



President  
Stock Exchange of Thailand

12 May 2022

Dear Sir,

**Explanation and Analysis of Financial Statements for the Quarter Ended 31 March 2022**

We enclose herewith the consolidated financial statements of Thai Rung Union Car Public Company Limited (“the Company”) for the quarter ended 31 March 2022, 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	Q1		
	2022	2021	Change
Vehicles produced	480,078	465,833	3%
Domestic sales	231,189	194,137	19%
Export sales	243,124	258,108	-6%

In the first quarter of 2022 vehicle production, at 480,078 units, was up by 3% on the same quarter of the previous year. Domestic sales for the quarter were up by 19%, at 231,189 units thanks to consumers’ increased purchasing power as a result of government economic stimulus measures and deliveries to customers who made bookings at the Bangkok International Motor, while export sales were down by 6% at 243,124 units due to parts and chips shortages for certain models of passenger cars.

For 2022 the Federation of Thai Industries estimates total production at 1.8 million units, 7% more than in 2021, divided between 1 million units for export and 0.8 million for sale in the domestic market. It will monitor the situation of the Russia-Ukraine war which, if it goes on much longer could lead to raw materials supply problems and a worsening of the shortages of parts and semi-conductors.

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## Company results

Management has the following comments on the Company's results for the quarter ended 31 March 2022 compared with the same quarter of the previous year and the financial position at 31 March 2022 compared with that at 31 December 2021. These comments are intended to be read in conjunction with the consolidated financial statements.

### **Consolidated Income Statement for the quarter ended 31 March 2022**

THB millions		Q1'2022	Q1'2021	Change	
	Item				
	Operating revenues	664	484	180	37%
	Other income	16	9	7	71%
1.1	<b>Total revenues</b>	<b>680</b>	<b>493</b>	<b>186</b>	<b>38%</b>
1.2	Cost of sales & services	527	405	122	30%
1.3	Selling & administrative expenses	74	56	18	32%
1.4	Share in profit/(loss) of associates (joint ventures)	12	7	5	76%
	<b>Profit/(loss) before tax</b>	<b>91</b>	<b>39</b>	<b>51</b>	<b>131%</b>
	Income tax income (expense)	(18)	(8)	(9)	(109%)
1.5	<b>Profit/(loss) for the year</b>	<b>73</b>	<b>31</b>	<b>42</b>	<b>138%</b>

Attribution of profit/(loss)		Q1'2022	Q1'2021	Change	
	To owners of the parent company	72	31	41	134%
	To non-controlling interests	0.9	(0.1)	1.0	1,583%

## **1. Overview of Results for the Year**

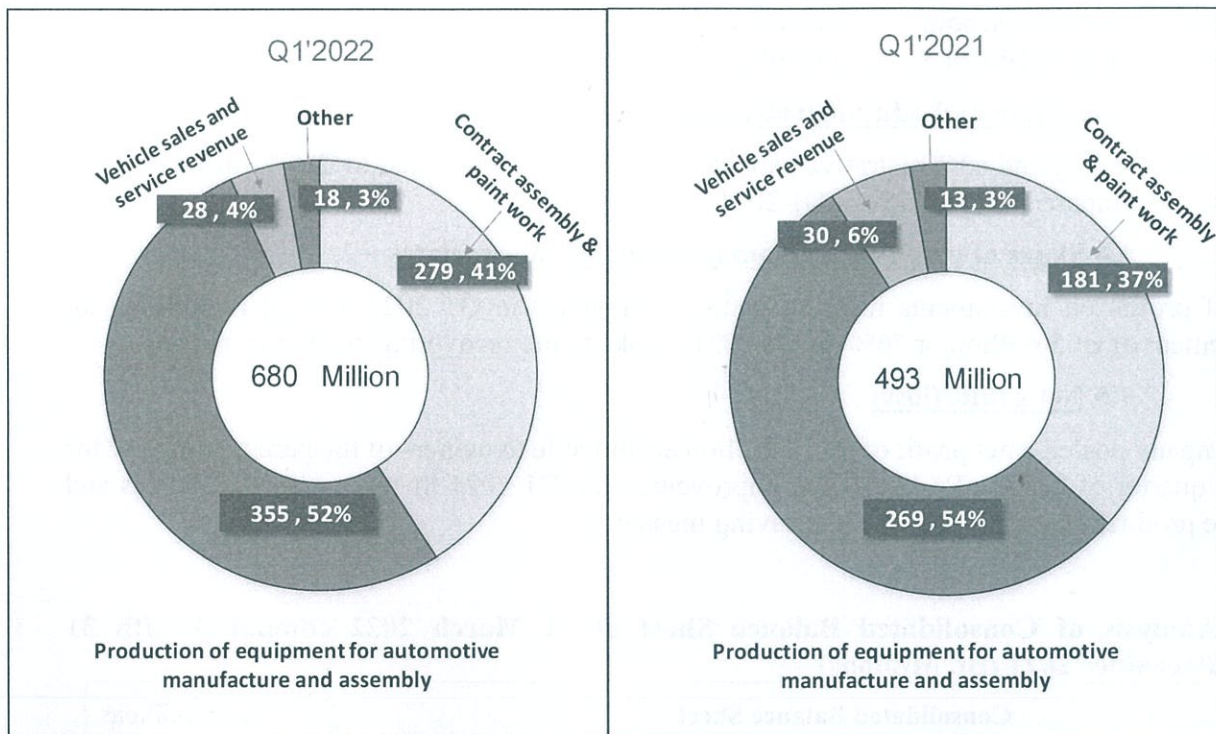
The Company's business is production and distribution in the automotive industry. Its consolidated results for Q1 2022, compared with those for Q1 2021, were as follows:

### **1.1 Consolidated Revenues**

Total consolidated revenues for Q1 2022, not including share in profit/(loss) of associates, amounted to Bt.680 million, representing an increase of Bt.186 million or 38% on the same quarter of the previous year, in line with the Thai automotive industry as a whole, reflecting the benefit of both the government's economic stimulus measures and the lifting of COVID-related restrictions.

Operating revenues by type of business

Q1 2022/2021 = +186, +38%



**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.355 million, representing 52% of total sales and service revenue, showing an increase of Bt.86 million or 32% from Q1 of the previous year thanks to consumers' increased purchasing power and the lifting of COVID-related restrictions.
- Revenue from vehicle assembly and other vehicle-related contract work was Bt.279 million, representing 41% of total sales and service revenue, Bt.98 million or 54% more than in the same quarter of the previous year thanks to increased purchasing power of the agricultural machinery sector and new projects.
- Revenue from sales of vehicles and from service centres was Bt.28 million, representing 4% of total sales and service revenue and Bt.3 million or 8% down on the same quarter of the previous year due to the decline in special vehicles for government departments.
- Other sales and service income, at Bt.18 million, 3% of total sales and service revenue, was up by Bt.5 million or 37% on Q1 of the previous year.

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### **1.2 Cost of sales and service**

Consolidated cost of sales and service for the first quarter of 2022 was Bt.527 million, which as a proportion of sales and service revenue for the quarter was 79%, compared with 84% in Q1 2021, a decrease of 5 percentage points, thanks to the increase in revenues and the Company's permanent measures to increase efficiency and control production costs.

### **1.3 Selling and administrative expenses**

Consolidated selling and administrative expenses for Q1 2022 amounted to Bt.74 million, 11.2% of revenues, compared with 11.7% in Q1 2021.

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

Share of profits on investments in joint venture companies in Q1 2022 was Bt.12 million, an improvement of Bt.5 million or 76% on Q1 2021 thanks to the recovering economic situation.

### **1.5 Net profit/(loss)**

The Company posted a net profit of Bt.73 million attributable to owners of the parent company for the first quarter of 2022, a Bt.42 million improvement on Q1 2021 thanks to increased sales and effective production efficiency and cost saving measures.

## **2. Analysis of Consolidated Balance Sheet at 31 March 2022 compared with 31 December 2021 (Bt. Millions)**

<b>Consolidated Balance Sheet</b>				<b>THB millions</b>	
<b>Assets</b>	<b>31-Mar-2022</b>	<b>31-Dec-2021</b>	<b>Change</b>	<b>%</b>	
Current assets	1,442	1,248	194	16%	
Investments in associates	494	482	12	2%	
Investment property, net	336	162	174	107%	
Property, plant & equipment, net	1,649	1,834	(184)	(10%)	
Right-of-use assets-net	6	16	(10)	(62%)	
Other non-current assets, net	103	108	(5)	(5%)	
<b>Total Assets</b>	<b>4,031</b>	<b>3,850</b>	<b>180</b>	<b>5%</b>	
<b>Liabilities</b>	<b>31-Mar-2022</b>	<b>31-Dec-2021</b>	<b>Change</b>	<b>%</b>	
Current liabilities	528	421	107	25%	
Non-current liabilities	79	83	(3)	(4%)	
<b>Total Liabilities</b>	<b>607</b>	<b>503</b>	<b>104</b>	<b>21%</b>	
<b>Equity</b>	<b>31-Mar-2022</b>	<b>31-Dec-2021</b>	<b>Change</b>	<b>%</b>	
Attributable to owners of the parent company	3,366	3,290	76	2%	
Non-controlling interests	58	57	1	2%	
<b>Total Equity</b>	<b>3,424</b>	<b>3,347</b>	<b>77</b>	<b>2%</b>	
<b>Total Liabilities and Equity</b>	<b>4,031</b>	<b>3,850</b>	<b>180</b>	<b>5%</b>	

Total consolidated assets at 31 March 2022 and 31 December 2021 stood at Bt.4,031 million and Bt.3,850 million respectively, representing an increase of Bt.180 million or 5%, the main items being as follows:

## 2.1 Assets

1. **Current assets** at 31 March 2022 stood at Bt.1,442 million, up by Bt.194 million or 16% as a result of:

- Cash and cash equivalents at 31 March 2022 stood at Bt.271 million, Bt.32 million less than at year-end 2021 as result of an investment in a collective fund.
- Current financial assets at 31 March 2022 stood at Bt.282 million, Bt.52 million more than at year-end 2021 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 2022 stood at Bt.480 million, Bt.120 million more than the 2021 year-end figure due to increased sales.
- Current contract assets at 31 March 2022 stood at Bt.26 million, Bt.2 million up on year-end 2021 in line with receivables for die and jig making not yet due.
- Inventories at 31 March 2022 stood at Bt.292 million, representing an increase of Bt.52 million on year-end 2021, as a result of production and preparation of raw materials for the following quarter's production in line with increased customer orders.

2. **Investments in associates** (joint ventures) at 31 March 2022 stood at Bt.494 million, representing an increase of Bt.12 million, due to recognition of share of profits in joint ventures.

3. **Investment property** at 31 March 2022 stood at Bt.335 million, up by Bt.174 million due to the transfer of land, buildings and equipment from property, plant and equipment.

4. **Property, plant & equipment** at 31 March 2022 stood at Bt.1,649 million, Bt.184 million down, due to the transfer of Bt.174 million to investment property, Bt.30 Million of scheduled depreciation, Bt.10 million of capital expenditure and the transfer of Bt.9 million of residual value of expired leases to property, plant and equipment as per IFRS 16.

5. **Net right-of-use assets** at 31 March 2022 stood at Bt.6 million, down by Bt.10 million as a result of the Bt.9 million transfer to property, plant and equipment referred to above and a Bt.1 million disposal in accordance with the contract.

6. **Other non-current assets, net** at 31 March 2022 stood at Bt.88 million, down by Bt.5 million or 5%.

## 2.2 Liabilities

Total consolidated liabilities at 31 March 2022 and 31 December 2021 stood at Bt.607 million and Bt.503 million respectively, representing an increase of Bt.104 million or 21% as a result of the following:

- Trade payables increased by Bt.94 million reflecting increased orders of raw materials in line with customer orders and higher raw materials prices.
- Leasing liabilities decreased by Bt.1 million due to payments per contract.
- Corporation tax payable increased by Bt.15 million as a result of profit recognised for the quarter.
- Provisions for employee benefits fell by Bt.3 million as a result of pension payments of Bt.5 million and actuarial adjustments of Bt.2 million.

## 2.3 Equity

Consolidated equity at 31 March 2022 and 31 December 2021 stood at Bt.3,424 million and Bt.3,347 million respectively, representing an increase of Bt.77 million as a result of profits for the quarter and recognition of a Bt.12 million share in profits of joint ventures.

## 3. Liquidity

The Company's consolidated cash situation at 31 March 2022 showed a net decrease of Bt.32 million, with a cash position of Bt.271 million as per the following details.

### Thai Rung Union Car Plc

#### Consolidated statement of cash flows for the quarter ended 31 Mar 2022

	<u>Million</u>
<b>Cash &amp; cash equivalents at beginning of period</b>	<b>303</b>
<b>Net cash from operating activities</b>	<b>34</b>
<b>Net cash used in investing activities</b>	<b>(67)</b>
<u>mainly from</u>	
o Increase in current financial assets	(59)
o Capital expenditure	(10)
o Disposal of fixed assets	1
o Interest received	1
<b>Net cash used in financing activities</b>	<b>1</b>
o Finance lease rental payments	(1)
o Proceeds of issues of common shares	2
<b>Cash &amp; cash equivalents at end of period</b>	<b>271</b>

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#### 4. Financial ratio

Financial ratios		Q1'22	Q1'21
Net profit margin	%	10.42%	6.15%
Liquidity ratio	times	2.73	3.06
Debt to Equity Ratio	times	0.18	0.13

The business is highly liquid and well able to meet its commitments as they fall due.

The debt/equity ratio has increased slightly due to increased purchases of raw materials for production, but is still very low and the Company is not at risk financially.

As for the Company' profitability, the profit margin increased, reflecting increased operating revenues and successful control of costs.

#### 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 one of the joint venture companies have not yet been audited.

Trusting this meets your requirements we remain,

Yours faithfully,



Phakkawat Suwanmajo  
Company Secretary

