



No. INGRS081

30 March 2022

Subject : Management Discussion & Analysis (MD&A) for the consolidated financial statements for the financial year ended 31st January 2022

To : The President
The Stock Exchange of Thailand

Ingress Industrial (Thailand) Public Company Limited (“**INGRS**”) would like to provide an explanation on the consolidated financial statements of INGRS for the financial year ended 31st January 2022:

1. Sales Revenue for the financial year ended 31st January 2022 (“FY2021/22”)

For FY2021/22, INGRS registered sales revenue of Baht 2,689.3 million, an increase of Baht 536.0 million or 24.9% as compared to the same financial period last year of Baht 2,153.3 million.

The breakdown of the sales revenue by countries is as follows:

Countries	FY2021/22 Baht million	FY2020/21 Baht million	Variance Baht million	Variance (%)
Thailand	978.8	704.4	274.4	39.0
Malaysia	1,275.6	1,187.5	88.1	7.4
Indonesia	211.7	100.8	110.9	110.0
India	223.2	160.6	62.6	39.0
Total	2,689.3	2,153.3	536.0	24.9

Overall sales revenue reflected significant recovery resulting from the improvement of economies in every country especially in Indonesia. The positive growth in Indonesia are from the new project by INGRS subsidiaries, PT Ingress Industrial Indonesia (“PTIII”) and PT Ingress Malindo Ventures (“PTIMV”).

However, our operation in Malaysia recorded only 7.4% growth as a result from the Movement Control Order 3.0 (“MCO”) imposed by the Government of Malaysia. For the period from 1 June 2021 to 17 August 2021, INGRS’s Malaysia operation experienced the lowest revenue due to the temporary closure of our operations to contain the 3rd wave of Covid-19. The recovery of production volume was seen until recently when the operation has resumed from 18 August 2021.

The Total Industry Production (“TIP”) in all countries shown positive growth especially in Indonesia and India which is highly impacted by the pandemic in prior year. The growth of the TIP is as tabulated below:

Countries	Feb 21-Jan22 Thousand units	Feb 20-Jan21 Thousand units	Variance Thousand units	Variance (%)
Thailand	1,687.7	1,418.9	268.8	18.9
Malaysia	501.2	487.0	14.2	2.9
Indonesia	1,158.9	653.2	505.7	77.4
India	4,214.1	3,390.0	824.1	24.3
Total	7,562.0	5,949.1	1,612.9	27.1

2. Loss After Taxation (“LAT”)

For the financial year FY2021/22, INGRS registered LAT of Baht 295.2 million as compared to LAT of Baht 259.9 million from the same period last year.

INGRS suffered 13.5% increase in losses, however, sales revenue recovered, and the gross margin improved at 13.6% in this period as compared to 11.3% for the same period last year. Higher losses in FY2021/22 were contributed mainly from increased pre-operating costs for our new venture in Indonesia which just started operation on 17 January 2022.

Selling and administrative expenses increased by Baht 215.1 million or 45.4% from the same period last year. This is due to the reclassification of fixed overhead costs for Malaysian companies as administrative expenses during the temporary closure. During that period, the fixed operation cost was Baht 71.0 million which included depreciation expense of Baht 32.8 million or 46.6% of the total fixed cost.

Finance costs in FY2021/22 showed an increase by 27.6% or by Baht 18.1 million, as compared to the same period last year due to additional borrowings for working capital as well as to finance the new project development costs and capital expenditures.

Tax expenses has increased by Baht 24.3 million in FY2021/22 as a results of deferred tax asset utilized by Malaysian subsidiaries from the utilization of the tax credit to offset against the corporate tax payment.

3. Loss after Taxation and Minority Interests (“LATMI”)

INGRS registered LATMI of Baht 208.7 million for the financial year FY2021/22 as compared to the same period last year with LATMI of Baht 221.91 million.

The reduction of the losses as compared to previous year was due to higher losses attributable to the minority shareholders.

4. Financial Position

Financial Position	31 January 2022 Baht million	31 January 2021 Baht million	Variance	
			Baht million	%
Total Assets	6,767.0	4,891.1	1,875.9	38.4
Total Liabilities	4,522.7	2,718.9	1,803.8	66.3
Total Equities	2,244.3	2,172.2	72.1	3.3

As at 31st January 2022, total assets increased by Baht 1,875.9 million as compared to 31st January 2021 largely attributable by the additional capital investment in new projects by PT III, PT IMV and Ingress AOI Technologies Sdn Bhd (IATSB).

Total liabilities also increased by Baht 1,803.8 million or 66.3% as compared to 31st January 2021 from additional borrowings and trade and payables to support the capital investments and the operations in Indonesia and Malaysia.

Total equities slightly increased by Baht 72.1 million or 3.3% while INGRS registered LAT as compared to 31st January 2021 because INGRS registered Baht 110.6 million from reappraisal the value of the land and buildings once in every three (3) years according to our policy.

Please be informed accordingly.

Yours sincerely,



Hamidi Bin Maulod
Chief Executive Officer

