9.92	18.42	2.38	23.99
Finance Cost	2.38	12.98	2.36	4.38	0.02	0.85
<b>Total Expenses</b>	<b>35.46</b>	<b>193.45</b>	<b>65.11</b>	<b>120.93</b>	<b>(29.65)</b>	<b>- 45.54</b>
<b>Profit (Loss) for the period attributable to equity holders of the Company</b>	<b>(17.14)</b>	<b>(93.51)</b>	<b>(11.65)</b>	<b>(21.64)</b>	<b>(5.49)</b>	<b>47.12</b>

The Group has construction income from the Group's projects for 2 contracts amount Baht 17.27 million. The construction income was decreased from prior period amount Baht 35.89 million or 69.51% 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.

Moreover, the costs of construction were decreased Baht 31.36 million or 60.62% 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. Administrative expenses was decreased Baht 2.38 million or 23.99% mainly from loss from sale of assets.

Summary of Financial as at 30 June 2023

Financial Position as at 30 June (Unit : Million Baht)	2023		2022		YoY	
	MB	%	MB	%	MB	%
Current assets	208.34	53.30	203.00	50.13	5.34	2.63
Non-current assets	182.56	46.70	201.97	49.87	(19.41)	(9.61)
<b>Total assets</b>	<b>390.90</b>	<b>100.00</b>	<b>404.97</b>	<b>100.00</b>	<b>(14.07)</b>	<b>(3.47)</b>
Current liabilities	310.18	79.35	294.51	72.72	15.67	5.32
Non-current liabilities	18.25	4.67	20.16	4.98	(1.91)	(9.47)
<b>Total liabilities</b>	<b>328.43</b>	<b>84.02</b>	<b>314.67</b>	<b>77.70</b>	<b>13.76</b>	<b>4.37</b>
Issued and paid-up share capital	311.93	79.80	311.93	77.03	-	-
Deficits	(249.46)	(63.82)	(221.63)	(54.73)	(27.83)	12.56
<b>Equity attributable to the owners of the company</b>	<b>62.47</b>	<b>15.98</b>	<b>90.30</b>	<b>22.30</b>	<b>(27.83)</b>	<b>(30.82)</b>

The Group's financial position as at 30 June 2023, the Group has current assets has increased Baht 5.34 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. As for non-current assets, there was decreased Baht 19.41 million baht compared to the prior period due to the decreased from asset and contractual assets.

The current liabilities were increased 15.67 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 27.83 million baht due to operating losses during the period.

Please kindly be informed accordingly.

Yours faithfully,

(Mr. Sukrit Jintanakosin)

Chief Executive Officer