



บริษัท เอเชีย อินซูเลเตอร์ จำกัด (มหาชน)

Asian Insulators Public Company Limited.

No. AI 089 /2566

February 17, 2023

Subject: Management's Discussion and Analysis for Year 2022

To : President

The Stock Exchange of Thailand

Asian Insulators Public Company Limited (AI) would like to clarify for year 2022 operating results based on the consolidated financial statement. The main items were as followed.

Operating results (Consolidated) :

- The Company realized 556.39 million Baht for revenue from selling Porcelain Insulators and Raw materials in year 2022 which compared to revenue of year 2021 was 758.48 million Baht; decreased by 26.64 %, or 202.09 million Baht. While the cost of goods sold was 340.40 million Baht in year 2022; compared to cost of goods sold was 445.71 million Baht in year 2021, decreased by 23.63 % or 105.31 million Baht. The gross profit margin was 215.99 million Baht.
- The Company realized the revenue for 7,724.99 million Baht from selling Bio diesel (B100), vegetable oil and it's by products business in year 2022 which compared to revenue from selling Bio diesel (B100), vegetable oil and it's by products in year 2021 was 6,431.56 million Baht; increased 1,293.43 million Baht or 20.11 %. While the cost of goods sold was 7,681.74 million Baht in year 2022; compared to cost of goods sold in year 2021 was 5,890.19 million Baht; increased 1,791.55 million Baht or 30.42 %. The gross profit was 43.25 million Baht. The decrease was mainly due to the Company's sale volume during January to September 2022 has been affected from the government's policy to adjust the biodiesel mandatory from B7 to B5. However, September 27, 2022, the Energy Regulatory Commission (ERC) No.14/2022 has a resolution for adjusting the proportion of biodiesel mandatory from B5 to B7, effective from October 10, 2022 to December 31, 2022, causing the sales volume in the last quarter to increase. However, the increase in adjust the biodiesel mandatory in the last quarter of year unable to make the sales volume of the year 2022 be higher than the year 2021. For the selling price, the average selling price increase from the year 2021. Whereas the raw material price in the year 2022 was in range between 28.93-61.22 Baht per Kilogram and the year 2021 was in range between 30.75-47.45 Baht per Kilogram (Source: Department of Internal Trade ('DIT'), Ministry of Commerce). Due to the fluctuation of CPO price in the year 2022, cause some time the realized cost CPO used in production was higher than the Company's product selling price approximately 8.00-10.00 Baht per Kilogram and the Company had to recognized loss from diminution in value of inventories amounting of 14.00 million Baht. However, the Company determined the policy that focused on the management of raw material (CPO) by trying to maintain inventories turnover rate between 15 - 25 days for alleviates the impact of the fluctuation of CPO on the Company's performance.
- The Company realized 434.31 million Baht for revenue from the Engineering Construction in year 2022 which compared to revenue of year 2021 was 59.75 million Baht; increased 374.56 million Baht, or 626.88 % while the cost



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of construction was 387.72 million Baht in year 2022; compared to cost of construction in year 2021 was 55.64 million Baht; increased by 332.08 million Baht, or 596.84 %. The gross profit margin was 46.59 million Baht.

- The Company and subsidiaries had the Selling & administration expenses was 197.72 million Baht, decreased 1.63 % in year 2022 compared to year 2021 which was 200.99 million Baht, decreased 3.27 million Baht.
- The Company and subsidiaries had the cost of financial expenses in the year 2022 which was 0.30 million Baht; compared to year 2021 which was 0.20 million Baht; increased 0.10 million Baht, or 50.00 % .

Balance Sheet (Consolidated) :

- Total assets as December 31, 2022 was 3,703.37 million Baht which was decreased by 637.14 million Baht or 14.68 % compared to December 31, 2021 which was 4,340.51 million Baht. The reason was from the decreased cash and cash equivalents , short-term investment , trade and other receivables and inventories.
- Total liabilities as December 31, 2022 was 603.22 million Baht which was decreased by 179.80 million Baht or 22.96 % compared to December 31, 2021 which was 783.02 million Baht. The reason was from the decreased in trade and other payables , advance received , income tax payable and other current liabilities.
- Total Shareholders' Equity as December 31, 2022 was 3,100.15 million Baht which compared to year 2021 was 3,557.49 million Baht; decreased by 457.34 million Baht or 12.86 % . The reason was from interim dividends payment 175.00 million baht on September 9, 2022.

Liquidity (Consolidated) :

- Liquidity ratio for the December 31, 2022 was 3.38 time which have the same ratio compared to the liquidity ratio at the December 31, 2021, which was 3.38 time.
- Debt to equity ratio was 0.19 times for the December 31, 2022 compared to the December 31, 2021 which was 0.22 time which was decreased by 0.03 time.

Please be informed accordingly.

Yours sincerely,

(Thanit Thareratanavibool)

Director and Chief Executive Officer

Company Secretary

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