



24 February 2023

Subject : Management Discussions & Analysis for Year 2022 Financial Statement

To : Managing Director
Market for Alternative Investment

Salee Industry Public Company Limited would like to clarify the Company's and subsidiaries's results for year 2022 ended 31 December 2022. The company and subsidiaries generated net profit Baht 114.46 million for year 2022, compared to net profit Baht 0.78 at last year or 14,574% increased.

The reason of increased net profit was occurred as follows :-

1. Operating result and Profitability

Revenue

In year 2022, the Company and subsidiaries had a total revenue at Baht 1,600 million which increased at about 22% compared to Baht 1,307 million at last year. The reason was higher sales from the expansion of new customer segmentaion for government agency and the recovery of global business activities as of better situation of Covid-19 expecially for OEM business of plastic parts.

Cost of sales and expenses

In year 2022, the Company and subsidiaries had gross profit of Baht 372 million which increased about Baht 140 million compared to Baht 232 million at last year. The reason of huge increase in gross profit as the increase in sales and the cost of sales decreased from 82% of sales at last year to 77% of sales in this year as some cost of sales were fixed cost which did not increase in according to the increase in sales

In year 2022, Selling and administrative expenses amounting to Baht 261 million which increased about Baht 15 million compared to Baht 246 million at last year. The percentage of selling and administrative expenses to sales revenue decreased from 19% at last year to 17% this year.

Therefore, the Company had a meeting every week to follow up and control all the expenses.

Cost of fund

The Company and subsidiaries had an interest expenses in year 2022 amounting to Baht 4.30 million which decreased Baht 0.78 million comparing to last year amounting to Baht 5.08 million as the decrease in loans from Banks.

Therefore, the interest rate for short-term and long-term loans of the Company and subsidiaries was about 3-5% per year.

Corporate income taxes

In year 2022, the Company and subsidiaries had corporate income taxes to pay Baht 30.51 million which increased Baht 13.98 million comparing to last year amounting to Baht 16.53 million as profit from operation increased.

Net income

In year 2022, the Company and subsidiaries had a profit of Baht 114.46 million, comparing to a profit of Baht 0.78 million at last year or 14,574% increased as sales turnover increased from new customers group and the recovery of global economic from Covid-19 especially OEM business of plastic parts.

2. Assets Management**Assets**

Total assets of the Company and subsidiaries was Baht 1,970 million as of 31 December 2022 which increased 2% compared to Baht 1,932 million as of 31 December 2021.

Short-term investment

The Company and subsidiaries had a short-term investment amounting to Baht 190 million as of 31 December 2022 which decreased Baht 10 million compared to Baht 200 million as of 31 December 2021.

Account receivables

The Company and subsidiaries had an account receivables amounting to Baht 339 million and Baht 352 million as of 31 December 2022 and 31 December 2021 respectively which the ratio of account receivables to total assets were equal to 17.21% and 18.18% respectively.

Inventory

The Company and subsidiaries had an inventory amounting to Baht 194 million as of 31 December 2022 which decreased Baht 32 million compared to Baht 226 million as of 31 December 2021 which the ratio of inventory to total assets were equal to 9.87% and 11.66% respectively.



Land building and equipments and intangible assets

The Company and subsidiaries had Land building and equipments and intangible assets amounting to Baht 841 million and Baht 867 million as of 31 December 2022 and 31 December 2021 respectively which the ratio of Land building and equipments and intangible assets to total assets were equal to 42.70% and 44.69% respectively.

Total debts

As of 31 December 2022, the Company and subsidiaries had total debts amounting to Baht 317 million and could be divided to current liabilities of Baht 252 million and non-current liabilities of Baht 65 million which decreased totally Baht 22 million compared to Baht 339 million as of 31 December 2021.

The ratio of Debts to Equities (D/E ratio) of the Company and subsidiaries was at 0.19 times as of 31 December 2022 decreasing from 0.21 times as of 31 December 2021 as loans from Banks decreased and increase in Total Equities.

Total equities

As of 31 December 2022, the Company and subsidiaries had total equities amounting to Baht 1,653 million which increased amounting to Baht 60 million from Baht 1,593 million as of 31 December 2021 as profits from operation. Therefore, as of 31 December 2022, the Company's capital structure comprised of total debts amounting to Baht 317 million and total equities amounting to Baht 1,653 million which the ratio of total debts to total equities was 0.19 times.

3. Liquidity and the capital sufficiency

Liquidity

As of 31 December 2022, the Company and subsidiaries had the ratio of current assets to current liabilities at 3.68 times which increased from 3.40 times as of 31 December 2021 as Cash increased.

As of 31 December 2022, the Company and subsidiaries had a liquidity from cash flow amounting to Baht 186 million which increased about Baht 104 million from the amount as of 31 December 2021 which mostly occurred from the proceed from the operating activities at amounting to Baht 279 million which most of them was the profit from operation and the depreciation, the use of the investment activities at amounting to Baht 59 million which most of them was the purchase of new machines and equipments. And the use of the financing activities at amounting to Baht 115 million which most of them was the repayment of loans from Banks.

From the Company and subsidiaries' cash flow, it shown that the Company and subsidiaries had adequate cash flow to pay the debts and to comply with the conditions of



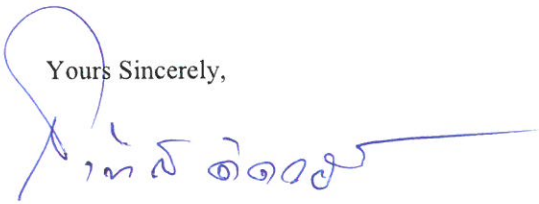
the loans which in the past, the Company and subsidiaries had no any problems concerning the liquidity to pay the debts.

Source of fund

From year 2022 financial statement, source of fund shown that cash flow come from operating profit and some expenses which had no been paid in cash ex. depreciations etc.. This made us having adequate fund to reserve for the increase of needed working capital of business. Besides, the Company and subsidiaries also received the good support from Banks for making the loans.

Please kindly be informed accordingly,

Yours Sincerely,

A handwritten signature in blue ink, appearing to be 'Mr. Sathit Tatawatom', with a long horizontal flourish extending to the right.

(Mr.Sathit Tatawatom)

Chairman of Executive Board

Salee Industry Public Company Limited