



No. INGRS093

30 March 2023

Subject : Management Discussion & Analysis (MD&A) for the consolidated financial statements for the financial year ended 31 January 2023

To : The President
The Stock Exchange of Thailand

Ingress Industrial (Thailand) Public Company Limited (“**Company**”) would like to provide the explanations on the consolidated financial statements of the Company for the financial year ended 31 January 2023:

1. Sales Revenue for the financial year ended 31 January 2023 (“FY2022/23”)

For FY2022/23, the Company registered sales revenue of Baht 4,993.2 million, an increase of Baht 2,303.9 million or 85.7% as compared to the last financial year of Baht 2,689.3 million.

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

Countries	FY2022/23 Baht million	FY2021/22 Baht million	Variance Baht million	Variance (%)
Thailand	941.2	978.8	(37.6)	(3.8)
Malaysia	2,505.9	1,275.6	1,230.3	96.4
Indonesia	1,170.7	211.7	959.0	453.0
India	375.4	223.2	152.2	68.2
Total	4,993.2	2,689.3	2,303.9	85.7

The overall sales revenue increased owing to an upturn in volume in every countries, with the exception of Thailand. The operations in Thailand experienced a decline in revenue due to project development delays in the die making project. There are significant growth in Indonesia, primarily due to the commencement of operations by the Company's subsidiary, PT Ingress Industrial Indonesia, in January 2022. Similarly, Malaysia's sales revenue showed improvement, mainly because of the recovery of volume from the Company's main customers, Perodua and Proton.

Although the revenue from the die making business was lower, the overall sales revenue depicted a positive growth trend in line with the Total Industry Production (“TIP”) in all countries. The growth of TIP is presented in the tabular form below:

Countries	Feb22-Jan23 Thousand units	Feb21-Jan22 Thousand units	Variance Thousand units	Variance (%)
Thailand	1,854.5	1,728.6	125.9	7.3
Malaysia	721.5	507.4	214.1	42.2
Indonesia	1,482.9	1,165.7	317.2	27.2
India	5,492.0	4,370.8	1,121.2	25.7
Total	9,550.9	7,772.5	1,778.4	22.9

2. Loss After Taxation (“LAT”)

The Company registered LAT of Baht 445.4 million in comparison to LAT of Baht 295.2 million for the same period last year.

In FY2022/23, the gross margin declined to 6.6% as compared to the last year at 13.7% primarily due to higher direct manufacturing costs while the raising inflation and interest rates also had increase overheads. Furthermore, the Group two new growth engine from Indonesia and Malaysia, which are still new in production and yet to achieved its breakeven point in terms of sales revenue.

The loss on exchange rates in FY2022/23 is Baht 77.0 million, in contrast to a gain on exchange rate of Baht 43.5 million in FY2021/22. This unfavorable outcome is from the impact of continuous increase of interest rates against the US Dollar throughout 2022 resulting in a weakened state of currencies across the globe, including the Company’s operating countries.

The selling and administrative expenses increased by Baht 85.0 million or 12.3% from the same period last year, in tandem with the revenue growth. However, the fixed overhead cost of FY2022/23 showed a decrease of Baht 54.3 million or 76.4% compared to the same period last year due to higher reclassification of idle operating costs last financial year. (In FY2022/23, Baht 16.7 million was reclassified due to unutilized machine capacity before starting new models in IATSB and PTIII.)

Finance costs in FY2022/23 experienced an increase of 67.3% or by Baht 56.4 million compared to the last financial year due to the additional borrowings undertaken to finance the capital expenditures and working capital of the Group.

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

INGRS registered LATMI of Baht 301.0 million in FY2022/23 as compared to the same period last year with LATMI of Baht 208.7 million.

The higher losses as compared to previous year was mainly due to lower gross margin as explained above.

4. Financial Position

Financial Position	31 January 2023 Baht million	31 January 2022 Baht million	Variance	
			Baht million	%
Total Assets	6,768.7	6,767.0	1.7	0.0
Total Liabilities	4,981.9	4,522.7	459.2	10.2
Total Equities	1,786.8	2,244.3	(457.5)	(20.4)

As at 31 January 2023, total assets slightly increased by Baht 1.7 million in comparison to 31 January 2022 mainly from general depreciation and ammortisation of non-current assets. Despite the Company generated higher revenue from operations in Indonesia and Malaysia which resulting an increase in receivables, inventory, right-of-use assets, and capital expenditure, however, since the development projects and toolings have been completed, the advance payment for the new project has been settled, reducing the carrying amount of the assets.

The total liabilities registered an increased of Baht 459.2 million or 10.2% in comparison to 31 January 2022 due to the drawdown of additional borrowings and lease liabilities. A portion of the borrowings was utilized for settling trade and payables arising from the

capital expenditures and operations in Indonesia and Malaysia. Furthermore, the lease liabilities were incurred for the expansion of manufacturing shop floor in Malaysia.

The total equities registered a decreased Baht 457.5 million or 20.4% in comparison to 31 January 2022 owing to the losses incurred during the current financial year and the loss arising from exchange differences on translation of financial statements in foreign currencies.

Please be informed accordingly.

Yours sincerely,
Ingress Industrial (Thailand) Public Company Limited



Hamidi Bin Maulod
Chief Executive Officer

