



MBAX 002/2023

May 10, 2023

Subject : Clarification of the operating results which are deviated more than 20%

To : The Managing Director  
The Stock Exchange of Thailand

- ❖ Multibax Public Company Limited would like to clarify the operating results which are deviated more than 20% from the same period last year, for three months ended March 31, 2023 as follows:

#### 1. Revenue of sales

Total revenue was accounted for 276.42 million Baht, decreased by 94.00 million Baht or 25.38 percent compared to the same period last year (370.42 million Baht).

#### 2. Cost of sales

Total cost of sales was accounted for 291.26 million Baht, decreased by 38.20 million Baht or 11.59 percent compared to the same period last year (329.46 million Baht).

#### 3. Selling and Administrative Expenses

Total selling and administrative expenses were accounted for 22.11 million Baht, decreased by 1.15 million Baht or 4.94 percent compared to the same period last year (23.26 million Baht).

#### 4. Finance costs

Finance costs was accounted for 5.58 million Baht, increased by 0.86 million Baht or 18.22 percent compared to the same period last year (4.72 million Baht).

#### 5. Other Income

Other incomes were accounted for 2.95 million Baht, decreased by 1.26 million Baht or 29.93 percent compared to the same period last year (4.21 million Baht).

#### 6. Gain & Loss on exchange rate

Gain on exchange rate were accounted for 0.14 million Baht, decreased by 2.70 million Baht or 95.07 percent compared to the same period last year (2.84 million Baht).

#### 7. Tax Expenses (Income tax expenses)

Income tax expenses was accounted for 8.49 million Baht, increased by 11.16 million Baht or 417.98 percent compared to the same period last year (tax expenses 2.67 million Baht).

#### 8. Net (Loss) Profit

Loss profit was accounted for 30.95 million Baht, decreased by 48.31 million Baht or 278.28 percent compared to the same period last year (Net profit 17.36 million Baht).

## Reasons for the decreased of the net profit for three months ended March 31, 2023 were:

1. Revenue from sales decreased by 94.00 million baht or 25.38 percent, the important factor was from the significant decreasing of the sales quantity as the global logistics system has been significantly improved, therefore, the finished goods were arrived the customers' warehouse substantially in the 4<sup>th</sup> quarter of 2022, creating the surplus situation. As well, the deteriorating economic environment has overwhelmed many major markets including the USA and EU and reduced the buying power of the consumers. Therefore, inventories were very high and forced the customers to send less orders. As a consequence, Q1 of 2023 sales were seriously reduced when compared with the same period of 2022.

2. Cost of sales increased from 88.94 percent in 2022 to 105.37 percent in 2023 from the impact of less sales orders, therefore, the production costs were also downed proportionately. However, the wages and overhead cost per unit were higher comparatively, thus, the overall cost of production and sales per unit were highly increased. As a result, the initial loss for the first quarter of 2023 had been recorded at 14.84 million Baht or decreased by 55.81 million baht or 136.22 percent. At the present time, the company has laid out various measures to control the expenses including the number of employees to be tally with the current sales orders.

3. Total selling and administrative expenses were decreased by 1.15 million Baht or 4.94 percent, from the reduction of the export expenses proportionately to the lower sales quantities. However, the administrative expenses were increasing from the expenses of the ERP system that has been implemented early this year.

4. Finance costs increased by 0.86 million Baht or 18.22 percent, mainly from the returning of the short-term loans back to the financial institutes in this quarter.

5. Other income were decreased by 1.26 million Baht or 29.93 percent, from the down trend of customer compensation towards the new product sales in this quarter. This compensation was reduced to the level of the agreed trading responsibility.

6. Gain on exchange rate were decreased by 2.70 million Baht or 95.07 percent, from the high volatility of Thai baht against US dollar. Actually, the forex management under the current circumstance was profoundly difficult. However, the company has tried her best to manage this exchange rate that in 2023, the gain on exchange rate had been recorded at 0.14 million Baht.

7. Income tax expenses were increased by 11.16 million Baht or 417.98 percent. This is mainly from the fact that in the first quarter of 2023, the company has to record the income from tax reimbursement, resulting from the deferred tax assets derived from the net loss, compared to the same period last year that the tax expenses were 2.67 million Baht.

8. In summary, from the decreasing of the orders, the sales revenue were inevitably decreased. The cost of sales and production cost increased, so the initial loss were recorded at 14.84 million Baht, decreased by 55.81 million Baht or 136.22 percent. Combining with all other factors including the increase of the finance costs and the decreasing of the other income and gain on exchange rate, decreasing of the selling and administrative expenses and the adding up of the income tax, the company recorded a net loss for the first three months ended March 31, 2023 at 30.95 million Baht. This net profit were decreased by 48.31 million Baht or 278.28 percent when compared to the same period of 2022 where they were 17.36 million Baht. The company also expect the less sales for the first half of 2023 comparing to the previous year. Nevertheless, the company has prepared all the necessary measures including the working capital reserve so to smoothen the operation and believe that when the situation has come back to normal, the customers' orders will be returned by the end of Q3 this year the latest, if not before.

For your acknowledgement.

Yours Sincerely,

Signature \_\_\_\_\_  
(Mr. Pisuth Lertvilai)  
Deputy Managing Director