



SIAMEAST SOLUTIONS
PUBLIC COMPANY LIMITED

No. ELCID/SE/003/2022

February 28, 2022

Subject : Management Discussion and Analysis for the year ended 31 December 2021

Dear Directors and Managers
Stock Exchange of Thailand

SiamEast Solutions Public Company Limited has submitted the consolidated financial statements for the year ends December 31 2021 , which has been audited by a certified public accountant. The Company would like to clarify the operating results with all the details as follows:

Unit : million baht	Q4/2021	Q4/2020 (Revised virtual statement)	increase (decrease)	%YoY	Q4/2020	increase (decrease)	%YoY	2021	2020 (Revised virtual statement)	increase (decrease)	%YoY	2020	increase (decrease)	%YoY
Revenue from sales and services														
1. Pumping System Technology Division	30.65	42.20	(11.55)	(27.37)	42.20	(11.55)	(27.37)	102.38	119.40	(17.02)	(14.25)	119.40	(17.02)	(14.25)
2. Process and Piping Solution Division	53.07	143.03	(89.96)	(62.89)	117.39	(64.32)	(54.79)	195.44	295.72	(100.28)	(33.91)	183.25	12.19	6.65
3. Innovative material Division	47.62	31.59	16.03	50.74	31.60	16.02	50.70	153.34	112.79	40.55	35.95	112.80	40.54	35.94
4. Service Business Division	13.72	10.58	3.14	29.68	7.60	6.12	80.53	37.26	36.95	0.31	0.84	33.84	3.42	10.11
Total	145.05	227.40	(82.35)	(36.21)	198.78	(53.73)	(27.03)	488.41	564.86	(76.45)	(13.53)	449.28	39.13	8.71
Cost of Sales and Cost of Service	103.77	165.28	(61.51)	(37.21)	146.74	(42.97)	(29.28)	357.81	393.04	(35.23)	(8.96)	328.48	29.33	8.93
gross profit	41.28	62.12	(20.84)	(33.55)	52.05	(10.77)	(20.69)	130.60	171.82	(41.22)	(23.99)	120.80	9.80	8.11
other income	4.63	4.95	(0.32)	(6.46)	0.63	4.00	634.92	9.68	8.70	0.98	11.26	4.38	5.30	121.00
total income	149.68	232.35	(82.67)	(35.58)	199.41	(49.73)	(24.94)	498.09	573.56	(75.47)	(13.16)	453.66	44.43	9.79
Selling and administrative expenses	27.58	33.83	(6.25)	(18.47)	29.23	(1.65)	(5.64)	113.41	111.82	1.59	1.42	95.99	17.42	18.15
Separate net profit (loss)	74.29	18.57	55.72	300.05	18.57	55.72	300.05	80.32	25.20	55.12	218.73	25.20	55.12	218.73
Share of profit (loss) from investment in associated company	5.60	3.04	2.56	84.21	3.04	2.56	84.21	20.94	17.37	3.57	20.55	17.37	3.57	20.55

Unit : million baht	Q4/2021	Q4/2020 (Revised virtual statement)	increase (decreas)	%YoY	Q4/2020	increase (decrease)	%YoY	2021	2020 (Revised virtual statement)	increase (decrease)	%YoY	2020	increas (decreas e)	%YoY
Total comprehensive income(loss) for the period	19.82	29.32	(9.50)	(32.40)	21.61	(1.79)	(8.28)	40.01	72.08	(32.07)	(44.49)	40.58	(0.57)	(1.40)
Net Profit Margin (%)	13.24	12.62			10.84			8.03	12.57			8.95		

- หมายเหตุ** 1/ The Auditor-General has consolidated the financial statements of Subsidiary (KESSEL) for the second half of the year (Q3 and Q4) of 2021 into the consolidated financial statements.
- 2/ The revised virtual statement refers to the financial statements in which the Auditor has combined the financial statements of the Subsidiary (KESSEL) with the Company's financial statements as if they were combined since 2020 (full year 12 months). Under the common control, in spite of the fact that the Company began to merge with its subsidiaries (KESSEL) during the third quarter of 2021 onwards.

Revenue from sales and services

1. Case of comparison with Consolidated financial statements of subsidiaries (KESSEL) according to accounting standards under common control

Performance for the year Ending December 31 , 2021. The company has revenue from sales and services amount 488.41 million baht decrease from revised virtual statement amount 76.45 million baht or a decrease of 13.53% caused by (1) decrease in performance of SE which can be seen from company performance of 49.94 million baht or decrease 12.51% which was caused by the economy of Thailand in the year 2021. As a result, many factories had to shut down and eventually had LOCKDOWN – COVID19 Delta variant. This major effect caused multiple factories to shutdown which effected the companies sales much greater than COVID19 in 2020. (2) Since we acquired Kessel in Q3 2021, excluding subsidiaries' revenues (KESSEL) for the first half of the year 2021 totaling Approximately Baht 32.03 million baht. Compared to the decrease in margin of approximately Baht 26.50 million, the full-year revenue (KESSEL) was increased by approximately Baht 5.53 million. As for the operating results for the 4th quarter of the three-month period ended 3 December 1 , 2021 , the Company Revenue from sales and services amounted to 145.05 million baht . Decrease from revised virtual statement the same period of the year 2020 amounting to 82.35 million baht or a decrease of 36.21 %. However, there is an innovative material product group that has increased revenue from the year 2020 in the amount of 40.55 million baht or an increase of 35.95 % . Sells products for self-examination of COVID-19 from the innovative material product group Increased in the 4th quarter of the year 64 as a new group of products to be sold during the epidemic situation of COVID-19.

2. In the case of comparison with the financial statements under the equity method (Previously) with no operating results of the subsidiary under 1)

Performance for the year Ending December 31 , 2021 The company has revenue from sales and services amount 488.41 million baht increased from revised virtual statement the same period of the year 2021 with number 39.13 million baht or an increase of 8.71 % and the operating results for the 4th quarter of the three-month period ended 3 December 1 , 2021 , the Company Revenue from sales and services amounted to 145.05 million baht . Decreased from revised virtual statement with the same period of the year 2020 amounting to 53.73 million baht or

a 27.03 percent decrease. But there is a group of innovative materials products that have increased revenue from the year 2020 by 40.54 million baht or an increase of 35.94 % . (1) Revenue from mergers with subsidiaries (KESSEL) in the third and fourth quarters of 2021, and (2) Sells products for self-examination of COVID-19 from the innovative material product group, increased in the third quarter of the year 2021 as a new group of products to be sold during the epidemic situation of COVID-19.

In addition, the company still has products and services, which has received the purchase order and is in the process of being gradually delivered (Backlog) according to the table as follows

Goods and services that have been ordered but not yet delivered (Backlog)	2020 → Q1 2022 (Million Baht)	2021 → Q1 2022 (Million Baht)	2021 → Q2-Q3 2022 (Million Baht)	All Backlogs (million baht)
Total	8.89	83.44	35.11	127.44

Other income

1. Case of comparison with Consolidated financial statements of subsidiaries (KESSEL) according to accounting standards under common control

For a year Ending December 31 , 2021, the Company had other income of 9.68 million baht, an increase of 0.98 million baht from revised virtual statement the year 2020 , or an increase of 11.26 % , and for the 4th quarter of the three -month period ended December 31 , 2021. The Company had other income of 4.63 million baht, decreased from revised virtual statement same period of year 2020 quantity 0.32 million baht or a decrease of 6.46 % . The increase in other income in 2021 was due to an increase in sales promotion and commission income.

2. In the case of comparison with the financial statements under the equity method (Previously) with no operating results of the subsidiary under 1)

for a year Ending December 31 , 2 56 4 The Company had other income of 9.68 million baht, an increase from revised virtual statement the same period of the year 2020 by 5.30 million baht or 121.00%, and for the fourth quarter, the 3 -month period ended December 31 , 2021, The Company had other income of 4.63 million baht, increased from revised virtual statement same period of year 2020 quantity 4.00 million baht or an increase of 634.92 % due to an increase in sales promotion and commission income.

Cost of sales and services

1. Case of comparison with Consolidated financial statements of subsidiaries (KESSEL) according to accounting standards under the same control

For a year ending December 31 , 2021, the Company had cost of sales and services of 357.81 million baht, a decrease of 35.23 million baht from revised virtual statement the year 2020 , or a decrease of 8.96 % , and for the fourth quarter of the three -month period ended December 31 , 2021 , the company had cost of sales and services. amount 103.77 million baht , a decrease from revised virtual statement the same period of the year 2563 amounting to 61.51 million baht or a decrease of 37.21 % , which is in the same direction as the revenue from sales and services . and service with revenue from sales and services and found that proportion of cost of sales increased from 69.58% of revenue in 2020 to 73.26 % in 2021 , mainly due to (1) cost of product and services of SE company only has increased 73.11% of revenue. In the year 2021 it is 75.70% and in 2021 due the competitive increased exponentially due to the COVID-19 crisis

in 2020 and economic situation. In 2021, many companies and factories had to shut down due to LOCKDOWN – COVID19 causing many customers that still has the potential and cash flow to buy goods has higher bargaining power. Therefore, the company has to adjust adapt to the situation by reducing the price and/or adjusting the discount to the customer to maintain the customer base first , however under potential in high quality work reliable after-sales service coupled with a diverse customer base and has a stable financial position. The company still has the potential to compete in the market. and maintain customer base continuously, also with (2) the Auditor's disaffection of subsidiaries' operating results (KESSEL) for the first half of the year (Q1 and Q2) of 2021, which accounted for much lower than SE in the consolidated financial statements for 2021, but instead combined the share of the subsidiary's cost of sales (KESSEL) with SE full year for the revised virtual statement for 2020.

2. In the case of comparison with the financial statements under the equity method (Previously) with no operating results of the subsidiary under 1)

For a year Ending December 31 , 2021 the company had cost of sales and services of 357.81 million baht, an increase from revised virtual statement the year 2020 of 29.33 million baht or 8.93 %. For the fourth quarter, the three -month period ended December 31 , 2021 , the company had cost of sales and services. amounting to 103.77 million baht, a decrease from revised virtual statement the same period of the year 2563 amounting to 42.97 million baht or a decrease of 29.28 % , which is in the same direction as the revenue from sales and services.

However, when comparing the cost of sales and service with revenue from sales and services and found that proportion of cost of sales increased from 73.11 % of income in year 2020 to 73.26 percent in 2021 , mainly due to 1) cost of good sold and services SE according to company performance, an increase 73.11% of revenue in year 2020 or 75.70% of 2021. The proportion of cost of sales in case of 2) increased less than in case 1) because the cost of sales of subsidiary company (KESSEL)in 2020 was significantly lower than that of SE . But since the merger occurred only in Q3 and Q4 2021, KESSEL's share has not been very high. However, the Company's overall results are expected to continue to decrease in cost of sales in 2022 after the full-year recognition of subsidiary earnings (KESSEL) and SE's overall performance in the Company's specific financial statements.

Selling and administrative expenses

1. Case of comparison with Consolidated financial statements of subsidiaries (KESSEL) according to accounting standards under common control

For a year Ending December 31 , 2021, the Company had selling and administrative expenses in the amount of 113.41 million baht , an increase from revised virtual statement the year 2020 of 1.59 million baht or 1.42 % . Sales and administration amounted to 27.58 million baht , a decrease of 6.25 million baht from revised virtual statement the same period of the year 2020 or a decrease of 18.47 % , which was in the same direction as the revenue from sales and services . Selling and administrative expenses with the revenue from sales and services, it was found that the proportion of expenses increased from 19.80 % of revenue in 2020 to 23.22 % of revenue in 2021 due to Subsidiary expenses and increased auditing expenses.

2. In the case of comparison with the financial statements under the equity method (Previously) with no operating results of the subsidiary under 1)

For a year ending December 31 , 2021 the Company had selling and administrative expenses in the amount of 113.41 million baht , an increase from revised virtual statement the year 2020 of 17.42 million baht or 18.15 % . Sales and administration amounted to 27.58 million baht , a decrease of 1.65 million baht from revised virtual statement the same period of the year 2020

or a decrease of 5.64 % , which was in the same direction as the revenue from sales and services . Selling and administrative expenses With the revenue from sales and services, it was found that the proportion of expenses increased from 21.36 % of the revenue in 2020 to 23.22 % of the revenue in 2021. The selling and administrative expenses in the case under 2) increased significantly because the company recognized expenses from subsidiaries in the 3rd quarter of 2021 , while the financial statements in the case of 1), the auditor has included the expenses of the subsidiary together with the company's income. as if merging from the beginning under the same control.

Total comprehensive income (loss)

1. Case of comparison with Consolidated financial statements of subsidiaries (KESSEL) according to accounting standards under the same control

For the year ended 31 December 2021, the Company had a net profit (loss) under the consolidated financial statements of Baht 40.01 million. Decrease from the revised virtual statement for 2020 of Baht 32.08 million or decrease of 44.50% caused by (1) a decrease in SE's performance, which, according to the separate financial statements, net profit (loss) from operations excluding equity of dividends from associates (UBA) of Baht 6.72 million or a decrease of 73.33%. The main reason is due to the economic situation in 2021, which was affected by LOCKDOWN – COVID19, the Delta variant, together with (2) the auditor's total net profit of subsidiaries (KESSEL) in 2020 of Baht 31.51 million baht. However, the auditor did not include the net profit of the subsidiary (KESSEL) for the first half of the year (quarter 1 and quarter 2) for the year 2021 of about 5.15¹ million baht and for quarter 4 and quarter 3. In the month ended December 31, 2021, the Company had a net profit (loss) under the consolidated financial statements of Baht 19.82 million. Decrease from 1.79 million baht or 8.28% decrease in revised virtual statements. However, the Company has a net profit (loss) for the separate financial statements. Baht 80.32 million Baht 55.12 million or 218.73% increase in the fourth quarter of the three months ended December 31, 2021, the Company has a net corporate profit (loss). Baht 74.29 million This increased from the same period in 2020 of Baht 55.72 million, or 300.05 percent. Significant increase in profit (loss) as the Company receives dividends from Utility Business Company Alliance Co., Ltd. (UBA) ("Associate") baht 73.60 million In 2021, the dividend was planned to list the Company on the SET. In addition, for the year ended December 31, 2021, the Company recognized the net profit of the associates ("UBA") at a rate of 39.99% of Baht 20.94 million. Increased from Baht 3.57 million in 2020, or 20.55% increase, and the fourth quarter for the three months ended December 31, 2021, the Company recognized a net profit of Baht 5.60 million. This increased from the same period in 2020 of Baht 2.56 million, or 84.21 percent.

2. In the case of comparison with the financial statements under the equity method (Previously) with no operating results of the subsidiary under 1)

For the year ended 31 December 2021, the Company had a net profit (loss) under the consolidated financial statements of Baht 40.01 million. The financial statements show that if the consolidated financial statements are included in the first half of the year (Quarter 1 and Quarter 2) of 2021, the total amount is approximately Baht 5.15 million, and then the 2021 results are subsidiaries (KESSEL). It will continue to have higher net profit potential than the original net profit for 2020 without purchasing subsidiaries (KESSEL), which expects the profit outlook

¹ Figures from internal financial statements have not been reviewed by the certified auditor.

for 2022 when the company and its subsidiaries (KESSEL) are combined throughout the year. For the fourth quarter of the three months ended December 31, 2021, the Company had a net profit (loss) under the consolidated financial statements of Baht 19.82 million. Decrease from the consolidated financial statements prior to the 2020 revision of Baht 9.50 million. Or decrease of 32.40% due to a decrease in the Company's specific net profit excluding the dividend income of associates that decreased to Baht 0.69 million. The impact of the crisis was mitigated because the Company's profit from its subsidiaries (KESSEL) was approximately Baht 19.13 million and received dividends from associates of approximately Baht 73.60 million. As a result, the Company's financial position is at a strong level while fighting the ongoing economic crisis.

Therefore, the profitability of the Company's subsidiaries as if they were merged in the first place under the same control since 2020 in the third and fourth quarters made the company more profitable overall, even though the business suffered from covid-19.

Please be informed accordingly.

Best regards

A handwritten signature in blue ink, appearing to be 'O. Orasa Wimolchalao'.

(Ms. Orasa Wimolchalao)

Person with authority to report information