



President

Stock Exchange of Thailand

28 February 2024

Dear Sir,

Explanation and Analysis of Financial Statements for the Quarter Ended 31 December 2023

We enclose herewith the consolidated financial statements of Thai Rung Union Car Public Company Limited (“the Company”) for the year ended 31 December 2023, 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

Unit: vehicles	Q4			Whole year		
	2023	2022	Change	2023	2022	Change
Production	449,015	519,478	-14%	1,834,986	1,883,515	-3%
Domestic sales	188,910	210,104	-10%	775,780	843,791	-8%
Export sales	295,640	293,812	1%	1,117,539	1,000,256	12%

In 2023, Thailand had a total car production of 1.83 million cars and domestic car sales of 0.77 million cars, from here 3% and 8%, respectively, as usual, EV import loans, the masses and cries in worshipping pickup trucks from Household energy sources with exports of 1.12 million vehicles sing from now 12% after the country became more efficient. The economy of automobile control systems is increasing.

From 2024, the Federation of Thai Industries (F.T.I.) searches for a production target of 1.9 million cars (+3%), divided into production for domestic sale of 750,000 cars (+9%, year 66 Cars, resulting in 685,628 cars. ) and produce for export 1,150,000 normal vehicles in Thailand and the production base for pickup trucks exported around the world, China opens the country, the normal physical condition has greatly improved and continuing this year will produce EV cars again.

## Company results

Management provided the following comments regarding the Company's results for the quarter ended 31 Dec 2023 compared to the same quarter of the previous year. and financial position as of 31 Dec 2023 compared to as of 31 December 2022 These comments are made for reading together. with consolidated financial statements

### **Consolidated Income Statement for the year ended 31 Dec 2023**

THB millions		2023	2022	Change	
Item					
	Operating revenues	2,410.8	2,884.1	(473.3)	(16%)
	Other income	135.6	81.9	53.7	66%
1.1	<b>Total revenues</b>	<b>2,546.4</b>	<b>2,966.0</b>	<b>(419.6)</b>	<b>(14%)</b>
1.2	Cost of sales & services	2,095.6	2,230.5	(134.9)	(6%)
1.3	Selling & administrative expenses	267.3	309.3	(42.0)	(14%)
	Financial costs	0.6	0.1	0.5	393%
1.4	Share in profit/(loss) of associates (joint ventures)	33.0	62.7	(29.8)	(47%)
	<b>Profit/(loss) before tax</b>	<b>215.9</b>	<b>488.8</b>	<b>(272.9)</b>	<b>(56%)</b>
	Income tax income (expense)	(31.5)	(91.0)	59.5	65%
1.5	<b>Net profit/(loss)</b>	<b>184.40</b>	<b>397.84</b>	<b>(213.44)</b>	<b>(53.65%)</b>
1.6	Other comprehensive income (expense)	0.00	(0.02)	0.02	100.0%
1.7	<b>Total comprehensive income</b>	<b>184.40</b>	<b>397.82</b>	<b>(213.42)</b>	<b>(53.65%)</b>

THB millions		2023	2022	Change	
Item					
<b>Distribution of consolidated profit/(loss)</b>					
	Attribution to owners of the parent company	183.2	394.1	(210.9)	(54%)
	Attribution to non-controlling interests	1.2	3.7	(2.6)	(69%)

THB millions		2023	2022	Change	
Item					
<b>Distribution of comprehensive income</b>					
	Attribution to owners of the parent company	183.2	393.9	(210.7)	(53%)
	Attribution to non-controlling interests	1.2	3.9	(2.8)	(70%)

## 1. Overview of Results for the Year

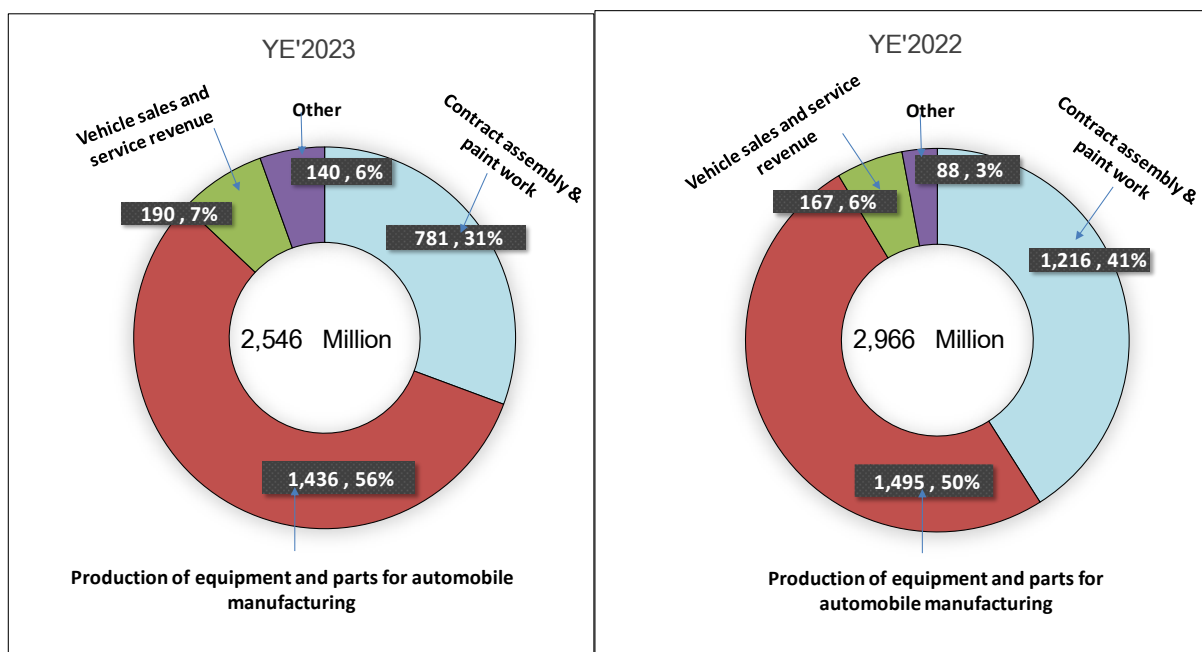
The Company's business is production and distribution in the automotive industry. Its consolidated results for 2023, compared with those for 2022, were as follows:

## 1.1 Consolidated Revenues

In 2023, the company had total income from operations, excluding profit sharing from associated companies, of 2,546.4 million baht, a decrease of 419.6 million baht or 14% from the previous year due to the current economic situation. causing sales to decrease.

### Operating revenues by type of business

YE'2023 / YE'2022 = -420 , -14%



- Revenue from the production of equipment and parts for the production of motor vehicles. revenue from the production of automotive manufacturing equipment (Molds and jigs plus production and distribution of both OEM and spare parts) 1,436 million baht or 56%, a decrease of 59 million baht or 4% from the automotive parts customer group whose order quantity decreased. And there have been some adjustments to the domestic production plan. The reason is that the company's customers are affected by the import of electric vehicles (EV).
- Revenue from assembly work and other work related to cars totalling 781 million baht, or 31 percent, from revenue from sales of goods and services This decreased from the previous year by 436 million baht or 36 percent from the automotive and agricultural sectors. The machinery industry has seen a decrease in order volumes. Customers produce it themselves. and some adjust production plans.
- Revenue from car sales and services Revenue from car service booths totalled 190 million baht, or 7 percent, from the sale of products and services. An increase of 23 million baht or 14 percent from the previous year due to increased consumer demand for cars.
- Other income 140 million baht or 6% from sales of products and services. This increased from the previous year by 52 million baht or 59 percent from rental income. Interest income from banks and equity instruments Compensation from insurance companies and others

### 1.2 Cost of sales and service

Consolidated cost of sales and service for the year of 2023 was 2,096 million baht, with cost of sales and services 87%, compared to the previous year at 77%, an increase of 10% due to decreased revenue. There are fixed costs, and the production proportion of each product is different. There are measures to continuously reduce costs and increase production efficiency.

### 1.3 Selling and administrative expenses

Consolidated selling and administrative expenses for the year of 2023 amounted to 267 million baht, accounting for 11% of revenue, compared to the previous year when the proportion of expenses was the same.

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

Share of profits from investments in joint ventures in the year of 2023 was 33 million baht, a decrease of 30 million baht or 47% from last year, resulting from the current economic situation.

### 1.5 Net profit/(loss)

The company had a net profit of 183 million baht, a decrease of 211 million baht from the previous year, due to a decrease in income. and profits in different proportions of products.

## 2. Analysis of Consolidated Balance Sheet at 31 December 2023 compared with 31 December 2022 (Bt. Millions)

THB millions ITEM	31-Dec-23	31-Dec-22	Change	%
Total Assets	4,366	4,320	46	1%
Total Liabilities	662	599	63	11%
Total Equity	3,704	3,721	(17)	(0.4%)

### 2.1 Assets

As of December 31, 2023, total assets were 4,366 million baht, an increase of 46 million baht from December 31, 2022, with most of the increase from Current financial assets 123 million baht, inventories 73 million baht, deferred tax assets 4 million baht, other current assets 7 million baht, investments in associates 7 million baht, assets used in operations and investments 68 million baht and decreasing. From depreciation in the year 132 million baht, trade receivables 48 million baht, cash and cash equivalents 30 million baht, other non-current assets 26 million baht.

### 2.2 Liabilities

As of December 31, 2023, total liabilities were 662 million baht, an increase of 64 million baht from December 31, 2022, mainly increase from trade payables from customer orders for raw materials for production and outstanding corporate tax payments.

### 2.3 Equity

As of December 31, 2023, total shareholders' equity was 3,704 million baht, compared to December 31, 2022, a decrease of 17 million baht, mainly from the payment of dividends of 272 million baht, increased operating results in the year. Increase capital from registration and receive profit sharing from the joint venture company.

### 3. Financial ratio.

Financial ratios		2023	2022	2021
Net profit margin	%	7.10%	13.00%	3.84%
Liquidity ratio	times	3.35	3.39	2.97
Debt to Equity Ratio	times	0.18	0.16	0.16

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

The debt-to-equity ratio increased slightly. Caused by increased customer orders for raw materials. The company has no financial risk.

As for profitability, it can be seen that the rate of return on net profit decreased compared to the previous year. This is because the proportions of each product are different and operating profits are reduced.

### 4. Auditor's Report

The auditor's have issued qualified opinion on the Company's consolidated financial statements this is because one associated company has different accounting periods ending the year. Therefore, the financial statements of the management of the associated company which have not been reviewed by the auditor of the associated company are used.

Trusting this meets your requirements we remain,

Yours faithfully,

Phakkawat Suwanmajo

Company Secretary