



President

Stock Exchange of Thailand

9 November 2023

Dear Sir,

Explanation and Analysis of Financial Statements for the Quarter Ended 30 Sep 2023

We enclose herewith the consolidated financial statements of Thai Rung Union Car Public Company Limited (“the Company”) for the quarter ended 30 Sep 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	Q.3			Q.1-Q.3		
	2023	2023	Change	2023	2022	Change
Production	464,459	493,926	-6%	1,385,971	1,364,037	+2%
Domestic sales	180,739	206,391	-12%	586,870	633,687	-7%
Export sales	293,083	256,800	+14%	821,899	706,444	+16%

In the third quarter of 2023, a total of 464,459 cars were produced, a decrease of 6%, and 180,739 cars were sold domestically, a decrease of 12% due to financial institutions being stricter in approving car loans. especially pickup trucks due to the extremely high household debt situation and the declining purchasing power of the people. Meanwhile, foreign exports totalled 293,083 vehicles, an increase of 14% compared to the same period last year. This is because main trading partners are still growing well. Both Middle East, European and American markets.

Accumulated data for 3 quarters in 2023 for automobile production, especially 2% compared to the same period last year. Foreign export sales increased 16%, while domestic sales decreased 7% from here.

For the overall picture for 2023, the Federation of Thai Industries (F.T.I.) has lowered the car production target from 1.90 million cars to 1.85 million cars, reducing the production target for domestic sales from the original 850,000 vehicles to 800,000 vehicles, the main factor is from importing more electric vehicles (EVs) together with decreased sales of pickup trucks due to a large amount of loans not being approved due to household debt. Maintain the target production for export of 1.05 million vehicles, but still need to monitor the geopolitical conflict situation that may affect the world economy and trade.

## Company results

Management provided the following comments regarding the Company's results for the quarter ended 30 Sep 2023 compared to the same quarter of the previous year, and financial position as of 30 Sep 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 30 Sep 2023**

THB millions	Item	Q3'2023	Q3'2022	Change	
	Operating revenues	556.0	791.9	(235.8)	(30%)
	Other income	28.5	23.2	5.3	23%
1.1	<b>Total revenues</b>	<b>584.5</b>	<b>815.1</b>	<b>(230.5)</b>	<b>(28%)</b>
1.2	Cost of sales & services	494.7	593.4	(98.6)	(17%)
1.3	Selling & administrative expenses	67.6	75.3	(7.7)	(10%)
1.4	Share in profit/(loss) of associates (joint ventures)	5.2	14.6	(9.4)	(64%)
	<b>Profit/(loss) before tax</b>	<b>27.2</b>	<b>160.9</b>	<b>(133.7)</b>	<b>(83%)</b>
	Income tax income (expense)	(4.1)	(28.8)	24.7	86%
1.5	<b>Net profit/(loss)</b>	<b>23.1</b>	<b>132.1</b>	<b>(109.0)</b>	<b>(83%)</b>

THB millions	Item	Q3'2023	Q3'2022	Change	
	<b>Distribution of consolidated profit/(loss)</b>				
	Attribution to owners of the parent company	22.8	131.1	(108.3)	(82.63%)
	Attribution to non-controlling interests	0.3	1.0	(0.7)	(68.22%)

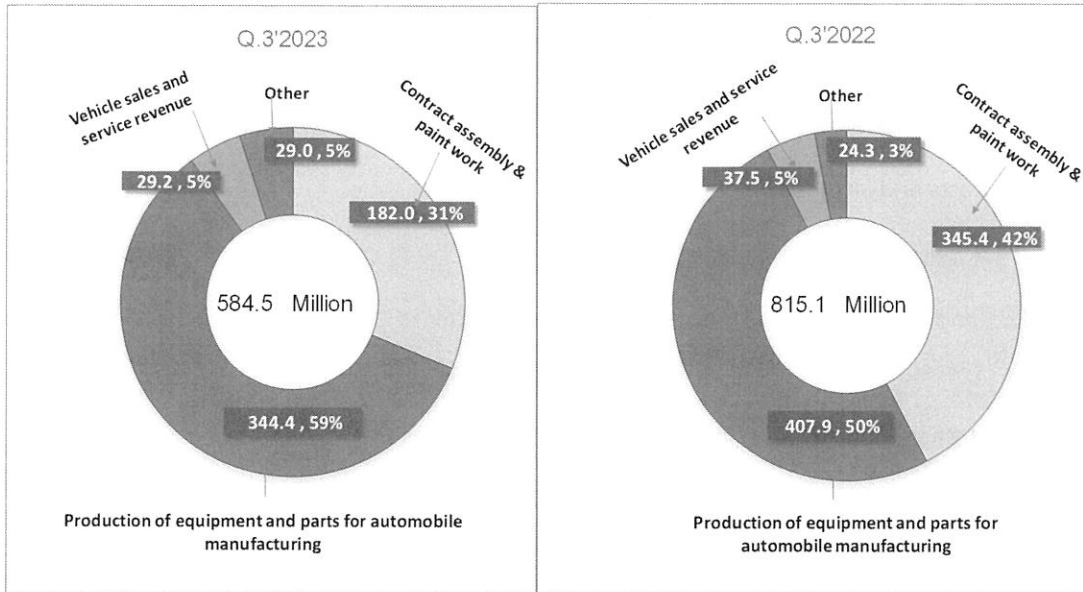
## 1. Overview of Results for the Year

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 the third quarter of 2023, the company's total income from operations excluding profit sharing from associated companies was 584.5 million baht, a decrease of 230.5 million baht or 28% from the same quarter of the previous year, resulting from the current economic situation, causing sales to decrease.

Operating revenues by type of business  
 Q3'2023 /Q3'2022 = -230.5 , -28%



- 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) 344.4 million baht or 59%, an decrease of 63.5 million baht or 16% from the automotive parts customer group whose order volume has decreased and some domestic production plans have been adjusted. The reason is that the company's customers are affected by the increase in imports of electric vehicles (EVs) in car production and financial institutions that are stricter in approving car loans.
- Revenue from assembly work and other work related to cars totalling 182.0 million baht or 31% from revenue from sales of goods and services which decreased from the same quarter last year by 163.4 million baht or 47% 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 totaled 29.2 million baht, or 5 % from sales of products and services. This decreased from the same quarter last year by 8.3 million baht or 22% affected by car manufacturers importing more electric vehicles (EVs), high household debt. and financial institutions are strict in approving car loans.
- Other income 29.0 million baht or 5% from sales of goods and services. which increased from the same quarter last year by 4.7 million baht or 19% from rental income, interest received 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 third quarter of 2023 was 494.7 million baht, with cost of sales and services 89%, compared to the same quarter last year equal to 75%, an increase of 14% due to decreased revenue. There are some 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 third quarter of 2023 amounted to 67.6 million baht, accounting for 12% of revenue, compared to 10% in the third quarter of 2022, an increase of 2%.

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

Share of profits from investments in joint ventures in the third quarter of 2023 was 5.2 million baht, a decrease of 9.4 million baht or 64% from the same quarter last year. It is a result of the current economic situation.

### 1.5 Net profit/(loss)

The company had a net profit of 22.8 million baht, which was part of the parent company, a decrease of 108.3 million baht from the same quarter last year. The reason why revenue and profits decreased in proportion to various products.

## 2. Analysis of Consolidated Balance Sheet at 30 September 2023 compared with 31 December 2022 (Bt. Millions)

THB millions ITEM	30-Sep-23	31-Dec-22	Change	%
Total Assets	4,211	4,320	(108)	(3%)
Total Liabilities	558	599	(41)	(7%)
Total Equity	3,653	3,721	(68)	(2%)

### 2.1 Assets

As of September 30, 2023, total assets were 4,211 million baht, a decrease of 108 million baht from December 31, 2022, with the majority decreasing from Cash and cash equivalents 102 million baht, trade receivables 63 million baht, other non-current assets 12 million baht, depreciation in the year 95 million baht and an increase from current financial assets 104 million baht, assets for use in operations and investment. 34 million baht, net right-of-use assets 11 million baht, inventories 9 million baht, investments in associates 2 million baht.

### 2.2 Liabilities

As of September 30, 2023, there were total items of 558 million baht, control systems from December 31, 2022 amounted to 41 million baht, especially with a decrease from trade payables from customer production control systems and ongoing tax payments to pay.

### 2.3 Equity

As of 30 September 2023, total shareholders' equity was 3,653 million baht, compared to 31 December 2022, a decrease of 68 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		Q3'23	Q3'22
Net profit margin	%	3.86%	15.80%
Liquidity ratio	times	3.64	3.00
Debt to Equity Ratio	times	0.15	0.17

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

The debt-to-equity ratio has decreased slightly and the company has no financial risk.

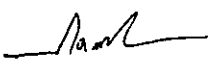
As for profitability, it can be seen that the rate of return on net profit decreased compared to the same quarter of the previous year. because the proportion of each product is different and profits from operations decreased

### 4. 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