



บริษัท บูรพา เทคโนโลยี เอ็นจิเนียริ่ง จำกัด (มหาชน)
EASTERN TECHNICAL ENGINEERING PUBLIC CO.,LTD.



Ref. ETE-62/018

May 10, 2019

The President of the Stock Exchange of Thailand

Subject: Submission of consolidated and separate financial information

and management discussion and analysis for the three-month period ended 31 March 2019

Eastern Technical Engineering Public Company Limited would like to submit consolidated and separate financial information for the three-month period ended 31 March 2019 and management discussion and analysis.

Please see the attached document for the information

Please be informed accordingly.

Sincerely yours,



Eastern Technical Engineering Public Company Limited
บริษัท บูรพา เทคโนโลยี เอ็นจิเนียริ่ง จำกัด (มหาชน)

Mr.Raivin Lekavorrnan

Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- Explanation and analysis of financial performance for the three-month period ended 31 March 2019
- Explanation and analysis of financial status as at 31 March 2019

Financial performance for the three-month period ended 31 March 2019

	Consolidated financial information (Unit : Million Baht)			
	3 Months		Change	% Change
	2019	2018		
Revenue	443.24	406.54	▲ 36.70	9.0%
Cost	390.30	337.23		
Gross profit	52.94	69.31	▼ (16.37)	-23.6%
Gross profit margin	11.9%	17.0%		
Other income	4.20	0.10	▲ 4.10	
Selling & Admin expenses	26.15	29.27	▼ (3.12)	-10.6%
	5.9%	7.2%		
Finance costs	12.35	13.44	▼ (1.09)	-8.1%
Income tax expense	1.17	2.41	▼ (1.24)	-51.4%
Profit for the quarter	17.47	24.30	▼ (6.83)	-28.1%
	3.9%	6.0%		

Compared to the same period last year, the company's performance decreased Baht (6.83) million or (28.1%) as the following reasons:

- Total revenue increased Baht 36.70 million or 9.0% from Baht 406.54 million in Q1/2018 to Baht 443.24 million in Q1/2019. The main increase was derived from the management service and engineering service.
- Overall gross profit margin decreased from 17.0% to 11.9% amount Baht (16.37) million.

Operating results by business for the three-month period ended 31 March 2019

	Revenue 3 months			Gross profit 3 months			Gross profit margin		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
Engineering	199.42	162.30	▲ 37.12	24.44	31.62	▼ (7.18)	12.3%	19.5%	▼ -7.2%
Management	210.01	189.76	▲ 20.25	10.71	16.05	▼ (5.34)	5.1%	8.5%	▼ -3.4%
Solar energy	33.81	35.80	▼ (1.99)	17.79	18.91	▼ (1.12)	52.6%	52.8%	▼ -0.2%
Trading	-	18.67	▼ (18.67)	-	2.73	▼ (2.73)		14.6%	
	443.24	406.54	▲ 36.70	52.94	69.31	▼ (16.37)	11.9%	17.0%	▼ -5.1%

- Decrease in gross profit was mainly derived from the following reasons:
 1. Engineering service (“EN”) had a decrease in gross profit for Baht (7.18) million because we recognize revenue from construction engineering with lower gross profit margin than electrical and telecommunication engineering service.
 2. Management Service (“MS”) had a decrease in gross profit for Baht (5.34) million. Main reason was that, in Q1/2018, the company already had a renew contract from the main repeat customer who requested the company to prepare the training courses, uniforms and all security equipment for the hired employees.
 3. Gross profit of Solar energy (“SE”) decreased Baht (1.12) million, which mainly comes from an incident of electrical short circuit since Q3/2018. However, in Q1/2019 the company received insurance claim presented as other income.
 4. Trading business had no revenue in Q1/2019.

Other income

Other income increased Baht 4.10 million because of insurance claim for opportunity cost of an incident of electrical short circuit in Q3/2018.

Selling and administrative expenses

Selling and administrative expenses decreased Baht (3.12) million or 7.2% in Q1/2018 to 5.9% in Q1/2019 due to decrease in staff cost.

Finance costs

The company had a small decrease in finance costs for the solar energy unit Baht (1.09) million or (8.1%). It was since the repayment of long-term borrowing in the solar energy business.

Income tax expense

Income tax decreased Baht (1.24) million or (51.4%), which was mainly derived from the overall operating results.

Financial Position

Consolidated financial information (Unit : Million Baht)				
	March 31	December 31	Change	
	2019	2018		
Current assets	981.67	927.84	▲	53.83
Non-current assets	1,197.28	1,198.39	▼	(1.10)
Total assets	2,178.96	2,126.23	▲	52.73
Current liabilities	705.17	1,298.46	▼	(593.29)
Non-current liabilities	656.97	27.10	▲	629.87
Total liabilities	1,362.14	1,325.56	▲	36.58
Equity	816.81	800.67	▲	16.15

The group's assets increased by Baht 52.73 million, mainly due to the following reasons:

- Trade and other receivables increased by Baht 44.48 million and inventories increased by Baht 11.26 million. These were primarily due to prepaid expenses and raw materials for engineering service and trading business.

The group's liabilities increased by Baht 36.58 million, mainly due to the following reasons:

- Bank overdrafts and short-term borrowings from financial institutions increased by Baht 54.02 million due to an increase in short-term borrowings from financial institutions to use as revolving credit for the group and paying to trade payables.
- Long-term borrowings from financial institutions decreased by Baht (17.74) million, which mainly comes from the repayment of long-term borrowing in the solar energy business.

The group's equity increased by Baht 16.15 million, mainly due to the following reasons:

- Operating income of Q1/2019 Baht 17.47 million.
- Retrospective adjustments from changes in accounting policy Baht (1.33) million.