No. INGRS106

28 March 2024

Subject : Management Discussion & Analysis (MD&A) for the Consolidated Financial Statements for the financial year ended 31 January 2024

To : The President
The Stock Exchange of Thailand

Ingress Industrial (Thailand) Public Company Limited ("**the Company**") would like to provide the explanations on the Consolidated Financial Statements of the Company for the financial year ended 31 January 2024:

1. Sales Revenue for the financial year ended 31 January 2024 ("FY2023/24")

For FY2023/24, the Company registered sales revenue of Baht 6,720.2 million, an increase of Baht 1,727.0 million or 34.6% as compared to the previous financial year of Baht 4,993.2 million.

Sales Revenue Breakdown by Countries (FY2023/24 vs. FY2022/23):

Countries	**FY2023/24 Baht Million**	**FY2022/23 Baht Million**	**Variance Baht million**	**Variance (%)**
Thailand	940.0	941.2	(1.2)	(0.1)
Malaysia	4,171.0	2,505.9	1,665.1	66.4
Indonesia	1,126.3	1,170.7	(44.4)	(3.8)
India	482.9	375.4	107.5	28.6
Total	**6,720.2**	**4,993.2**	1,727.0	34.6

The primary driver of revenue growth was our subsidiaries in Malaysia, with an impressive 66.4% increase compared to the previous financial year. This surge can be primarily attributed to the initiation of production for new Perodua models, coupled with contributions from newly established plants in Sungai Choh and Bukit Beruntung.

Subsidiaries in Thailand experienced a marginal decline in sales revenue, primarily due to reduced production of pickup trucks. This reduction was influenced by heightened competition from imported electric vehicles (EVs) and stricter loan approval processes resulting from tightening regulations by financial institutions.

Similarly, Indonesian subsidiaries faced a decrease in sales revenue, predominantly due to a series of interest rate hikes by the Indonesian Central Bank, leading to a general slowdown in car sales and production throughout the financial year.

India exhibited notable growth in sales revenue, indicating a favorable market environment supported by improved production.

The Total Industry Production (TIP) trends closely mirrored those of sales revenue. The TIP for the respective countries are as follows:

Countries	Feb22-Jan23 Thousand units	Feb22-Jan23 Thousand units	Variance Thousand units	Variance (%)
Thailand	1,846.4	1,854.5	(8.1)	(0.4)
Malaysia	792.2	721.5	70.7	9.8
Indonesia	1,364.5	1,482.9	(118.4)	(8.0)
India	6,276.8	5,492.0	784.8	14.3
Total	**10,279.9**	**9,550.9**	**729.0**	**7.6**

Overall, the TIP figures corroborate with the sales revenue trends. Malaysia demonstrated significant growth in both revenue and production, whereas Thailand and Indonesia faced challenges resulting in declines. India's performance in both revenue and production indicates a promising market environment.

2. Profit/(Loss) After Taxation ("PAT/(LAT)")

The Company recorded a PAT of Baht 41.0 million for the fiscal year 2023/24, a significant improvement compared to the LAT of Baht 445.4 million in the previous financial year.

In FY2023/24, the gross margin improved to 11.2% compared to the previous financial year's 6.6%, primarily attributed to enhanced controls over manufacturing costs. Additionally, the Group's new growth engine in Malaysia achieved its breakeven point for sales revenue, generating healthy profits. However, the Indonesian growth engine, initiated in January 2022, is yet to achieve its breakeven point from sales revenue.

The gain on exchange rates in FY2023/24 amounted to Baht 72.7 million, contrasting with a loss of Baht 77.0 million in FY2022/23. This favorable outcome resulted from the weakening of the Ringgit Malaysia against the Indonesian Rupiah, impacting the translation of Ringgit Malaysia loans taken by Indonesian subsidiaries. This weakening was due to low Malaysian export performance and rising US interest rates.

Selling and administrative expenses increased by Baht 20.1 million or 2.6% from the previous financial year, aligning with revenue growth. Notably, this increase remained below the average inflation rate of the country in which we operated. This suggests that effective cost-saving measures were implemented within the financial year, enabling the company to manage expenses efficiently despite the growth in operations.

Finance costs in FY2023/24 increased by Baht 44.7 million or 31.9% compared to the previous financial year. This rise was due to the full-year impact of finance costs related to additional borrowings undertaken during FY2022/23 to finance the Group's capital expenditures and working capital requirements.

3. Profit/(Loss) after Taxation and Minority Interests ("PATMI/(LATMI)")

The Company recorded PATMI of Baht 8.1 million in FY2023/24, marking a turnaround from the LATMI of Baht 301.0 million in the previous financial year. This improvement can be primarily attributed to a higher overall gross margin, as explained previously.

4. Financial Position

Financial Position	31 January 2024 Baht million	31 January 2023 Baht million	Variance	
			Baht million	%
Total Assets	6,875.2	6,768.7	106.5	1.6
Total Liabilities	5,102.8	4,981.9	120.9	2.4
Total Equities	1,772.4	1,786.8	(14.4)	(0.8)

As of 31 January 2024, total assets and liabilities increased marginally by 1.6% and 2.4%, respectively. However, total equities decreased by Baht 14.4 million or 0.8% compared to 31 January 2023. This decrease occurred despite the PATMI of Baht 8.1 million registered during FY2023/24, mainly due to losses arising from exchange differences on the translation of financial statements in foreign currencies.

Please be informed accordingly.

Yours sincerely,

Hamidi Bin Maulod
Chief Executive Officer