



SIAMEAST SOLUTIONS
PUBLIC COMPANY LIMITED

No. ELCID/SE/002/2023

February 24 2023

Subject: Management Discussion and Analysis for the year ended 31 December 2022

Dear Directors and Managers
Stock Exchange of Thailand

SiamEast Solutions Public Company Limited and its subsidiaries have submitted the consolidated financial statements for the year ended 31 December 2022

which has been audited by a certified public accountant, the company would like to clarify its operating results with all details as follows:

Unit : million baht	consolidated financial statements				consolidated financial statements			
	Quarter 4 Year 2022	Quarter 4 Year 2021	increase (decrease)	%YoY	Year 2022	Year 2021	increase (decrease)	%YoY
Sales and service income								
1. Pumping System and Technology	31.18	30.65	0.53	1.73	113.31	102.38	10.93	10.67
2. Process & Piping Solutions	69.68	53.07	16.61	31.30	227.44	195.44	32.00	16.37
3. Innovative Material Products	33.83	47.62	(13.79)	(28.96)	171.24	153.34	17.90	11.67
4. Service Business	31.16	13.72	17.44	127.11	93.62	37.25	56.37	151.33
Total	165.85	145.05	20.80	14.34	605.61	488.41	117.20	24.00
Cost of Sales and Cost of Service	116.97	103.77	13.20	12.72	437.73	357.81	79.92	22.34
Gross profit	48.88	41.28	7.60	18.41	167.88	130.60	37.28	28.54
Other income	2.64	4.63	(1.99)	(42.98)	6.09	9.68	(3.59)	(37.09)
Total income	168.49	149.68	18.81	12.57	611.70	498.09	113.61	22.81
Selling, General and Administrative Expenses	33.56	27.58	5.98	21.68	119.52	113.41	6.11	5.39
Separate net profit (loss)	17.42	74.29	(56.87)	(76.55)	31.92	80.32	(48.40)	(60.26)

Unit : million baht	consolidated financial statements				consolidated financial statements			
	Quarter 4 Year 2022	Quarter 4 Year 2021	increase (decrease)	%YoY	Year 2022	Year 2021	increase (decrease)	%YoY
Share of profit (loss) from investments in associated companies	6.33	5.60	0.73	13.04	26.66	20.94	5.72	27.32
Profit (loss) share attributable to the parent company	19.82	19.10	0.72	3.77	66.75	34.87	31.88	91.42
Net Profit Margin (%)	11.76	12.76			10.91	7.00		

1. Revenue from sales and services

Performance for the year ended December 31 , 2022. The company has income from sales and services amounting to 605.61 million baht increase from year 2021 by 117.20 million baht, or an increase of 24.00 percent and the operating results for the 4th quarter for the 3-month period ended December 31 , 2022 , the company. The income from sales and services amounted to 165.85 million baht or an increase from the same period of 2021 in the amount of 20.80 million baht or an increase of 14.34 %. The aforementioned increase in revenue comes from goods and services that have already received orders in 2021, gradually delivering more products and services in 2022 and the increased sales and service income comes mainly from the group. Process and Piping divisions with service product groups because of the latter the epidemic situation of COVID-19 has been resolved and is starting to return to normal conditions , for which the company can go to work at the job site of the customer's company and deliver more projects with more value.

In addition, the company still has products and services or backlog, which have already received purchase orders and are in the process of gradually delivering according to the following table:

Goods and services received by purchase orders already but not yet delivered (Backlog)	2021,2022 → Q1 2023 (million baht)	2022 → Q2-Q4 2023 (million baht)	2022 → Q1 2024 (million baht)	All backlogs (million baht)
together	60.87	106.96	34.47	202.30

2. Other income

For the year ended December 31 , 2022. The company has other income of 6.09 million baht, a decrease of 3.59 million baht or 37.09 % from the year 2021 and for the 4th quarter , the 3-month period ended December 31 , 2022. The company has other income of 2.64 million baht, decreased from the same period of 2021 by a quantity 1.99 million baht or a decrease of 42.98 percent due to income from sales promotion gain from exchange rate and lower interest income.

3. Cost of sales and cost of services

For the year ended December 31 , 2022, the company has cost of sales and services of 437.73 million baht, an increase of 79.92 million baht from 2021 or an increase of 22.34 percent and for the 4th quarter , 3- month period ended December 31 , 2022 , the company has cost of sales and services. in the amount of 116.97 million baht, an increase from the same period of 2021 in the amount of 13.20 million baht or an increase of 12.72 % , which is in the same direction with the revenue from sales and services. For service with income from sales and services and found that the proportion of cost of sales decreased from 73.26 percent of revenue in 2021 to 72.28 percent in 2022 due to the Process and Piping solutions group and the Pumping systems and technology group where they are able to control the cost of sales and services better resulting in higher gross profits

4. Selling, General and Administrative Expenses

For the year ended December 31 , 2022, the company has Selling, General and Administrative Expenses in the amount of 437.73 million baht, an increase from the year 2021 in the amount of 79.92 million baht or an increase of 22.34 % and for the 4th quarter , the 3- month period ended December 31 , 2022 , the company has Selling, General and Administrative Expenses in the amount of 33.56 million baht , an increase from the same period of 2021 in the amount of 5.98 million baht or an increase of 21.68 percent . Selling, General and Administrative Expenses when comparing with revenue from sales and services, it was found that the proportion of expenses decreased from 23.22 % of revenue in 2021 to only 19.73 % of revenue in 2022 , indicating that the company could control and manage expenses more efficiently while sales and service income increased, but Selling, General and Administrative Expenses decreased.

5. Share of profit (loss) attributable to the parent company

For the year Ended December 31, 2022 the company had net profit (loss) separate company of 31.92 million baht, decreased from 2021 in the amount of 48.40 million baht or decreased by 60.26 % and for the 4th quarter for the 3- month period ended December 31, 2022, the company had net profit (loss). Separate amount of 17.42 million baht, decreased from the same period of 2021 in the amount of 56.87 million baht or a decrease of 76.55 % because in the year 2021 received dividend income in the amount of 73.60 million from an associated company " Utility Business Company Alliance Public Company Limited " resulting in the year 2021 having a net profit (loss) of the separate business than the year 2022.

In addition, for the year ended December 31 , 2022 , the company also recognized the net profit of Utility Business Alliance Public Company Limited ("UBA") in the amount of 26.66 million baht, an increase from the year. 2021 in the amount of 5.72 million baht or an increase of 27.32 % and the 4th quarter for the 3- month period ended December 31, 2022 , the company realized net profit of Utility Business Alliance Public Company Limited (UBA) in the amount of 6.33 million baht, an increase from the same period of 2021 in the amount of 0.73 million baht or an increase of 13.04 %.

From the performance mentioned above and the recognition of profits from subsidiaries and associated companies. As a result, the company total comprehensive income for the year 2022 attributable to the parent company total 66.75 million baht, an increase of 31.88 million baht or 91.42 % from the year 2021 .

Please be informed accordingly.

Yours sincerely

(Miss Orasa Vimolchalao)

Authorized person to report information