



No. INGRS059

14 September 2020

Subject : Management Discussion & Analysis (MD&A) for the consolidated financial statements of the 2<sup>nd</sup> quarter ended 31 July 2020

To : The President  
The Stock Exchange of Thailand

Ingress Industrial (Thailand) Public Company Limited (“INGRS”) would like to provide an explanation on the consolidated financial statements of the Company for the 2<sup>nd</sup> quarter ended 31 July 2020:

## 1. Sales Revenue

### 1.1 Sales revenue for the 3-months period ended 31 July 2020

INGRS registered sales revenue of Baht 409.96 million for the 3-months period ended 31 July 2020, a reduction of Baht 315.49 million or 43.5% from the 3-months period ended 31 July 2019 of Baht 725.45 million.

The breakdown of the revenue by countries are as follows:

Countries	Q2 FY2020/21 Baht million	Q2 FY2019/20 Baht million	Variance (Baht million)	Variance (%)
Thailand	104.16	276.89	(172.73)	(62.4)
Malaysia	291.49	346.10	(54.61)	(15.8)
Indonesia	4.86	52.14	(47.28)	(90.7)
India	9.45	50.32	(40.87)	(81.2)
<b>Total</b>	<b>409.96</b>	<b>725.45</b>	<b>(315.49)</b>	<b>(43.5)</b>

### 1.2 Sales revenue for the 6-months period ended 31 July 2020

For the 6 months period ended 31 July 2020, INGRS registered sales revenue of Baht 843.58 million, a reduction of Baht 634.69 million or 42.9% from the 6-months period ended 31 July 2019 of Baht 1,478.27 million.

Details of the revenue are as illustrated below:

Countries	6 months FY2020/21 Baht million	6 months FY2019/20 Baht million	Variance (Baht million)	Variance (%)
Thailand	298.69	560.65	(261.96)	(46.7)
Malaysia	452.33	696.20	(243.87)	(35.0)
Indonesia	39.84	113.99	(74.15)	(65.0)
India	52.72	107.43	(54.71)	(50.9)
<b>Total</b>	<b>843.58</b>	<b>1,478.27</b>	<b>(634.69)</b>	<b>(42.9)</b>

### 1.3 Explanation of sales revenue

The decline in sales revenue was largely due to the impact of Covid-19 pandemic which slowing down the economy, hence impacting motor vehicles demand locally and globally.

However, due to the open up of the economy in most part of the region, INGRS have resumed our Malaysia (5 May 2020) and India (14 May 2020) operations after the upliftment of the Movement Control Order (MCO) or lockdown, although not in yet in full capacity as at 31 July 2020.

For the period from May 2020 to July 2020, operation activities can be summarized as follows: -

Thailand & Indonesia – production at very minimum level despite no closure of business due to most OEMs in Thailand had stopped their production until July 2020.

Malaysia – very low production in May 2020 but the volume started to increase from June onwards. From July, operation has resumed as normal.

India – very low production as India very highly impacted by the pandemic. Volume started to increased from July 2020 with a promising growth.

## 2 Profit/(Loss) After Taxation (“PAT”)/ (“LAT”)

### 2.1 PAT/(LAT) for the 3-months ended 31 July 2020

INGRS registered loss after taxation of Baht 107.53 million for the 3-months period ended 31 July 2020 as compared to profit after taxation of Baht 11.15 million from the same period last year.

The significant decline in sales revenue for the quarter as explained above is the main factor of the losses recorded. 58.7% drop in Total Industry Production (“TIP”) in Thailand for the period of May – July 2020 as compared with the same period in 2019 causing the Thailand subsidiaries, Ingress Autoventures Co., Ltd. and Fine Component (Thailand) Co., Ltd. registering significant losses to the Group approximately Baht 45.65 million.

Also, the Indonesia subsidiary, PT Ingress Malindo Ventures and the India subsidiary, Ingress Autoventures (India) Pvt Ltd suffered the significant impact of the Covid-19 pandemic registered LAT of Baht 19.80 million and Baht 16.25 million respectively.

However, the quick recovery of Malaysian operations has cushioned the overall losses for the quarter. It is expected that operation in Thailand will be improved to almost 65% in the next quarter and back to its normal condition by the 4<sup>th</sup> quarter.

### 2.2 PAT/(LAT) for the 6-months ended 31 July 2020

INGRS registered loss after taxation of Baht 190.26 million for the 6-months period ended 31 July 2020 as compared to profit after taxation of Baht 19.51 million from the same period last year.

The main reason for the losses is due to the significant drop in revenue as explained above. Malaysia subsidiaries, the main contributor of the Group’s revenue has closed their operations for more than two months from 18 March 2020 until 24 May 2020.

However, the recorded losses are after the Group's implementation of strategic measures in reducing our fixed costs in our continuous effort to survive in the difficult period currently. Also, the Group is taking full advantages from the various stimulus packages offered by the Government of each country to cushion the high losses as well as improving the cash flows.

### 3 Profit/(Loss) after Taxation and Minority Interests (“PATMI”)/ (“LATMI”)

#### 3.1 PATMI/LATMI for the 3-months ended 31 July 2020

INGRS registered LATMI of Baht 89.60 million for the 3-months period ended 31 July 2020 as compared to the same period last year with PATMI of Baht 8.94 million.

#### 3.2 PATMI/LATMI for the 6-months ended 31 July 2020

INGRS registered LATMI of Baht 154.04 million for the 6-months period ended 31 July 2020 as compared to the same period last year with PATMI of Baht 15.47 million.

Explanation for such decrease due to drop in sales as provided in Section 1 above.

Please be informed accordingly.  
Yours sincerely,



**Mr. Hamidi Bin Maulod**  
Chief Executive Officer

