



THAI MITSUWA PUBLIC COMPANY LIMITED.

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To : President of SET

From : Thai Mitsuwa Public Company Limited

Date : May 31, 2022

Subject : Operation results for the year ended March 31,2022 compared with the year ended March 31,2021

Thai Mitsuwa Public Company Limited has summarized the operating results for the year ended March 31,2022 compared with the year ended March 31, 2021 as follows :

(unit – Baht)

Statement of financial position (unit : Baht)	2021	2021/2020	2020	2020/2019	2019	2019/2018
Cash and cash equivalents	395,478,248	-5.15%	416,936,571	21.15%	344,154,905	27.75%
Trade and other receivables	568,636,893	0.48%	565,929,508	9.70%	515,888,365	-19.06%
Inventories	267,934,439	19.45%	224,305,839	-18.60%	275,553,760	34.04%
Other current assets	29,561,924	5.51%	28,018,114	160.34%	10,762,282	-9.50%
Total current assets	1,261,611,504	2.14%	1,235,190,032	7.75%	1,146,359,312	-10.76%
Other non-current finance assets	2,035,382	-3.19%	2,102,382	0.00%	-	0.00%
Property plant and equipment	1,682,917,178	-0.51%	1,691,541,397	-19.72%	2,107,090,681	20.73%
Right-of-use assets	248,209,737	-12.06%	282,257,579	-	-	-
Intangible assets	21,990,629	-23.28%	28,662,604	-21.89%	36,695,218	318.89%
Deferred charges on mold	23,731,921	-55.24%	53,016,247	34.17%	39,513,824	-27.94%
Other non-current assets	261,000	-51.34%	536,410	-75.19%	2,162,382	-0.47%
Total non-current assets	1,979,145,847	-3.84%	2,058,116,619	-5.83%	2,185,462,105	20.67%
Total assets	3,240,757,351	-1.60%	3,293,306,651	-1.16%	3,331,821,417	7.63%
Trade and other payables	527,807,821	-5.89%	560,864,169	10.06%	509,617,183	-10.85%
Current portion of liabilities under finance lease agreements	-	-	-	-100.00%	101,165,917	33.10%
Current portion of lease liabilities	39,958,929	-64.44%	112,380,790	-	-	-
Income tax payable	-	-	-	-100.00%	193,031	-94.59%
Other current liabilities	8,544,691	-64.26%	23,909,816	-4.04%	24,916,179	23.98%
Total current liabilities	576,311,441	-17.33%	697,154,775	9.63%	635,892,310	-5.28%
Liabilities under finance lease agreements-net of current portion	-	-	-	-100.00%	129,779,806	4392.95%
Lease liabilities - net of current portion	1,426,726	-96.55%	41,385,654	-	-	-
Provision for long-term employee benefits	62,476,127	8.95%	57,341,387	-12.97%	65,886,897	70.62%
Provision for decommissioning	3,611,144	6.96%	3,376,242	-	-	-
Deferred tax liabilities	46,825,504	5.80%	44,256,662	6.90%	41,401,537	-0.73%
Other non-current liabilities	51,369	-91.92%	635,677	-67.11%	1,932,681	2110.93%
Total non-current liabilities	114,390,870	-22.18%	146,995,622	-38.50%	239,000,921	186.93%
Total liabilities	690,702,311	-18.18%	844,150,397	-3.51%	874,893,231	15.94%
Total shareholders' equity	2,549,794,040	4.11%	2,449,156,254	-0.32%	2,456,928,186	4.95%
Total liabilities and shareholders' equity	3,240,496,351	-1.60%	3,293,306,651	-1.16%	3,331,821,417	7.63%

(unit – Baht)

Income Statement (unit :Baht)	2021	%	2021/2020	2020	%	2020/2019	2019	%	2019/2018
Revenue from contracts with customer	3,063,301,276	100.00%	23.82%	2,473,979,925	100.00%	-15.01%	2,910,866,939	100.00%	-11.14%
Other income	15,469,015	0.50%	73.98%	8,891,072	0.36%	-47.52%	16,941,362	0.58%	-14.16%
total revenues	3,078,770,291	100.50%	24.00%	2,482,870,997	100.36%	-15.20%	2,927,808,301	100.58%	-11.16%
cost of the sales	2,617,431,656	85.44%	29.55%	2,020,412,443	81.67%	-13.86%	2,345,392,054	80.57%	-9.32%
Gross profit	445,869,620	14.56%	-1.70%	453,567,482	18.33%	-19.79%	565,474,885	19.43%	-17.96%
Selling and administrative expenses	314,239,985	10.26%	-17.29%	379,923,614	15.36%	26.44%	300,487,442	10.32%	8.79%
Finance cost	3,205,304	0.10%	-48.53%	6,226,935	0.25%	-10.88%	6,987,344	0.24%	-15.63%
Total expenses	2,934,876,945	95.81%	21.95%	2,406,562,992	97.27%	-9.28%	2,652,866,840	91.14%	-7.59%
Profit before income tax expenses	143,893,346	4.70%	88.57%	76,308,005	3.08%	-72.25%	274,941,461	9.45%	-35.24%
Income tax expenses	24,901,559	0.81%	60.95%	15,471,832	0.63%	-60.63%	39,293,956	1.35%	-27.12%
Profit for the year	118,991,787	3.88%	95.59%	60,836,173	2.46%	-74.18%	235,647,505	8.10%	-36.42%

The operating results from April 1, 2021 to March 31, 2022, the Company has continued to be affected by the epidemic of the Coronavirus Disease 2019 (COVID-19) outbreak. last year but less than last year because during the third quarter of the Company's accounting period (from October 1, 2021 to December 31, 2021), the economic slowdown has begun to improve as the Omicron strain is less virulent than the Delta strain and government measures have been relaxed for the people in the country. Moreover, the Company is aware of the uncertainty of the political situation in the European region and other world situations that will be annexed to the global economic slowdown, world trade, investment and tourism will not be the same. As a result, external factors that used to support the Thai economy weaken and are not easy to recover in a short period of time. and if the government will seriously adjust the policy to increase the weight of investment and tourism to build the internal economy and emphasis on integration of all sectors and provinces across the country. This will enable people to have jobs and earn income and thus strengthen the country's economy. However, the Company still needs to manage its costs and expenses with extreme caution as the slowdown of orders from customers may occur. No data clearly indicates that business operations will return to normal in the near term. Cash flow management must be continuously monitored in parallel with debtor and creditor management. The Company believes that when the epidemic situation of the Coronavirus Disease 2019 continues to improve and the internal and external economy tends to improve. The general public begins to return to tourism and spending more and more. It will be a great benefit for the Company's business.

Overall, the Company made revenue from sales of 3,063.30 million baht, increasing of 23.82%, cost of sales 2,617.43 million baht or 85.44% of total sales, increasing 29.55%. Selling and administrative expenses 314.24 million baht, or 10.26% of total sales, decreasing 17.29%.

When considering the main expenses consisting of cost of sales and operating expenses : 1) the cost of sales is the costs used to convert raw materials into finished goods. There are important and high-value items besides raw materials,

namely: employee-related expenses 546.77 million baht or 20.89% of cost of sales and depreciation and amortization 248 million baht or 9.47% of cost of sales. 2) Operating expenses consist of selling expenses and administrative expenses, namely : (1) selling expenses 84.45 million baht, an increase of 11.48% from the previous year. Important and high-value items include transportation expenses 60.53 million baht or 71.68% of selling expenses. and employee expenses 22.97 million baht, or 27.20% of selling expenses. (2) Administrative expenses of 229.79 million baht, decreasing 24.45% from the previous year because in the first quarter (April - June) of the 2020 operating results, the Company was affected by the epidemic situation of the coronavirus disease 2019, causing the Company's production capacity to decline significantly. Some of the depreciation of machinery and equipment was affected by the above situation and the Company recorded it as an administrative expense instead of the cost of inventories. This is to comply with Thai accounting standards. As a result, the proportion of administrative expenses compared to the previous year's sales rose to 12.29%, a high increase. Usually, the ratio of administrative expenses is about 6 - 8%, but the proportion.

Profitability ratios	2021	2020	2019
Gross profit margin (%)	15%	18%	19%
Operating profit margin (%)	5%	3%	10%
Other income to total income ratio	0.50%	0.36%	0.58%
Cash to profit ratio	247%	367%	173%
Net profit margin (%)	4%	2%	8%
Return on equity (%)	5%	2%	10%

Profitability is better than last year. Considering a gross profit margin of 15% (previous year 18%), operating profit margin of 5% (previous year 3%), net profit margin of 4% (previous year 2%), and a return on equity 5% (previous year.2%).

Efficiency ratios	2021	2020	2019
Return on assets (%)	4%	2%	7%
Return on fixed assets (%)	16%	13%	23%
Assets turnover (times)	0.94	0.75	0.91

The Company engages in the business of contract manufacturing for painting and assembling plastic parts and magnesium parts for cameras, and provides services for manufacturing, repairing, and selling molds. The main fixed assets required in the business are: factory buildings, injection machines and equipment in the production process , logistics facilities, moving and storing all types of inventories and IT systems for information management.

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Non-current assets decreased by 3.84%, consisting of property, plant and equipment, 1,682.92 million baht, combined with rights-of-use assets (land 1.57 million baht, buildings 1.80 million baht, machinery and equipment 244.59 million baht, furniture and office equipment 0.25 million baht. baht) totaling 1,973.80 million baht, compared to the previous year 1,973.80 million baht, decreasing 2.16%.

Return on assets rose to 4% (previous year 2%) as net profit increased 95.59% and total assets decreased 1.60%. Return on fixed assets rose to 16% (previous year 13%) as net profit increased 95.59% and non-current assets decreased 3.84%. Assets turnover increased to 0.9 times (previous year 0.7 times) as total revenues increased 24% while total assets decreased 1.60%. Overall, the Company's operating efficiency improved from the previous year.

Liquidity ratios	2021	2020	2019
Current ratio (times)	2.19	1.77	1.80
Quick ratio (times)	1.67	1.41	1.35
Cashflow liquidity ratio	0.29	0.23	0.37
Receivable turnover ratio (times)	5.40	4.6	5.0
Averaged collection period (days)	68	80	72
Finished goods turnover (times)	39.23	25.52	29.81
Averaged sales period of finished goods (days)	11	14	12
Inventory turnover ratio(times)	10.63	8.08	9.75
Averaged sales period (days)	34	45	37
Payable turnover ratio(times)	4.81	3.77	4.34
Repayment period (days)	76	97	84
Cash Cycle (days)	26	28	26

Liquidity ratio 2.19 times and rapid liquidity 1.77 times, both improved from the previous year. Averaged collection period of 68 days (previous year 80 days) shortened time by 12 days, averaged period of finished goods sold 11 days (previous year 14 days) shortened time by 3 days, and repayment period 76 days (previous year 97 days) shortened time by 21 days. The cash cycle was approximately 26 days (68+34-76) . This means that “the average time to take to sell and provide services until settlement” longer than “the average time for debt repayment” 26 days (previous year 26 days). On average, This year's cash cycle is better than last year 2 days.

Financial policy ratio	ปี 2564	ปี 2563	ปี 2562
Debt to equity (times)	0.27	0.34	0.36

Interest coverage ratio (times)	131.97	59.45	76.25
Interest bearing liabilities to EBITDA (times)	0.10	0.42	0.42
Debt service coverage ratio (times)	10.59	3.29	5.37

The interest coverage ratio decreased to 0.27 times (previous year 0.34), Interest coverage ratio rose to 131.97 times (previous year 59.45 times) as EBITDA increased 14.27% (finance cost decreased 48.53%, income tax expenses increased 60395% and depreciation & amortization decreased 4.09%. Interest bearing liabilities to EBITDA decreased to 0.10 times (previous year 0.42 times) . Debt service coverage ratio rose to 10.59 times (previous year 3.29 times). All of the above ratios improved.

The next consideration, the cashflow from activities and used in activities as shown in the table below, along with additional information. Make it known sources and uses of funds during the year as follows:

(Unit : Million Baht)

Cashflow	2021	2020	2019
Operating activities	364	303	486
Investing activities	(252)	(71)	(445)
Financing activities	(134)	(159)	33
Net cashflow	(21)	73	75

Information for the cash flow table

The Company's source of funds is from cash flows from operating activities that the important recurring items include depreciation and amortization, trade accounts and other receivables, inventories, deferred production mold and trade and other payables.

The Company's source of funds is from cash flows from investing activities that the important recurring items include income from interest income and temporary investment and receiving or paying for property, plant and equipment.

The Company sources of funds is from cash flows from financing activities that the important recurring items include paying interest, paying debts under the lease agreement, receiving from sales and leasing back and dividend.

From the said above, the Company is able to effectively manage its capital liquidity. There is no problem paying interest at all. If the Company needs to spend the investment , the Company will consider the use of capital from within the Company before sourcing funding from outside.

Signature

(Mr.Tetsuji Takeguchi)

Accounting and Finance Manager