



SIL.006/2024

10 May 2024

Subject : Management Discussions & Analysis for 1st Quarter 2024 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 1st quarter 2024 ended 31 March 2024. The company and subsidiaries generated net profit Baht 4.10 million for 1st quarter 2024, compared to net profit Baht 5.80 million at the same quarter last year or 29% decrease.

The reason of net profit decreased as follows :-

1. Operating result and Profitability

Revenue

In 1st quarter 2024, the Company and subsidiaries had a total revenue at Baht 351 million which decreased from Baht 365 million at the same period last year or equal to 4% decrease. The reason was that there was a lower sales in OEM business of plastic parts as the global economy was slowing down.

Cost of sales and expenses

In 1st quarter 2024, the Company and subsidiaries had gross profit of Baht 80 million which increased Baht 5 million from the same period last year. The reason of the increase in gross profit was that cost of sales decreased from 79% in 1st quarter last year to 77% in 1st quarter this year as some cost of raw materials decreased.

In 1st quarter 2024, Selling and administrative expenses amounting to Baht 70 million which increased from Baht 66 million at the same period last year or equal to 6% increase. The percentage of selling and administrative expenses to sales revenue was at 20% which increased from the same period last year at 18% 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 1st quarter 2024 amounting to Baht 0.44 million which decreased Baht 0.17 million comparing to the same period last year amounting to Baht 0.61 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 1st quarter 2024, the Company and subsidiaries had corporate income taxes to pay Baht 3.18 million which decreased Baht 4.98 million compared to amounting Baht 8.16 million at the same period last year as the decrease in profit from operation.

Net income

In 1st quarter 2024, the Company and subsidiaries had a net profit of Baht 4.10 million, or equal to 29% decrease comparing to a net profit of Baht 5.80 million at the same period last year as in 1st quarter 2024, the sales turnover decreased as described above.

2. Assets Management

Assets

Total assets of the Company and subsidiaries was Baht 1,807 million as of 31 March 2024 which increased about 1% compared to Baht 1,784 million as of 31 December 2023.

Fixed Deposit at Banks

The Company and subsidiaries had a fixed deposit at Banks amounting to Baht 240 million as of 31 March 2024 which decreased from Baht 251 million as of 31 December 2023.

Account receivables

The Company and subsidiaries had an account receivables amounting to Baht 376 million and Baht 322 million as of 31 March 2024 and 31 December 2023 respectively which the ratio of account receivables to total assets were equal to 20.81% and 18.06 respectively.

Inventory

The Company and subsidiaries had an inventory amounting to Baht 178 million as of 31 March 2024 which increased Baht 7 million compared to Baht 171 million as of 31 December 2023 which the ratio of inventory to total assets were equal to 9.83% and 9.57% respectively.

Land building and equipments and intangible assets

The Company and subsidiaries had Land building and equipments and intangible assets amounting to Baht 736 million and Baht 760 million as of 31 March 2024 and 31

December 2023 respectively which the ratio of Land building and equipments and intangible assets to total assets were equal to 40.74% and 42.63% respectively.

Total debts

As of 31 March 2024, the Company and subsidiaries had total debts amounting to Baht 246 million and could be divided to current liabilities of Baht 193 million and non-current liabilities of Baht 53 million which total debts increased Baht 15 million compared to Baht 231 million as of 31 December 2023.

The ratio of Debts to Equities (D/E ratio) of the Company and subsidiaries was at 0.16 times as of 31 March 2024 slightly increasing from 0.15 times as of 31 December 2023 as account payables increased.

Total equities

As of 31 March 2024, the Company and subsidiaries had total equities amounting to Baht 1,561 million which decreased from Baht 1,553 million as of 31 December 2023 as profit from operation.

Therefore, as of 31 March 2024, the Company's capital structure comprised of total debts amounting to Baht 246 million and total equities amounting to Baht 1,561 million which the ratio of total debts to total equities was 0.15 times.

3. Liquidity and the capital sufficiency

Liquidity

As of 31 March 2024, the Company and subsidiaries had the ratio of current assets to current liabilities at 4.54 times which slightly decreased from 4.67 times as of 31 December 2023 as account payables increased.

As of 31 March 2024, the Company and subsidiaries had a liquidity from cash flow amounting to Baht 63 million which was equal to the amount as of 31 December 2023.

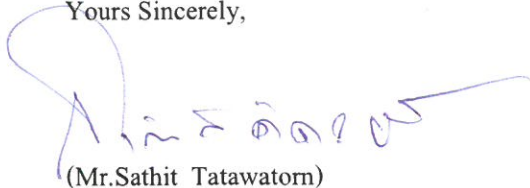
From the Company and subsidiaries' cash flow, it shown that the Company and subsidiaries had adequate cash flow to pay the debts and to comply with the conditions of the loans which in the past, the Company and subsidiaries had no any problems concerning the liquidity to pay the debts.

Source of fund

From 1st quarter 2024 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,



(Mr.Sathit Tatawatorn)

Chairman of Executive Board

Salae Industry Public Company Limited