



May 12, 2022

Subject: Management Discussion and Analysis for the First Quarter ended March 31, 2022

To: Director and Management
The Stock Exchange of Thailand

T.R.V. Rubber Products Public Co., Ltd. ("the Company", "TRV") would like to inform you of the Company's operating results for the three-month period ended 31 March 2022.

For Q1/2022, the Company generated revenue from sales of THB46.98 million, a decrease of 2.79%, and a net profit for the period of THB5.98 million, a decrease of 30.43% compared to Q1/2021. The main reason affecting TRV's operations includes:

1. The shortage of semi-conductor imported from abroad to be used by automotive manufacturers caused the suspension of some production lines. The development plans for new models have also been delayed.
2. The increase in cost of raw material due to an increase in global market oil price following the conflict between Russia and Ukraine.

Even though the Company has been affected by the shortage of semi-conductor in automotive industry and rising raw material costs, the Company has adjusted its investment plan to grow the market by expanding customer base and produce a wider variety of products. In 2022, TRV has plan to invest in new machinery to expand the production of plastic products which is a diversification from the original rubber and silicone products the Company has produced. The Company is also adopting new strategies to reduce and control costs, improve management within the organisation and improve controls over production quality.



Income Statement (Unit: million Baht)	31-Mar-22	31-Mar-21	Increase (Decrease)	
			MB.	%
Revenue from sales	46.98	48.33	(1.35)	(2.79)
Cost of sales	29.38	29.33	0.06	0.20
Gross profit	17.60	19.01	(1.41)	(7.41)
Gross profit margin (%)	37.46	39.32	(1.86)	(4.73)
Other income	0.06	0.06	0.00	0.00
Selling expenses	2.61	2.86	(0.25)	(8.73)
Administrative expenses	6.75	4.83	1.91	39.60
Finance costs	0.39	0.59	(0.20)	(34.41)
Profit before income tax expenses	7.91	10.78	(2.87)	(26.63)
Income tax expense	1.93	2.19	(0.26)	(11.69)
Net profit	5.98	8.59	(2.62)	(30.43)
Net profit margin (%)	12.72	17.78	(5.06)	(28.46)

Revenue from sales

As of 31 March 2022, revenue from sales was THB46.98 million, a decrease of THB1.35 million or 2.79% compared to 31 March 2021. This is mainly from the sales of moulded rubber parts in motor vehicles decreased by THB2.7 million due to the shortage of semi-conductor imported from abroad to be used by automotive manufacturers. The development plans for new models have also been delayed. At the same time, orders from abroad have declined. However, in the segment of moulded rubber parts in electrical appliances, TRV's revenue increased by THB 1.08 million or 5.06%. This is because consumers still need electrical appliances and facilities that are necessary in their everyday lives.

**Sales revenue by product group**

Structure of Revenue	31-Mar-22		31-Mar-21	
	MB.	%	MB.	%
Automotive sector	24.07	51.23	26.77	55.39
Growth rate (%)	(10.10)			
Appliance sector	22.31	47.50	21.24	43.94
Growth rate (%)	5.06			
Others	0.60	1.28	0.32	0.67
Growth rate (%)	86.09			
Total revenue from sales	46.98	100.00	48.33	100.00
Growth rate (%)	(2.79)			

Cost of sales and gross profit

As of 31 March 2022, cost of sales was THB29.38 million, an increase of THB 0.06 million, due to an increase in the cost of the main raw materials, rubber compounds, following the increase in oil prices as explained above. However, TRV has negotiated with customers to increase the product prices, expecting to adjust all product prices in Q2/2022. In terms of controlling the cost of raw materials, TRV negotiated the price with the supplier by agreeing the prices in advance every quarter.

As of 31 March 2022, TRV's gross profit was THB 17.60 million, a decrease of THB 1.41 million or 7.41%. The main reason affecting the gross profit was the lower sales and an increase in the costs of raw material compared to Q1 of the previous year.

Administrative expenses

As of 31 March 2022, TRV had administrative expenses THB 6.75 million, an increase of THB 1.91 million or 39.6% compared to Q1/2021. This accounted for 14.36% of administrative expenses to sales in Q1/2022, an increase of 4.36% compared to Q1/2021 at 10%. This is mainly from an increase of THB 1.55 million in salary and employee benefit expenses, consulting fees and other expenses and THB0.57m in advertising and public relations.



Net profit

As of 31 March 2022, net profit was THB 5.98 million, a decrease of THB 2.62 million or 30.43% compared to Q1/2021. The proportion of net profit to sales was 12.72% in Q1/2022, decreased by 5.06% compared to 17.78% in Q1/2021. This was due to the shortage of semi-conductor in automotive industry and rising raw material costs.

Financial statement

Financial Statements (Unit: million baht)	31-Mar-22	31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion
Assets					
Current assets	178.71	167.69	11.02	6.57%	47.12%
Non-current assets	200.52	199.21	1.32	0.66%	52.88%
Total assets	379.23	366.89	12.34	3.36%	100.00%
Liabilities and shareholders'equity					
Current liabilities	47.18	41.04	6.14	14.96%	12.44%
Non-Current liabilities	26.37	26.15	0.22	0.84%	6.95%
Shareholders'equity	305.68	299.70	5.98	1.99%	80.61%
Total liabilities and shareholders' equity	379.23	366.89	12.34	3.36%	100.00%

Total assets

Financial Statements (Unit: million baht)	31-Mar-22	31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion
Cash and cash equivalents	124.02	111.42	12.59	11.30%	32.70%
Trade and other receivables	37.62	41.59	(3.96)	-9.53%	9.92%
Inventory	16.92	14.46	2.46	17.02%	4.46%
Investment properties	49.12	49.12	0.00	0.00	12.96%
Land,building with equipment, and right-of-use assets	146.55	144.93	1.63	1.12%	38.64%
Other assets	5.00	5.38	(0.38)	-7.05%	1.32%
Total assets	379.23	366.89	12.34	3.36%	100.00%

As of 31 March 2022, total assets were THB 379.23 million, an increase of THB 12.34 million or 3.36% compared to the data as of 31 December 2021. This is mainly because:



1. Cash and cash equivalents increased by THB 12.59 million mainly due to the receipt of payments for goods. This corresponds with the decrease in trade receivables and other receivables due to the reduction in credit terms of trade receivables.
2. Net inventories increased by THB 2.46 million mainly because TRV produced products to support future orders.
3. Right-of-use assets increased during the period by THB 4.14 million from car leasing contracts.

Total liabilities

Financial Statements (Unit: million baht)	31-Mar-22	31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
Trade and other payables	34.02	29.29	4.73	16%	8.97%
Loan from financial institutions	21.36	23.79	(2.43)	-10%	5.63%
Liabilities under leasing agreements	4.14	1.88	2.27	121%	1.09%
Income tax payable	4.16	2.49	1.67	67%	1.10%
Employee benefit obligations	9.24	9.01	0.23	3%	2.44%
Other liabilities	0.63	0.73	(0.10)	-14%	0.17%
Total liabilities	73.55	67.19	6.36	9.47%	19.39%

As of 31 March 2022, total liabilities were THB 73.55 million, an increase of THB 6.36 million or 9.47% compared to the data as of 31 December 2021. This is mainly because:

1. Trade and other payables increased by THB 4.73 million, mainly due to the purchase of raw materials for manufacturing products, accrued salaries and accrued bonuses.
2. Borrowings from financial institutions decreased by THB 2.43 million mainly due to THB 2.43 million repayment during the period.
3. Lease liabilities increased by THB 2.27 million mainly due to TRV's purchase of right-of-use assets and paid for lease during the period of THB 2.27 million.
4. Accrued corporate income tax increased by THB 1.67 million from the estimate during the period.

**Equity**

Financial Statements (Unit: million baht)	31-Mar-22	31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
Paid-up share capital	105.00	105.00	0.00	0.00	27.69%
Premium on ordinary shares	149.89	149.89	0.00	0.00	39.52%
Legal reserve	8.98	8.98	0.00	0.00	2.37%
Cumulative profit	41.81	35.83	5.98	16.68%	11.03%
Total shareholders' equity	305.68	299.70	5.98	1.99%	80.61%

As of 31 March 2022, total shareholders' equity was THB 305.68 million, an increase of THB 5.98 million compared to the equity as of 31 December 2021, mainly from the net profit during the period.

Yours sincerely

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(Mrs. Sudarat Sutham)

Accounting and Finance Director
T.R.V. Rubber Products Public Company Limited