



**Pioneer Motor Public Co. Ltd.**

78,78/4,78/5 Moo 3, Dontoom-Nakornchaisri Rd.  
Donfaek, Nakornchaisri  
Nakornpathom 73120 THAILAND  
Tel: +66.34 265111  
Fax: +66.34 265119  
Website: www.pioneermotor.th.com

Ref. PIMO 6502 / 004

February 24, 2022

Subject: Management Discussion and Analysis of Financial Statement for the year ended December 31, 2021  
To: The President  
The Stock Exchange of Thailand

Pioneer Motor Public Company Limited would like to clarify the Company's Financial Operations results for year ended December 31, 2021 as follows:

**Overview**

The operations results of the Company for the year ended December 31, 2021 recorded the Net profit from Consolidated financial statements of Baht 102.09 million compared to Baht 79.44 million, of the same period last year, increased by Baht 22.65 million or 28.51%.

The operations results of the Company for the year ended December 31, 2021 recorded the Net profit from Separate financial statements of Baht 101.65 million compared to Baht 79.43 million, of the same period last year, increased by Baht 22.22 million or 27.97%.

The main reason of the increased profit is from the increased in sales. In addition, the company gained foreign exchange rate due to an improvement in US dollars and Australian dollars. When considering the net profit margin on the total income. It was found that the growth rate was slower than the same period last year. It consists of 2 reasons, the first reason being the effect from the price of main raw materials that have increased, even though the company has been planning to deal with this situation and has prepared to stock the main raw materials since late last year. At present, the company still keep on stocking on these materials. The company is able to make a profit during negotiations for price increases with the customers during this period as well. The second reason is an increase in corporate income tax expenses because the company has already exercised the corporate income tax exemption for the net profit derived from the business operation form the investment promotion, the full amount in 2020, the corporate income tax expense for the year 2021 will increase according to the actual net profit.



**Pioneer Motor Public Co. Ltd.**

78,78/4,78/5 Moo 3, Dontoom-Nakornchaisri Rd.  
 Donfaek, Nakornchaisri  
 Nakornpathom 73120 THAILAND  
 Tel: +66.34 265111  
 Fax: +66.34 265119  
 Website: www.pioneeomotor.th.com

**Net profit (loss)**

Unit: Million Baht

| Net profit (loss) | Consolidated financial statements |                  | Increase (Decrease) |                | Separate financial statements |                  | Increase (Decrease) |                |
|-------------------|-----------------------------------|------------------|---------------------|----------------|-------------------------------|------------------|---------------------|----------------|
|                   | Ended 31/12/2021                  | Ended 31/12/2020 | Amount              | Percentage (%) | Ended 31/12/2021              | Ended 31/12/2020 | Amount              | Percentage (%) |
| Sales             | 990.91                            | 795.76           | 195.15              | 24.52%         | 990.91                        | 795.76           | 195.15              | 24.52%         |
| Profit (Loss)     | 102.09                            | 79.44            | 22.65               | 28.51%         | 101.65                        | 79.43            | 22.22               | 27.97%         |

**Revenue**

For the year ended December 31, 2021, the Company has earned total revenue from Consolidated financial statements of Baht 1,030.58 million, increased from the same period last year by Baht 217.83 million or 26.80%, and the Company has earned total revenue from Separate financial statements of Bath 1,030.50 million, increased from the same period last year by Baht 217.75 million or 26.79%, comprised of Sales Revenue of Baht 990.91 million, increased from the same period of 2020 by Baht 195.15 million or 24.52%. When comparing the proportion of revenue from domestic and foreign sales for the year 2021, the revenue from sales by exports abroad accounted for approximately 53% (Year 2020: 48%) of the total revenue.

The main reason of the increased is from the increased sales of all product both domestic and international, including Air motors, Induction motor and increased sales of water pump motors (Axial – Flux pool : BLDC).

Other income from Consolidated financial statement of Baht 39.67 million for the year ended December 31,2021, increased from the same period last year by Baht 22.68 million or 133.49%.

Other income from Separate financial statement of Baht 39.59 million for the year ended December 31, 2021, increased from the same period last year by Baht 22.60 million or 133.02%.

The main reason was the increase in revenue from silicon scrap sales. The market demand during this period led to 26.00% increase in selling prices per kilogram compared to the ended of year 2020, and the company gained on exchange rate gains from improvement over the previous year in US Dollars and Australian Dollars.



## **Pioneer Motor Public Co. Ltd.**

78,78/4,78/5 Moo 3, Dontoom-Nakornchaisri Rd.  
Donfaek, Nakornchaisri  
Nakornpathom 73120 THAILAND  
Tel: +66.34 265111  
Fax: +66.34 265119  
Website: [www.pioneermotor.th.com](http://www.pioneermotor.th.com)

### **Cost of Sales**

For the year ended 31 December, 2021, the Company has Cost of Sales from Consolidated and Separate financial statements of the Company equaled to Baht 803.96 million, increased from the same period of 2020 by Baht 166.71 million or 26.16%, in line with the increased of sales. Cost of Sales to Sales ratio increased to 81.13% from 80.08% from the same period of 2020, which is the impact of the increased in raw material prices at the moment.

### **Selling Expenses**

For the year ended 31 December, 2021, Selling Expenses from Consolidated and Separate financial statements was Baht 45.97 million, increased from the same period of 2020 by Baht 7.37 million or 19.09%.

Mainly from the commission for selling various products and the cost of transporting goods to foreign countries in line with the increase in overseas sales coupled with the problem of freight costs. and transportation costs have increased from the ongoing shortage of containers After the global economy has begun to recover, exporting countries have to compete for the containers for export. Including promotional expenses that are important factors in boosting sales amid the competition of competitors.

### **Administrative Expenses**

For the year ended 31 December, 2021, Administrative Expenses from Consolidated financial statements of the Company was Baht 55.79 million, decreased from the same period last year by Baht 0.29 million or 0.52%. and for the year ended 31 December, 2021, Administrative Expenses from Separate financial statements of the Company was Baht 56.13 million, slightly increased from the same period of 2020 by Baht 0.04 million or 0.07%.

Mainly decreased from License fees of the Company Export Products Standardization Certificate and professional fees. Including contributions to the Social Security Fund to reduce the rate of contributions because the Ministry of Labor has issued a ministerial regulation to relieve the burden of employers and insurers from the impact of the coronavirus disease 2019 outbreak.



## **Pioneer Motor Public Co. Ltd.**

78,78/4,78/5 Moo 3, Dontoom-Nakornchaisri Rd.  
Donfaek, Nakornchaisri  
Nakornpathom 73120 THAILAND  
Tel: +66.34 265111  
Fax: +66.34 265119  
Website: www.pioneeomotor.th.com

### **The Financial Position**

#### **Assets**

As of December 31, 2021, the Company has total asset from Separate financial statement equal to Baht 1,017.96 million, which increased from the year 2020, as of December 31, 2020, by Baht 260.29 million or increased 34.35%. The Detail are as follows:

Current Assets from Separate financial statements of Baht 596.42 million, composed of :

- Cash and cash equivalents of Baht 25.05 million, decreased from the year 2020 by Baht 21.98 million or decreased 46.74%, due to the end of 2020, there is the money transferred by foreign customers but the company has not converted the value to Thai baht, of Baht 21.00 million.
- Trade Receivables of Baht 187.78 million, increased from the year 2020 by Baht 44.61 million or increased 31.16% due to the increased sales of new domestic and international customers and the increasing orders in existing customers' demand.
- Inventories of Baht 314.49 million, increased from the year 2020 by Baht 152.11 million or increased 93.68%, due to the raw material is ordered to stock in advance to support the production. In addition, the Company has stockpiled some main raw materials as raw material prices tends to increase continuously.
- Other current financial assets, which is an investment in mutual fund and short-term fixed income fund at the financial institution by Baht 38.64 million, decreased from the year 2020 by Baht 102.36 million or decreased 72.60%, due to the Company has invested in additional land and buildings of Baht 40.00 million for use in the future business expansion and investment in the construction of a ready-made warehouse of Baht 21.60 million to support the increased in stock of finished goods at present and part of the dividend payment of the net profit from the result operations for the second half of 2020 and dividend payment of the net profit from the first half of the year 2021 operating results, total dividend payment of Baht 32.06 million.

Non-Current Assets from Separate financial statement of Baht 421.55 million, composed of

- Land, building and equipment of Baht 413.16 million, increased from the year 2020 by Baht 183.90 million or increased 80.21%, due to the Company has provided an appraisal of land by an independent appraiser, which has already been appraised on September 27, 2021 using the Sales Comparison



## Pioneer Motor Public Co. Ltd.

78,78/4,78/5 Moo 3, Dontoom-Nakornchaisri Rd.  
Donfaek, Nakornchaisri  
Nakornpathom 73120 THAILAND  
Tel: +66.34 265111  
Fax: +66.34 265119  
Website: www.pioneermotor.th.com

Approach. The increase in revaluation is recorded in other comprehensive income and recognized in the account cumulative amount as “surplus on asset revaluation” in shareholders' equity in the same year and the Company has purchased land and buildings to expand its production base for supporting existing and new products in the amount of Baht 40.00 million and build a warehouse for finished goods of Baht 21.6 million, including investment in additional machinery and equipment.

- Computer Software of Baht 4.64 million, increased from the year 2020 by Baht 1.32 million or increased 39.76%, due to additional new investment in computer software programs, in research and development of Pool pump motor and new product prototypes.

### **Liabilities**

As of December 31, 2021, the Company has total liabilities from Separate financial statement of Baht 341.46 million, which increased from the year 2020, as of December 31, 2020, by Baht 95.77 million or increased 38.98%. The details are as follows:

Current Liabilities of Baht 293.82 million, composed of

- Trade account Payable of Baht 252.40 million, increased from the year 2020 by Baht 57.03 million or increased 29.19%.
- Other Payables of Baht 27.55 million, increased from the year 2020 by Baht 11.41 million or increased 70.69%, Part of the money received from customers who pre-ordered products was received in advance from foreign customer of Baht 17.00 million and Accrued Expenses of Baht 10.46 million.
- Accrued corporate income tax of Baht 12.29 million, increased from the year 2020 by Baht 10.78 million or increased 713.91%. Since the company has already exercised the corporate income tax exemption for the net profit derived from the business operation from the investment promotion, the full amount in 2020, the corporate income tax for the year 2021 has been increased at the normal rate as prescribed by the Revenue Department.

Non-Current Liabilities of Baht 47.64 million composed of

- Financial leasing contract of Baht 0.71 million, decreased from the year 2020 by Baht 0.41 million or decreased 36.61%, as the Company has excess liquidity, so that the investment in new machine and equipment were made in cash.



## Pioneer Motor Public Co. Ltd.

78,78/4,78/5 Moo 3, Dontoom-Nakornchaisri Rd.  
Donfaek, Nakornchaisri  
Nakornpathom 73120 THAILAND  
Tel: +66.34 265111  
Fax: +66.34 265119  
Website: www.pioneermotor.th.com

- Deferred tax liabilities of Baht 16.41 million, increased from the year 2020 by Baht 16.41 million or increased 100.00%
- Employee benefits obligation of Baht 30.52 million, increased from the year 2020 by Baht 1.56 million or increased 5.39%.

### **Shareholders' Equity**

As of December 31, 2021, the Company's Shareholders' Equity from Separate financial statement of Baht 676.50 million, composed of :

- Being Issued and Paid up capital of Baht 154.12 million
- Premium on share capital (net) of Baht 207.58 million.
- Allocated for Legal Reserve of Baht 21.31 million, increased from the year 2020 by Baht 5.71 million, because on August 26, 2021, the company registered an increase in capital of Baht 59.03 million, which is in accordance with the Public Limited Companies Act B.E. Allocate statutory reserves at least 5% of annual profits. At present, the company has fully allocated the legal reserve.

- Unappropriated Retained Earnings of Baht 199.25 million, increased from the year 2020 by Baht 64.56 million or increased 47.93%.
- Revaluation surplus on assets is a surplus from land revaluation of Baht 94.24 million, increased from the year 2020 of Baht 94.24 million or increased 100.00%. The surplus on revaluation of such assets cannot be deducted from accumulated losses and cannot be paid as dividends. The details are as follows.

|  | <u>Million</u> |
|--|----------------|
| Revaluation surplus on assets is a surplus from land | 117.80         |
| Less deferred tax liabilities                        | <u>(23.56)</u> |
| Net book value                                       | <u>94.24</u>   |

Please kindly be informed accordingly,

Yours Sincerely,

Wasun Itthirojanakul  
Managing Director