



10 November 2023

Subject : Management Discussions & Analysis for 3<sup>rd</sup> Quarter 2023 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 3<sup>rd</sup> quarter 2023 ended 30 September 2023. The company and subsidiaries generated net loss Baht (1.05) million for 3<sup>rd</sup> quarter 2023, compared to net profit Baht 30.13 million at the same quarter last year or 103% decrease.

The reason of net loss was occurred as follows :-

**1. Operating result and Profitability**

**Revenue**

In 3<sup>rd</sup> quarter 2023, the Company and subsidiaries had a total revenue at Baht 302 million which decreased from Baht 392 million at the same period last year or equal to 23% decrease. The reason was that there was a lower sales in OEM business of plastic parts and the reduction in local purchasing power effected to local sales of plastic products and Self-adhesive label.

**Cost of sales and expenses**

In 3<sup>rd</sup> quarter 2023, the Company and subsidiaries had gross profit of Baht 54 million which decreased Baht 47 million from the same period last year. The reason of the decrease in gross profit was that cost of sales increased from 74% in 3<sup>rd</sup> quarter last year to 82% in 3<sup>rd</sup> quarter this year as some cost of sales were fixed cost which did not decrease in according to the decrease in sales.

In 3<sup>rd</sup> quarter 2023, Selling and administrative expenses amounting to Baht 61 million which decreased from Baht 67 million at the same period last year or equal to 9% decrease. The percentage of selling and administrative expenses to sales revenue was at 20% which increased from the same period last year at 17% as some selling and administrative expenses were fixed expenses which did not decrease in according to the decrease in sales.

### **Cost of fund**

The Company and subsidiaries had an interest expenses in 3<sup>rd</sup> quarter 2023 amounting to Baht 0.85 million which decreased Baht 0.58 million comparing to the same period last year amounting to Baht 1.43 million as the decrease in long-term loans from Banks.

Therefore, the interest rate for short-term and long-term loans of the Company and subsidiaries was about 3.5 -5.5% per year.

### **Corporate income taxes**

In 3<sup>rd</sup> quarter 2023, the Company and subsidiaries had corporate income taxes to pay Baht 0.95 million compared to amounting Baht 10.83 million at the same period last year as the loss from operation.

### **Net income**

In 3<sup>rd</sup> quarter 2023, the Company and subsidiaries had a net loss of Baht (1.05) million, comparing to a net profit of Baht 30.13 million at the same period last year as in 3<sup>rd</sup> quarter 2022 as the sales turnover decreased as described above.

## **2. Assets Management**

### **Assets**

Total assets of the Company and subsidiaries was Baht 1,800 million as of 30 September 2023 which decreased about 9% compared to Baht 1,970 million as of 31 December 2022.

### **Fixed Deposit at Banks**

The Company and subsidiaries had a fixed deposit at Banks amounting to Baht 245 million as of 30 September 2023 which increased from Baht 190 million as of 31 December 2022.

### **Account receivables**

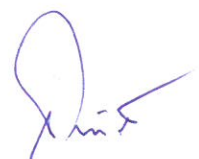
The Company and subsidiaries had an account receivables amounting to Baht 317 million and Baht 339 million as of 30 September 2023 and 31 December 2022 respectively which the ratio of account receivables to total assets were equal to 17.60% and 17.21 respectively.

### **Inventory**

The Company and subsidiaries had an inventory amounting to Baht 186 million as of 30 September 2023 which decreased Baht 8 million compared to Baht 194 million as of 31 December 2022 which the ratio of inventory to total assets were equal to 10.32% and 9.87% respectively.

### **Land building and equipments and intangible assets**

The Company and subsidiaries had Land building and equipments and intangible assets amounting to Baht 777 million and Baht 838 million as of 30 September 2023 and 31



December 2022 respectively which the ratio of Land building and equipments and intangible assets to total assets were equal to 43.18% and 42.55% respectively.

#### **Total debts**

As of 30 September 2023, the Company and subsidiaries had total debts amounting to Baht 247 million and could be divided to current liabilities of Baht 185 million and non-current liabilities of Baht 62 million which total debts decreased Baht 70 million compared to Baht 317 million as of 31 December 2022.

The ratio of Debts to Equities (D/E ratio) of the Company and subsidiaries was at 0.16 times as of 30 September 2023 decreasing from 0.19 times as of 31 December 2022 as account payables decreased.

#### **Total equities**

As of 30 September 2023, the Company and subsidiaries had total equities amounting to Baht 1,554 million which decreased from Baht 1,653 million as of 31 December 2022 as the dividend payment.

Therefore, as of 30 September 2023, the Company's capital structure comprised of total debts amounting to Baht 247 million and total equities amounting to Baht 1,554 million which the ratio of total debts to total equities was 0.16 times.

### **3. Liquidity and the capital sufficiency**

#### **Liquidity**

As of 30 September 2023, the Company and subsidiaries had the ratio of current assets to current liabilities at 4.39 times which increased from 3.68 times as of 31 December 2022 as account payables decreased.

As of 30 September 2023, the Company and subsidiaries had a liquidity from cash flow amounting to Baht 61 million which decreased about Baht 125 million from the amount as of 31 December 2022 which mostly occurred from the receipt of operation activities at amounting to Baht 59 million which most of them was the decrease in account payables. The use of the investment activities at amounting to Baht 70 million which most of them was the purchase of new machines and equipments and the short-term investment in financial instrument. And the use of the financing activities at amounting to Baht 114 million which most of them were the dividend payment.

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.

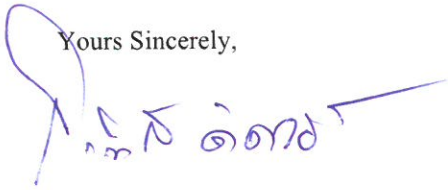


**Source of fund**

From 3<sup>rd</sup> quarter 2023 financial statement, source of fund shown that cash flow come from some expenses which had no been paid in cash ex. depreciations etc. and loans from banks. 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 Tatawatorn', with a long horizontal stroke extending to the right.

(Mr.Sathit Tatawatorn)

Chairman of Executive Board

Salee Industry Public Company Limited