



SIAMEAST SOLUTIONS
PUBLIC COMPANY LIMITED

No. ELCID/SE/007/2566

12 May 2023

Subject: Management Discussion and Analysis for the 3 month period ended 31 March 2023

Dear Directors and Managers
Stock Exchange of Thailand

Siam East Solutions Public Company Limited and its subsidiaries have submitted consolidated financial statements for the 3 month period ended 31 March 2023

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 | | | |
|--|-----------------------------------|------------------------|----------------------|---------|
| | Quarter 1 Year 2023 | Quarter 1 Year 2022 | increase (decrease) | %YoY |
| Sales and service income | | | | |
| 1. Pumping System and Technology | 26.02 | 27.25 | (1.23) | (4.51) |
| 2. Process & Piping Solutions | 57.55 | 38.90 | 18.65 | 47.94 |
| 3. Innovative Material Products | 32.73 | 56.06 | (23.33) | (41.62) |
| 4. Service Business | 18.53 | 14.42 | 4.11 | 28.50 |
| Total | 134.83 | 136.64 | (1.81) | (1.32) |
| Cost of sales and cost of services | 97.48 | 99.32 | (1.84) | (1.85) |
| Gross profit | 37.35 | 37.32 | 0.03 | 0.08 |
| Other income | 0.74 | 1.52 | (0.78) | (51.32) |
| Total income | 135.57 | 138.16 | (2.59) | (1.87) |
| Selling, General and Administrative Expenses | 28.79 | 27.97 | 0.82 | 2.93 |
| Separate net profit (loss) | 2.73 | 8.38 | (5.65) | (67.42) |

| Unit : million baht | Consolidated Financial Statements | | | |
|---|-----------------------------------|------------------------|----------------------|---------|
| | Quarter 1 Year 2023 | Quarter 1 Year 2022 | increase (decrease) | %YoY |
| Share of profit (loss) from investments in associated companies | 4.83 | 5.35 | (0.52) | (9.72) |
| Profit (loss) share attributable to the parent company | 11.79 | 13.48 | (1.69) | (12.54) |
| Net Profit Margin (%) | 8.70 | 9.76 | | |

1. Revenue from sales and services

Performance for the 3 month period ended 31 March 2023. The company has income from sales and services amounting to 134.83 million baht, decreased from the same period of the year 2022 amount 1.81 million baht or a decrease of 1.32 percent. In which the decrease in revenue came from the innovative materials product group, with a decrease in revenue from the first quarter of 2022 in the amount of 23.33 million or a decrease of 41.62%, the main reason being that in the first quarter of 2022 , it was still during the epidemic situation of COVID- 19 where the company was able to sell a large number of COVID testing kits, which led to an increase in revenue in this product group during that time, but in the first quarter of 2023, the situation was relieved, so the demand for COVID testing kits was reduced . However, the company also has production and piping system management products with an increase from the first quarter of 2022 in the amount of 18.65 million baht or an increase of 47.94 %

In addition, the company still has products and services. which have already received purchase orders and are in the process of gradually delivering (Backlog) according to the following table

| Goods and services received by purchase orders already but not yet delivered (Backlog) together | 2021,2022 → Q2-Q4 2023 (million baht) | 2023 → Q2-Q4 2023 (million baht) | 2022,2023 → Q1 2024 (million baht) | All backlogs (million baht) |
|---|--|---------------------------------------|---|---------------------------------|
| | 38.86 | 170.90 | 22.45 | 232.21 |

2. Other income

For the 3 month period ended 31 March 2023, the company has other income of 0.74 million baht, a decrease of 0.78 million baht or 51.32 % from the same period in 2022 due to sales promotion income and commission income which including lower interest income.

3. Cost of sales and cost of services

For the 3 month period ended 31 March 2023, the company has cost of sales and services in the amount of 97.48 million baht, decreased from the same period of 2022 in the amount of 1.84 million baht or decreased 1.85 percent, which is in the same direction with the decrease in revenue from sales and services. However, when comparing the proportion of cost of sales and service with income from sales and services and found that the proportion of cost of sales decreased from 72.69 percent of revenue in the first quarter of 2022 to 72.30 percent in the first quarter of 2023 due to the product group and pump system technology to be able to better control the cost of sales and services resulting in higher gross profits.

4. Selling, General and Administrative Expenses

For the 3 month period ended 31 March 2023, the company had Selling, General and Administrative Expenses of 28.79 million baht, an increase from the same period of 2022 in the amount of 0.82 million baht or an increase of 2.93 percent. Selling, General and Administrative Expenses is proportional to sales and service income where it was found that the proportion of expenses increased from 20.47 percent of revenue in the first quarter of 2022 to 21.35 percent of revenue in the first quarter of 2023.

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

For the 3 month period ended 31 March 2023, the company had net profit (loss) of the separate company in the amount of 2.73 million baht, a decrease from the same period of 2022 in the amount of 5.65 million baht or a decrease of 67.42 %.

In addition, for the three month period ended March 31 , 2023 , the company also recognized the net profit of Utility Business Alliance Public Company Limited (“UBA”) at the rate of 28.67 % , amounting to 4.83 . million baht, a decrease of 0.52 million baht or 9.72 % decrease from the same period in 2022 .

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 three month period ended March 31 , 2023 totaled 11.79 million baht, a decrease from the same period of 2022 in the amount of 1.69 million baht or a decrease of 12.54 %.

Please be informed accordingly.

Yours sincerely

(Ms.Orasa Vimolchalao)

Authorized person to report information