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MGT FNC 2022/003

11 August 2022

Subject: Management Discussion and Analysis for Operating results of Q2/2022 and six-month period ended June 30, 2022

To: Director and Manager of the Stock Exchange of Thailand

Megachem (Thailand) Public Company Limited ("The Company") would like to clarify the operating result of Q2/2022 and six-month period ended June 30, 2022 as follows:

Description	Q2 2022	Q2 2021	Var	% Var	H1 2022	H1 2021	Var	% Var
Sale of Goods	284.95	219.01	65.94	30.11	567.27	432.64	134.63	31.12
Less Cost of sales	210.80	155.63	55.18	35.45	413.78	300.77	113.01	37.57
Gross Profit	74.15	63.39	10.76	16.98	153.49	131.87	21.62	16.39
Other income	3.02	2.88	0.14	4.79	4.02	3.89	0.13	3.35
Selling & distribution & Administrative expenses	43.36	32.49	10.87	33.46	84.34	63.06	21.28	33.75
Profit for the Period	25.86	26.95	(1.09)	(4.03)	56.24	58.26	(2.02)	(3.47)

Sales Revenue

In the second quarter FY2022, sales revenue increased by 65.94 million baht or accounted for an increase of 30.11% due to the increase in sales of the Company and subsidiaries.

In the six-month period of FY2022, the Company had sales revenue of 134.63 million baht or accounted for an increase of 31.12% due to the increase in sales of the Company and subsidiaries.

Gross Profit

Gross profit in Q2/2022 increased by 10.76 million baht or an increase of 16.98% due to the increase in sales of the Company and subsidiaries.

For the six-month period, the Company's gross profit increased by baht 21.62 million, representing an increase of 16.39% due to the increase in sales of the Company and subsidiaries.

Selling and distribution and Administrative Expenses

For Q2/2022, the Company's selling and distribution expenses and administrative expenses increased by 10.87 million baht, representing an increase of 33.46%.

For the six-month period of FY2022, the Company's selling and distribution expenses and administrative expenses increased by 21.28 million baht, representing an increase of 33.75%

However, the increase in expenses came from acquiring shares of a new subsidiary in Q4/2021.

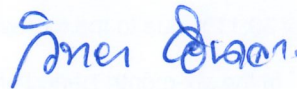


Net Profit

For Q2 FY2022, the Company's net profit decreased by 1.09 million baht, representing a decrease of 4.03%. For the six-month period, the Company's net profit decreased by 2.02 million baht or a decrease of 3.47% due to the subsidiary's revenue in FY2021 is higher than normal sales revenue from the Covid-19 pandemic during that period. This makes it beneficial to sell products but in 2022, the subsidiary's sales revenue has returned to normal. As a result, the Company overview in 2022, net profit decreased slightly.

From the Company's operating results in the second quarter and the six-month period for FY2022, Although the overall economy of the country started to improve from the previous quarter but headline inflation has increased. Inflation in the energy sector also increased from retail oil prices in line with world crude oil prices and the exchange rate of the baht against the dollar continued to depreciate, but the company remained determined to seek business opportunities to increase revenue, manage expenses effectively and increase profits continuously and consistently for best benefit of investors.

Sincerely Yours



(Vitthaya Inala, Ph.D.)

Chief Executive Officer