



**SIAMEAST SOLUTIONS**  
PUBLIC COMPANY LIMITED

No. ELCID/SE/012/2022

Date 14 August 2022

Subject Management Discussion and Analysis for the 6 - month period ended 30 June 2022

Dear Directors and Managers  
Stock Exchange of Thailand

SiamEast Solutions Public Company Limited has submitted the consolidated financial statements for the 6 -month period ended 30 June 2022, 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	Consolidated financial statements				Financial statements under the equity method			Consolidated financial statements				Financial statements under the equity method		
	Q2/2022	Q2/2021 (Virtual budget revised)	Increase (Decrease)	%YoY	Q2/2021	Increase (Decrease)	%YoY	1H2022	1H2021 (Virtual budget revised)	Increase (Decrease)	%YoY	1H2021	Increase (Decrease)	%YoY
<b>Revenue from sales and services</b>														
1. Pumping System Technology Division	24.56	25.05	(0.49)	(1.96)	25.05	(0.49)	(1.96)	51.81	46.52	5.29	11.37	46.52	5.29	11.37
2. Product group of process management and piping system	44.49	59.41	(14.92)	(25.11)	44.74	(0.25)	(0.56)	83.39	96.00	(12.61)	(13.13)	68.17	15.22	22.33
3. Innovative Material Division	44.81	30.09	14.72	48.92	30.09	14.72	48.92	100.87	55.93	44.94	80.35	55.93	44.94	80.35
4. Service Business Division	20.88	9.39	11.49	122.36	8.41	12.47	148.27	35.30	17.70	17.60	99.43	15.82	19.48	123.13
Total	134.74	123.95	10.80	8.71	108.29	26.45	24.42	271.38	216.16	55.22	25.55	186.44	84.94	45.56
<b>Cost of Sales and Cost of Service</b>	96.46	89.64	6.82	7.60	80.47	15.99	19.87	195.78	158.96	36.82	23.16	140.49	55.29	39.35
<b>gross profit</b>	38.28	34.31	3.97	11.57	27.83	10.45	37.55	75.60	57.20	18.40	32.17	45.95	29.65	64.53
other income	0.49	2.15	(1.66)	(77.21)	0.72	(0.23)	(31.94)	2.02	2.74	(0.72)	(26.28)	1.01	1.01	100
total income	135.23	126.10	9.13	7.24	109.01	26.22	24.05	273.40	218.90	54.50	24.90	187.45	85.95	45.85
Distribution costs administrative expenses	28.70	28.08	0.62	2.21	24.36	4.34	17.82	56.67	54.17	2.50	4.61	46.60	10.07	21.61
Separate net profit (loss)	0.94	6.49	(5.55)	(85.52)	6.49	(5.55)	(85.52)	9.32	4.76	4.56	95.80	4.76	4.56	95.80

Unit : Million Baht	Consolidated financial statements				Financial statements under the equity method			Consolidated financial statements				Financial statements under the equity method		
	Q2/2022	Q2/2021 (Virtual budget revised)	Increase (Decrease)	%YoY	Q2/2021	Increase (Decrease)	%YoY	1H2022	1H2021 (Virtual budget revised)	Increase (Decrease)	%YoY	1H2021	Increase (Decrease)	%YoY
Share of profit (loss) from investment in associated company	6.98	2.64	4.34	164.39	2.64	4.34	164.39	12.33	8.43	3.90	46.26	8.43	3.90	46.26
Share of profit (loss) attributable to the parent company	14.06	5.53	8.53	154.25	5.53	8.53	154.25	27.53	9.59	17.94	187.07	9.59	17.94	187.07
Net Profit Margin (%)	10.40	4.38			5.07			10.07	4.38			5.12		

### Revenue from sales and services

#### 1. In the case of comparison with consolidated financial statements of subsidiaries (KESSEL) according to accounting standards under common control

Performance for the 6 -month period ending 30 June 2022, the company has revenue from sales and services amount 271.38 million baht increased from the same period of the year 2021 55.22 million baht or an increase of 25.55 % and the operating results. For the second quarter of the three-month period ended June 30, 2022, the company revenue from sales and services amounted to 134.74 million baht . An increase from the same period of 2021 amounting to 10.80 million baht or an increase of 8.71%. The said increase in revenue came from products and services that have received orders remaining in the first quarter of 2022. The gradual increase in delivery of goods in the second quarter of 2022 as most of the factories are fully operational. type resulting in higher revenues in the service product group from being able to work at the customer's site, and the increase in the revenue of innovative materials products is still related to the COVID-19 epidemic situation; and industrial consumable products.

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

Performance for the 6 -month period ending 30 June 2022. The company has revenue from sales and services amount 271.38 million baht increased from the same period of the year 2021 Number 84.94 million baht or an increase of 45.56% and the operating results for the second quarter of the three-month period ended June 30, 2022 , the company revenue from sales and services amounted to 134.74 million baht. Increased from the same period of the year 2021 amounting to 26.45 million baht or an increase of 24.42%. The aforementioned increase in revenue came from products and services that have already received orders in the first quarter of 2022 , which can gradually deliver products. Increased in the second quarter of 2022 as most of the factories were fully operational. resulting in higher revenues for product and service products Due to being able to work at the customer's site and increasing revenues in the innovative materials product group, it is still related to the COVID-19 epidemic and industrial consumable products.

The revenue in case of 2) increased significantly because the company recognized revenues from subsidiaries in the second quarter of 2022 , while the financial statements in the case of 1), the auditor included the revenues of the subsidiaries together with the revenues of the company, as if merging from the beginning under the common control.

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:

<b>Goods and services that have been ordered Already but not yet delivered (Backlog)</b>	<b>2020,2021 → Q3-Q4 2022 (Million Baht)</b>	<b>2022 → Q3-Q4 2022 (Million Baht)</b>	<b>2022 → 2023-2024 (Million Baht)</b>	<b>All Backlogs (Million Baht)</b>
Together	10.82	185.59	34.82	231.23

#### **Other income**

##### **1. In the case of comparison with consolidated financial statements of subsidiaries ( KESSEL) according to accounting standards under common control**

For 6 months ending 30 June 2022. The company had other income of 2.02 million baht, a decrease of 0.72 million baht from the same period of the year 2021 , or a 26.28% decrease, and for the second quarter of the three -month period ended June 30 , 2022 , the company had other income of 0.49 million baht, decreased from the same period of the year 2021 or a quantity of 1.66 million baht or a decrease of 77.21 % due to lower commission and interest income.

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

For 6 months ending 30 June 2022. The Company had other income of 2.02 million baht, an increase from the same period of the year 2021 by 1.01 million baht or an increase of 100 % and for the second quarter, the 3 -month period ended June 30 , 2022, the company had other income of 0.49 million baht, decreased from the same period of the year 2021 or a quantity of 0.23 million baht or a decrease of 31.94 % due to lower commission and interest income.

#### **Cost of sales and services**

##### **1. In the case of comparison with consolidated financial statements of subsidiaries (KESSEL) according to accounting standards under common control**

For the period 6 months ending 30 June 2022. The company 's cost of sales and services amounted to 195.78 million baht, an increase from the same period of the year 2021 by 36.82 million baht or 23.16 %. The amount was 96.46 million baht , an increase of 6.82 million baht from the same period of the year 2021 or an increase of 7.60 % , which was in the same direction as the revenue from sales and services. The revenue from sales and services was found proportion of cost of sales decreased from 72.32 % of revenue in Q2 / 2021 to 71.59 % in Q2 / 2022, due to the product group, process management and piping systems were able to better control cost of sales and services, resulting in higher gross profit.

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

For 6 months ending 30 June 2022. The company had cost of sales and services of 195.78 million baht, an increase from the same period of the year 2021 by 55.29 million baht or 39.35% . The cost was 96.46 million baht, an increase from the same period of the year 2021 by 15.99 million baht, or an increase of 19.87%, which was in the same direction as the revenue from sales and services. The cost of sales in case of 2) increased significantly because the company costs from subsidiaries have not been recognized in the second quarter of 2021 , while the financial statements in the case of 1), the auditor has included the costs of the subsidiaries together with the costs of the company, as if merging from the beginning under common control.

However, when comparing the cost of sales and service with revenue from sales and services and found that the proportion of cost of sales decreased from 74.31 % of revenue in Q2 / 2021 to 71.59 % in Q2 / 2022, due to the product group, process management and piping systems can better control cost of sales and services, resulting in higher gross profit.

**Selling, general and administrative expenses**

**1. In the case of comparison with consolidated financial statements of subsidiaries (KESSEL) according to accounting standards under common control**

For 6 months ending 30 June 2022. The company had selling, general and administrative expenses in the amount of 56.67 million baht, an increase from the same period of the year 2021 by 2.50 million baht or 4.61 % . For the second quarter, the 3 -month period ended June 30 , 2022, the company had selling, general and administrative expenses amounted to 28.70 million baht, an increase of 0.62 million baht from the same period of the year 2021 or an increase of 2.21%, which was in the same direction as the revenue from sales and services. Selling, general and administrative expenses with the revenue from sales and services, it was found that the proportion of expenses decreased from 22.65 % of the revenue in the second quarter of 2021 to only 21.30% of the revenue in the second quarter of 2022 due to the company. and subsidiaries cost control and manage expenses more efficiently.

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

For 6 months ending 30 June 2022. The company had selling, general and administrative expenses in the amount of 56.67 million baht , an increase from the same period of the year 2021 by 10.07 million baht or 21.61% . Selling, general and administrative expenses amounted to 28.70 million baht, an increase of 4.34 million baht from the same period of the year 2021 or an increase of 17.82% , which was in the same direction as the revenue from sales and services . Selling, general and administrative expenses with the revenue from sales and services, it was found that the proportion of expenses decreased from 22.49 % of the revenue in the second quarter of 2021 to only 21.30% of the revenue in the second quarter of 2022. In the sale and management of cases under 2) , the decrease was due to the company's ability to control expenses and manage expenses more efficiently. While the financial statements in the case of 1) include the expenses of the subsidiaries together with the revenues of the company as if they were merged in the first place under common control.

### **Share of profit (loss) attributable to the parent company**

#### **1. In the case of comparison with consolidated financial statements of subsidiaries ( KESSEL) according to accounting standards under common control**

For 6 months ending 30 June 2022. The company had a separate net profit (loss) of 9.32 million baht, an increase of 4.56 million baht from the same period of 2021, or an increase of 95.80%. For the lost in separate net income in the amount of 0.94 million baht, a decrease from the same period of the year 2021 by 5.55 million baht or a decrease of 85.52% .

In addition, for the second quarter of the three -month period ended June 30 , 2022 , the company also recognized the net profit of Utilities Business Alliance Public Company Limited

( “UBA”) at the rate of 39.99% , amounting to 6.98 . million baht, an increase from the same period of the year 2021 by 4.34 million baht or an increase of 164.39 %.

From the above-mentioned operating results and the recognition of profits from subsidiaries and associates. As a result, the company total comprehensive income for the 2nd quarter for the 3 month period ended June 30 , 2022 , totaling 14.06 million baht, an increase of 8.53 million baht from the same period of 2021 or an increase of 154.25 %.

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

For 6 months ending 30 June 2022. The company had a separate net profit (loss) of 9.32 million baht, an increase of 4.56 million baht from the same period of 2021, or an increase of 95.80%. Loss) Separate net in the amount of 0.94 million baht, a decrease from the same period of the year 2021 by 5.55 million baht or a decrease of 85.52 %.

In addition, for the second quarter of the three -month period ended June 30 , 2022 , the Company also recognized the net profit of Utilities Business Alliance Public Company Limited ( “UBA”) at the rate of 39.99% , amounting to 6.98 . million baht, an increase from the same period of the year 2021 by 4.34 million baht or an increase of 164.39 %

From the above-mentioned operating results and the recognition of profits from subsidiaries and associates As a result, the company Total comprehensive income for the 2nd quarter for the 3 month period ended June 30 , 2022 , totaling 14.06 million baht, an increase of 8.53 million baht from the same period of 2021 or an increase of 154.25 %.

Please be informed accordingly.

Best regards

(Ms. Orasa Vimolchalao)

Person with authority to report information