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MGT FNC 2022/001

17 February 2022

Subject: Management Discussion and Analysis for Operating results for Year 2021 and the fourth quarter of Year 2021

To: Director and Manager of the Stock Exchange of Thailand

Megachem (Thailand) Public Company Limited ("The Company") would like to clarify the operating result for the fourth quarter and year ended December 31, 2021 as follows:

Description	Q4 2021	Q4 2020	Var	% Var	FY 2021	FY 2020	Var	% Var
Sale of Goods	259.94	152.83	107.11	70.08	942.10	747.91	194.20	25.97
Less Cost of sales	188.22	103.29	84.92	82.22	672.13	507.58	164.55	32.42
Gross Profit	71.72	49.54	22.18	44.78	269.97	240.32	29.65	12.34
Other income	2.89	0.18	2.71	1470.13	9.82	8.26	1.56	18.93
Selling & Administrative expenses	39.34	27.06	12.28	45.37	133.83	120.66	13.17	10.92
Profit for the Period	26.41	17.34	9.07	52.27	114.52	110.06	4.47	4.06

Sales Revenue

In the fourth quarter, sales revenue increased by 107.11 million baht; accounted for an increase of 70.08%. Representing the increase in sales of the company and affiliated companies, including the recognition of income from new investments in the fourth quarter.

In FY2021, sales revenue increased 194.20 million baht; accounted for an increase of 25.97%. This increase in revenue comes from the increased sales of MGT and subsidiaries.

Other Income

Other income for Q4/2021 increased by 2.71 million baht, representing an increase of 1,470.13% from foreign exchange gains and service income from the group of subsidiaries

Other income for the year 2021 increased by 1.56 million baht, representing an increase of 18.93%, from exchange rates gained and service income from subsidiaries.

Gross Profit

Gross profit in Q4/2021 increased by 22.18 million baht or 44.78% due to the increase in sales of the Company and subsidiaries.

Gross profit for the year 2021 increased by 29.65 million baht, representing an increase of 12.34% from the increase in sales of the Company and subsidiaries.



Selling and Administrative Expenses

In Q4/2021, selling and administrative expenses increased by 12.28 million baht, representing an increase of 45.37%

For FY2021, the company's selling and administrative expenses increased by 13.17 million baht, representing an increase of 10.92%. The increase in expenses came from the carried over expenses from acquisition of Green Leaf Chemical, and expenses in acquiring shares of a new company amounting to 2 million baht.

However, expenses to revenue from sales in 2021 accounted for 14.21%, while in FY2020 was 16.13%, amounting to a decrease in the parent company's expenses. It can be seen that the company has the ability to manage effectively.

Net Profit

In Q4/2021, the Company's net profit increased by 9.07 million baht or an increase of 52.27% due to sales volume increase and effective cost control.

For the year 2021, the company's net profit increased by 4.47 million baht a 4.06% increase in sales of the company and subsidiaries.

From the Company's operating results in year 2021, although the overall economy of the country has contracted due to the Covid-19 situation, the Company still has the ability to increase sales and manage expenses effectively. This can be seen from the increased net profit of the company compared to the operating performance of YR2020. However, the company is determined and intends to seek business opportunities to increase revenue and net profit regularly for the best interest of the Company and investors.

Sincerely Yours



(Vitthaya Inala, Ph.D.)

Chief Executive Officer