



SIAMEAST SOLUTIONS
PUBLIC COMPANY LIMITED

ELCID/SE/012/2024

Date 14 August 2024

Subject : Management's discussion and analysis for the 6 months period ending on the 30th June 2024

Dear Managing Director of The Stock Exchange of Thailand

SiamEast Solutions Public Company Limited and its subsidiaries have submitted consolidated financial statements for the 6 month period ending June 30 2024 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				Consolidated financial statements			
	Quarter 2 2024	Quarter 2 2023	Increase (decrease)	%YoY	6 Months 2024	6 Months 2023	Increase (decrease)	%YoY
<u>Sales and Service income</u>								
1. Pumping System and Technology	36.58	18.76	17.82	94.99	56.92	44.78	12.14	27.11
2. Process & Piping Solutions	49.27	60.15	(10.88)	(18.09)	95.31	117.70	(22.39)	(19.02)
3. Innovative Material Products	30.21	31.58	(1.37)	(4.34)	66.19	64.31	1.88	2.92
4. Service Business	13.05	27.85	(14.80)	(53.14)	24.54	46.39	(21.85)	(47.13)
5. Utilities and Power Product Group	1.72	17.05	(15.33)	(89.91)	12.67	17.05	(4.38)	(25.69)
Total	130.84	155.39	(24.55)	(15.80)	255.64	290.22	(34.58)	(11.91)
Cost of Sales and Services	98.73	114.52	(15.79)	(13.79)	192.43	212.00	(19.57)	(9.23)
Total Gross Profit	32.10	40.87	(8.77)	(21.46)	63.20	78.22	(15.02)	(19.20)
Other Income	1.85	1.92	(0.07)	(3.65)	3.40	2.66	0.74	27.82
Total Income	132.69	157.31	(24.62)	(15.65)	259.04	292.88	(33.84)	(11.55)
Distribution costs and administrative expenses	29.66	28.25	1.41	4.99	58.99	57.04	1.95	3.42
Separate net profit (loss)	9.36	8.72	0.64	7.34	9.54	11.45	(1.91)	(16.68)

Unit : million baht	Consolidated financial statements				Consolidated financial statements			
	Quarter 2 2024	Quarter 2 2023	Increase (decrease)	%YoY	6 Months 2024	6 Months 2023	Increase (decrease)	%YoY
Share of profits (losses) from investments in associated companies	4.90	4.49	0.41	9.13	9.06	9.32	(0.26)	(2.79)
Share of profit (loss) attributable to the parent company	8.17	15.12	(6.95)	(45.97)	14.72	26.91	(12.19)	(45.30)
Net profit margin (percent)	6.16	9.61			5.68	9.19		

1. Sales and service income

Operating results for the 6 month period ending on 30 June 2024. The company has income from sales and services in the amount 255.64 million baht. Decreased from the same period of the year 2023 a quantity 34.58 million baht or decreased 11.91 percent and operating results for the 2nd quarter 3-month period ending 30 June 2024, where the company has sales and service income of 130.84 million baht. Decreased from the same period of 2023 in the amount of 24.55 million baht or a decrease of 15.80 percent, which the said reduced income. This is because the overall economic situation in Thailand is slowing down, especially in the automotive industry and there is increased competition resulting in less gross profit margin. As a result, customer groups will reduce production and investment during this period. However, the company still has a business group that can generate higher income than the same quarter of 2023, namely the product and technology group of pump systems.

In addition, the company still has products and services that have received purchase orders and are in the process of being gradually delivered (Backlog) according to the following table:

Products and services that have been ordered but has not yet been delivered (Backlog) (Unit: million baht)	2022,2023 → Q3-Q4 2024	2024 → Q1 2025	2024 → Q1-Q2 2026	All Backlog
Together	159.10	10.55	3.70	173.35

2. Other income

For the 6 month period ending on 30 June 2024, the company has other income of 3.40 million baht, an increase from the same period of 2023 of 0.74 million baht or an increase of 27.82 percent and for the 2nd quarter 3- month period ending 30 June 2024 . The company had other income of 1.85 million baht, decreased from the same period of 2023 quantity 0.07 million baht or decreased by 3.65 percent due to increased interest income. There is a profit from the exchange rate where foreign currency values are reserved and dividend income.

3. Cost of Sales and Services

For the 6 month period Ending on 30 June 2024, the company has costs of sales and services of 192.43 million baht, a decrease from the same period of 2023 of 19.57 million baht or a decrease of 9.23 percent. For the 2nd quarter 3- month period ending 30 June 2024, the company has costs of sales and services amounted to 98.73 million baht, a decrease of 15.79 million baht or 13.79 percent from the same period of 2023, which is in the same direction as sales and service income. However, when comparing the proportion of sales costs and service with income from sales and services and found that the proportion of cost of goods sold increased from 73.70 percent of revenue in the 2nd quarter of 2023 to 75.46 percent in the 2nd quarter of 2024. This was due to manufacturers increasing product cost prices in some product groups.

4. Distribution costs and administrative expenses

For the period of 6 months ending on 30 June 2024, the company has distribution costs and administrative expenses in the amount of 58.99 million baht, an increase of 1.95 million baht from the same period of 2023 , or an increase of 3.42 percent, and for the 2nd quarter, 3- month period ending 30 June 2024. There were distribution costs and administrative expenses of 29.66 million baht , an increase of 1.41 million baht from the same period of 2023 or an increase of 4.99 percent. However, when comparing the proportion distribution costs and administrative expenses with the income from sales and services, it was found that the proportion of expenses , etc., increased from 18.18 percent of the income in the 2nd quarter of 2023 to 22.67 percent of the income in the 2nd quarter of 2024. The reason was because in the 2nd quarter of the year 2024, there is an allowance for deteriorated and waste products which is a 1 time situation.

5. Share of profits (losses) belonging to the parent company

For the 6 month period Ending on 30 June 2024 the company had a net profit (loss) of only 9.54 million baht, a decrease from the same period of 2023 of 1.91 million baht or a decrease of 16.68 percent. And for the 2nd quarter, 3- month period ending 30 June 2024, the company had a profit (Net loss) of separate businesses amounted to 9.36 million baht , an increase of 0.64 million baht from the same period of 2023 or an increase of 7.34 percent due to receiving dividends from associated companies in the amount of 8.26 million baht.

In addition, for the second quarter 3- month period ending June 30 , 2024, the company also recognized net profit of Utility Business Alliance Public Company Limited ("UBA") at the rate of 28.67 %. Quantity 4.90 million baht , an increase from the same period of 2023 by 0.41 million baht or an increase of 9.13 percent.

From the above operating results and the recognition of profits from subsidiaries and associated companies. As a result, there was a total comprehensive profit for the second quarter, 3- month period ending June 30 , 2024, totaling 8.17 million baht, a decrease from the same period of 2023 of 6.95 million baht or a decrease of 45.97 percent.

Please be informed accordingly.

Best regards,

(Miss Orasa Wimolchalao)

Person with authority to report information