



President
Stock Exchange of Thailand

13 May 2021

Dear Sir,

Explanation and Analysis of Financial Statements for the Quarter Ended 31 March 2021

We enclose herewith the consolidated financial statements of Thai Rung Union Car Public Company Limited (“the Company”) for the quarter ended 31 March 2021, duly reviewed by the Company’s auditors and approved by the Company’s Board of Directors, for onward distribution to investors.

General overview of the Thai automotive industry

Units	Q.1		
	2020	฿ 2563	Change
Vehicles produced	465,833	453,682	2.68%
Domestic sales	194,137	200,064	-2.96%
Export sales	258,108	250,281	3.13%

In the first quarter of 2021, in which practically all industries were still very much affected by the COVID-19 epidemic, vehicle production, at 465,833 units, was up by 2.68% on the same quarter of the previous year. Domestic sales for the quarter were down by 2.96%, at 194,137 units, while export sales were up by 3.13% at 258,108 as trading partners started to roll out vaccines and ease lockdown measures.

For 2021 the Federation of Thai Industries estimates total production at 1.5 million units, 5% more than in 2020, divided equally between domestic and export sales, 0.75 million each. It will monitor the COVID situation at home and abroad and the shortage of chips for auto making and revise its estimates as appropriate.

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Company results

Management has the following comments on the Company's results for the quarter ended 31 March 2021 compared with the same quarter of the previous year and the financial position at 31 March 2021 compared with that at 31 December 2020. These comments are intended to be read in conjunction with the consolidated financial statements.

Consolidated Income Statement for the quarter ended 31 March 2021

THB millions	Q1 2021	Q1 2020	Change	
Item				
Operating revenues	484	496	(12)	(2%)
Other income	9	7	2	29%
1.1 Total revenues	493	503	(10)	(2%)
1.2 Cost of sales & services	405	439	(35)	(8%)
1.3 Selling & administrative expenses	56	66	(10)	(15%)
1.4 Share in profit/(loss) of associates (joint ventures)	7	(3)	10	316%
Profit/(loss) before tax	39	(6)	45	766%
Income tax income (expense)	(8)	(3)	(5)	(204%)
1.5 Profit/(loss) for the period	31	(9)	40	455%

Attribution of profit/(loss)	Q1 2021	Q1 2020	Change	
To owners of the parent company	31	(9)	40	431%
To non-controlling interests	0.06	1	(1)	(109%)

1. Overview of Results for the Year

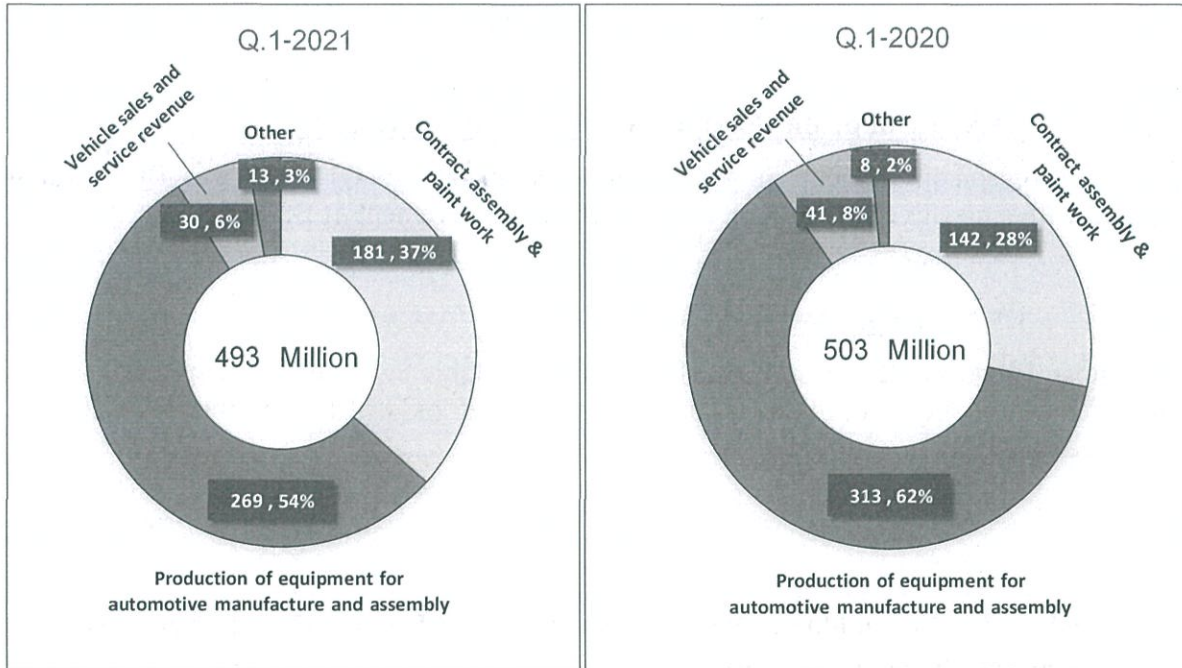
The Company's business is production and distribution in the automotive industry. Its consolidated results for Q1 2021, compared with those for Q1 2020, were as follows:

1.1 Consolidated Revenues

Total consolidated revenues for Q1 2021, not including share in profit/(loss) of associates, amounted to Bt.493 million, representing a decline of Bt.10 million or 2% on the same quarter of the previous year, in line with the Thai automotive industry as a whole, due to the COVID-19 pandemic which slowed the global economy and led to temporary plant closures in Thailand and lower customer orders for products and services.

Operating revenues by type of business

Q1 2021/2020 = (10), (2%)



Note: Consolidated operating revenue and Other Income only (not including share of profit/(loss) of associates (joint ventures)).

- Revenue from the production of vehicle manufacturing equipment (die and jig making, plus the production and sale of parts, both OEM and spare) amounted to Bt.269 million, representing 54% of total sales and service revenue, showing a decrease of Bt.44 million or 14% from Q1 of the previous year.
- Revenue from vehicle assembly and other vehicle-related contract work was Bt.181 million, representing 37% of total sales and service revenue, Bt.39 million or 27% more than in the same quarter of the previous year.
- Revenue from sales of vehicles and from service centres was Bt.30 million, representing 6% of total sales and service revenue and Bt.11 million or 26% down on the same quarter of the previous year.
- Other sales and service income, at Bt.13 million, 3% of total sales and service revenue, was up by Bt.6 million or 76% on Q1 of the previous year.

1.2 Cost of sales and service

Consolidated cost of sales and service for the first quarter of 2021 was Bt.405 million, which as a proportion of sales and service revenue for the quarter was 84%, compared with 89% in Q1 2020, a decrease of 5 percentage points, to the fact that the Company succeeded in reducing the cost of sales and service to its permanent measures to increase efficiency and control production costs.

-1-2

1.3 Selling and administrative expenses

Consolidated selling and administrative expenses for Q1 2021 amounted to Bt.56 million, Bt.10 million down on the previous year thanks to cost control and reduction measures taken to ensure that the Company can overcome the current economic crisis.

1.4 Share of profit/(loss) from investments in associates

Share of profits on investments in joint venture companies in Q1 2021 was Bt.7 million, compared with a negative Bt.3 million in Q1 2020 an improvement of Bt.10 million.

1.5 Net profit/(loss)

The Company posted a net profit of Bt.31 million attributable to owners of the parent company for the first quarter of 2021, compared with a net loss of Bt. 9 million in Q1 2020, an improvement of Bt.40 million.

2. Analysis of Consolidated Balance Sheet at 31 March 2021 compared with 31 December 2020 (Bt. Millions)

Consolidated Balance Sheet			THB millions	
Assets	31-Mar-2021	31-Dec-2020	Change	%
Current assets	1,063	988	75	8%
Investments in associates	470	463	7	1%
Investment property, net	162	162	0	0%
Property, plant & equipment, net	1,868	1,897	(30)	(2%)
Right-of-use assets-net	53	47	5	11%
Other non-current assets, net	130	129	1	1%
Total Assets	3,745	3,687	58	2%
Liabilities	31-Mar-2021	31-Dec-2020	Change	%
Current liabilities	347	326	21	6%
Non-current liabilities	86	80	6	8%
Total Liabilities	433	406	27	7%
Equity	31-Mar-2021	31-Dec-2020	Change	%
Attributable to owners of the parent company	3,256	3,225	31	1%
Non-controlling interests	56	56	0	0%
Total Equity	3,311	3,281	31	1%
Total Liabilities and Equity	3,745	3,687	58	2%

12

Total consolidated assets at 31 March 2021 and 31 December 2020 stood at Bt.3,745 million and Bt.3,687 million respectively, representing an increase of Bt.58 million or 2%, the main items being as follows:

2.1 Assets

1. Current assets at 31 March 2021 stood at Bt.1,063 million, up by Bt.75 million or 8% as a result of:

- Cash and cash equivalents at 31 March 2021 stood at Bt.184 million, Bt.37 million less than at year-end 2020 as result of an investment in a collective fund.
 - Current financial assets at 31 March 2021 stood at Bt.170 million, Bt.60 million more than at year-end 2020 due to the Company's investing in a collective investment fund in view of the low levels of interest paid by the commercial banks.
 - Net trade and other receivables at 31 March 2021 stood at Bt.356 million, Bt.54 million more than the 2020 year-end figure due to sales receivables not yet due.
 - Current contract assets at 31 March 2021 stood at Bt.32 million, Bt.4 million up on year-end 2020 in line with receivables for die and jig making not yet due.
 - Inventories at 31 March 2021 stood at Bt.231 million, representing a decline of Bt.6 million on year-end 2020, reflecting improved control of inventory levels in line with production volumes.
- 2. Investments in associates** (joint ventures) at 31 March 2021 stood at Bt.470 million, representing an increase of Bt.7 million, due to recognition of share of profits in joint ventures.
- 3. Property, plant & equipment** at 31 March 2021 stood at Bt.1,868 million, Bt.30 million down due to scheduled depreciation for period exceeding additions.
- 4. Net right-of-use assets** at 31 March 2021 stood at Bt.53 million, up by Bt.5 million as a result of the recognition of a Bt.8 million right of use in respect of machinery as per IFRS 16 Leases and a Bt.3 million disposal in accordance with the contract.

2.2 Liabilities

Total consolidated liabilities at 31 March 2021 and 31 December 2019 stood at Bt.433 million and Bt.406 million respectively, representing an increase of Bt.27 million or 7% as a result of the following:

- Trade payables increased by Bt.18 million reflecting increased orders of raw materials in line with customer orders in January.
- Leasing liabilities increased by Bt.2 million due to recognition of Bt.9 million of lease liabilities in respect of machinery as per IFRS 16 Leases and payment of Bt.7 million of lease liabilities as per contract.
- Corporation tax payable increase by Bt.7 million as a result of profit recognised for the quarter.

2.3 Equity

Consolidated equity at 31 March 2021 and 31 December 2020 stood at Bt.3,311 million and Bt.3,281 million respectively, representing an increase of Bt.31 million or 1% as a result of the Bt.24 million net profit for the quarter and recognition of a Bt.7 million share in profits of joint ventures.

3. Liquidity

The Company's consolidated cash situation at 31 March 2021 showed a net decrease of Bt.37 million, with a cash position of Bt.184 million as per the following details.

Thai Rung Union Car Plc

Consolidated statement of cash flows for the quarter ended 31 March 2021

	Million
Cash & cash equivalents at beginning of period	221
Net cash from operating activities	28
Net cash used in investing activities	(59)
<u>mainly from</u>	
o Decrease in current financial assets	(60)
o Capital expenditure	(0.5)
o Disposal of fixed assets	0.9
o Interest received	0.9
Net cash used in financing activities	(6)
o Finance lease rental payments	(6)
Cash & cash equivalents at end of period	184

4. Finance Ratio

	31 Mar 2021	31 Dec 2020
Financial ratios		
- Liquidity ratio	3.06	3.03
- Quick ratio	2.25	2.16
- Net profit margin	6.15	(5.80)

The business is highly liquid, with current assets of three times the level of current liabilities.

5. Auditor's Report

The auditor's have issued qualified opinion on the Company's consolidated financial statements due to the fact that the financial statements of the associate's management are used. Which have not been reviewed by the auditor of the associate.

Trusting this meets your requirements we remain,

Yours faithfully,



Phakkawat Suwanmajo
Company Secretary

