

**WORLD FLEX PUBLIC COMPANY LIMITED****บริษัท เวิลด์ฟлекс จำกัด (มหาชน)**OFFICE : 1/7 BANGNA THANI BLDG. 3<sup>rd</sup> FL. ROOM 3B SOI BANGNA-TRAD 34, BANGNA TAL BANGNA, BANGKOK 10260, THAILAND.

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May 10, 2023

At WFX 010/2566

Subject: Management Department Discussion and Analysis for the first quarter 2023, ended March 31, 2023

Dear Directors and Managers at The Stock Exchange of Thailand,

World Flex Public Company Limited (“the company”) would like to inform about the consolidated operating results of the company, ended on Mar 31, 2023 (1 January– 31 March) with details as following;

## Results for the first quarter 2023 of World Flex Public Company Limited

Unit : Million Baht

Income Statement	Q1'2023		Q1'2022		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of goods	659.89	99.63	1,134.58	99.22	(474.69)	(41.84)
Revenue from sales of scrap	0.05	0.01	0.11	0.01	(0.06)	(54.55)
<b>Total revenue from sales</b>	<b>659.94</b>	<b>99.64</b>	<b>1,134.69</b>	<b>99.23</b>	<b>(474.75)</b>	<b>(41.84)</b>
Other income	2.41	0.36	3.05	0.27	(0.64)	(20.98)
Net gains on foreign exchange	0.00	0.00	5.74	0.50	(5.74)	(100.00)
<b>Total income</b>	<b>662.35</b>	<b>100.00</b>	<b>1,143.48</b>	<b>100.00</b>	<b>(481.13)</b>	<b>(42.08)</b>
Costs of sales of goods	667.98	100.85	947.44	82.86	(279.46)	(29.50)
Distribution costs	9.98	1.51	13.21	1.16	(3.23)	(24.45)
Administrative expenses	12.67	1.91	43.34	3.79	(30.67)	(70.77)
Net losses on foreign exchange	6.48	0.98	0.00	0.00	6.48	100.00
<b>Total expenses</b>	<b>697.11</b>	<b>105.25</b>	<b>1,003.99</b>	<b>87.80</b>	<b>(306.88)</b>	<b>(30.57)</b>
<b>Profit (loss) from operating activities</b>	<b>(34.76)</b>	<b>(5.25)</b>	<b>139.49</b>	<b>12.20</b>	<b>(174.25)</b>	<b>(124.92)</b>
Finance costs	4.80	0.72	1.31	0.11	3.49	266.41
<b>Profit (loss) before income tax expense</b>	<b>(39.56)</b>	<b>(5.97)</b>	<b>138.18</b>	<b>12.08</b>	<b>(177.74)</b>	<b>(128.63)</b>
Tax income (expense)	0.00	0.00	26.89	2.35	(26.89)	(100.01)
<b>Profit (loss) for the period</b>	<b>(39.56)</b>	<b>(5.97)</b>	<b>111.29</b>	<b>9.73</b>	<b>(150.85)</b>	<b>(135.54)</b>
Basic earnings (loss) per share (in Baht)	(0.09)		0.24			

Note : The ratio in the income statement is expressed as a percentage of total revenue.



#### 1. Sales Revenue

In the first quarter of 2023, the company had sales revenue of 659.94 million baht, decrease of 474.75 million baht or 41.84% from the first quarter of 2022 mainly due to a continual decline in average prices due to high competition in the market and prolonged the Russian-Ukrainian War, which has affected sales in Europe and the United States, resulting the sales of rubber thread, which is the main income of the company, have decreased.

#### 2. Cost of Sales

In the first quarter of 2023, the Company's cost of sales was 667.98 million baht, a decrease of 279.46 million baht or a decrease of 29.50% from the first quarter of 2022, which was in line with lower sales, rising minimum wage, electricity and energy shortages, which have caused energy prices and other products to rise, resulting in higher prices of raw materials such as latex, chemicals, and packaging so the company's gross profit margin has been reduced.

#### 3. Selling Expenses

In the first quarter of 2023, the Company's selling expenses was 9.98 million baht or 1.51% of total revenue, decreasing from 3.23 million baht or 24.45% in the first quarter of 2022 in line with the decrease in sales order.

#### 4. Administrative Expenses

In the first quarter of 2023, the Company's administrative expenses for the first quarter of 2022 was 12.67 million baht or 1.91% of total revenue, decreasing from 30.67 million baht or 70.77% from the first quarter of 2022.

#### 5. Financial Cost

In the first quarter of 2023, the Company's financial cost was 4.80 million baht or 0.72% of total revenue, increasing by 3.49 million baht or 266.41% due to the continuous increase in the policy rate resulting the company's financial costs have increased.

#### 6. Net (Loss) Profit

In the first quarter of 2023, the Company's net loss was 39.56 million baht or 5.97% of total revenue. The net (loss) profit decreased by 150.85 million baht or by 135.54% due to higher cost of sales, lower gross profit and higher financial costs.



## Statement of financial position

Unit : Million Baht

	31 March 2023	31 December 2022	Increase (Decrease)	
			Million Baht	%
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	142.76	292.46	(149.70)	(51.19)
Trade and other current receivables	259.77	313.22	(53.45)	(17.06)
Inventories	392.88	310.11	82.77	26.69
Other current assets	36.02	17.54	18.48	105.36
<b>Total current assets</b>	<b>831.43</b>	<b>933.33</b>	<b>(101.90)</b>	<b>(10.92)</b>
<b>Non-current assets</b>				
Investment properties	358.36	358.36	0.00	0.00
Property, plant and equipment	1,675.47	1,663.31	12.16	0.73
Other non-current assets	3.35	3.57	(0.22)	(6.16)
<b>Total non-current assets</b>	<b>2,037.18</b>	<b>2,025.24</b>	<b>11.94</b>	<b>0.59</b>
<b>Total assets</b>	<b>2,868.61</b>	<b>2,958.57</b>	<b>(89.96)</b>	<b>(3.04)</b>
<b>Liabilities and equity</b>				
Short-term loans from financial institution	39.79	0.00	39.79	100.00
Trade and other current payables	277.59	342.36	(64.77)	(18.92)
Current portion of long-term loans from financial institution	100.80	100.80	0.00	0.00
Current portion of lease liabilities	1.95	2.05	(0.10)	(4.88)
Other current liabilities	2.06	2.45	(0.39)	(15.92)
<b>Total current liabilities</b>	<b>422.19</b>	<b>447.66</b>	<b>(25.47)</b>	<b>(5.69)</b>
Long-term loans from financial institution	207.82	233.02	(25.20)	(10.81)
Other non-current liabilities	151.27	150.99	0.28	0.19
<b>Total non-current liabilities</b>	<b>359.09</b>	<b>384.01</b>	<b>(24.92)</b>	<b>(6.49)</b>
<b>Total liabilities</b>	<b>781.28</b>	<b>831.67</b>	<b>(50.39)</b>	<b>(6.06)</b>
<b>Equity</b>	<b>2,087.33</b>	<b>2,126.90</b>	<b>(39.57)</b>	<b>(1.86)</b>
<b>Total liabilities and equity</b>	<b>2,868.61</b>	<b>2,958.57</b>	<b>(89.96)</b>	<b>(3.04)</b>

Note : Abbreviated statement of financial position

### 1. Assets

As of March 31, 2023, the Company's total assets was 2,868.61 million baht, decreased as of December 31, 2022 by 101.90 million baht or by 10.92% mainly from cash and cash equivalents decreased by 149.70 million baht or 51.19% and commercial and other debtors decreased by 53.45 million baht or 17.06%





## 2. Liabilities

As of March 31, 2023, the Company's total liabilities was 781.28 million baht, decreased by 50.39 million or 6.06% mainly items decreased by 64.77 million baht or 18.92% from the Company's commercial and other debtors.

## 3. Shareholder Equity

As of March 31, 2023, the Company's total shareholders' equity was 2,087.33 million baht, a decrease of 39.57 million baht or 1.86% as a result of the Company's operating loss 39.56 million baht in the first quarter of 2023.

World Flex Public Company Limited still continues commitment and sustainable growth through good corporate management and community, social development and environment at the same time.

Please be informed accordingly.

Yours faithfully,  
World Flex Public Company Limited



Nat Vongsasuttikul  
Managing Director