



11 August 2022

**Management Discussion and Analysis of T.R.V. Rubber Products Public Company Limited. for 2<sup>nd</sup> Quarter 2022.**

Attention: Directors and Managers Stock Exchange of Thailand

On 11 August 2022, the Board of Directors' Meeting of T.R.V. Rubber Products Public Company Limited (the Company) No.4/2022 resolved to approve the interim financial statements for the six-month period ended 30 June 2022. The Company would also like to clarify the operating results for the second quarter of 2022 compared to the same period of the previous year as follows:

(Unit: million baht)

Income Statement	2 <sup>nd</sup> Quarter		Increase		Quarter 2		Increase	
	3 months		(Decrease)		6 months		(Decrease)	
	2022	2021	MB.	%	2022	2021	MB.	%
Revenue from sales	45.49	43.98	1.51	3.44	92.47	92.31	0.16	0.18
Cost of sales	27.97	26.40	1.57	5.94	57.36	55.73	1.63	2.92
Gross profit	17.52	17.58	(0.06)	(0.33)	35.11	36.58	(1.47)	(4.01)
Gross profit margin (Percentage)	38.51	39.96			37.97	39.63		
Other income	0.13	0.10	0.04	36.49	0.19	0.15	0.03	22.96
Selling expenses	2.36	2.79	(0.43)	(15.57)	4.97	5.65	(0.68)	(12.11)
Administrative expenses	7.02	5.22	1.80	34.41	13.76	10.05	3.71	36.90
Finance costs	0.37	0.47	(0.10)	(20.24)	0.76	1.06	(0.30)	(28.12)
Profit before income tax expenses	7.90	9.19	(1.29)	(14.03)	15.81	19.97	(4.16)	(20.83)
Income tax expense	1.62	1.99	(0.37)	(18.62)	3.55	4.18	(0.63)	(14.99)
Net profit	6.28	7.20	(0.92)	(12.76)	12.26	15.79	(3.53)	(22.38)
Net profit margin (Percentage)	13.76	16.33			13.23	17.08		
Basic earnings per share (Baht per share)	0.03	0.05			0.06	0.10		

**Revenue from sales**

In the operating results for the three-month period ended 30 June 2022, revenue from sales was THB 45.49 million, an increase of THB1.51 million or 3.44%, compared to the same period of the previous year. This was mainly due to an increase of THB 3.14 million in sales of molded rubber parts in electrical appliances.



The Company had new customers and new products during the period and more orders from some of its existing products. But the moulded rubber parts in motor vehicles segment was also affected by shortage of chip causing customers to slow down their production. As a result, the sales of this product group decreased.

#### **Sales revenue by product group**

Structure of Revenue	2 <sup>nd</sup> Quarter ( 3M )			
	2022		2021	
	Million baht	%	Million baht	%
Automotive sector	20.23	44.47	21.73	49.42
Growth rate (Percentage)	(6.91)			
Appliance sector	24.93	54.80	21.79	49.54
Growth rate (Percentage)	14.40			
Others	0.33	0.73	0.46	1.04
Growth rate (Percentage)	(27.40)			
Total revenue from sales	45.49	100.00	43.98	100.00
Growth rate (Percentage)	3.44			

#### **Cost of sales and gross profit**

The cost of sales for the three-month period ended 30 June 2022 was THB 27.97 million, an increase of THB 1.57 million. This was due to an increase in the cost of the main raw materials, rubber compounds, following the increase in oil prices in the global market affected by the conflict between Russia and Ukraine. The overall economy has begun to gradually recover, resulting in higher oil demand than production capacity. Gross profit for the three-month period ended 30 June 2022 was THB 17.52 million, a decrease of THB 0.06 million or 0.33% , compared to the same period of the previous year. This was due to the decline in sales of automotive molded rubber parts and higher raw material costs compared to the same period last year.

#### **Selling expenses**

Selling expenses for the three-month period ended 30 June 2022 was THB 2.36 million, a decrease of THB 0.43 million or 15.57%, compared to the same period of the previous year. The ratio of selling expenses to sales was 5.18%. The decrease was due to entertainment expense and sales promotion expense.

#### **Administrative expenses**

Administrative expenses for the three-month period ended 30 June 2022 were THB 7.02 million, an increase of THB 1.80 million or 34.41% , compared to the same period of the previous year. The ratio of administrative expenses to sales was 15.42% . The increase was mainly due to salary and employee benefit expenses by THB 1.32 million and consulting fees and advertising expenses by THB 0.26 million.

**Net profit**

Net profit for the three-month period ended 30 June 2022 and 2021 was THB 6.28 million and THB 7.20 million, a decrease of THB 0.92 million or 12.76%. This was mainly due to the higher cost of raw materials such as rubber compounds, silicones, and chemical substances.

**Statement of financial position**

Financial Statements (Unit: million baht)	30-Jun-22	31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
<b>Assets</b>					
Current assets	184.11	167.69	16.42	9.79	47.67
Non-current assets	202.14	199.21	2.93	1.47	52.33
<b>Total assets</b>	<b>386.24</b>	<b>366.89</b>	<b>19.35</b>	<b>5.27</b>	<b>100.00</b>
<b>Liabilities and shareholders'equity</b>					
Current liabilities	49.80	41.04	8.75	21.33	12.89
Non-current assets	24.49	26.15	(1.66)	(6.35)	6.34
Non-current assets	311.96	299.70	12.26	4.09	80.77
<b>Total liabilities and shareholders'equity</b>	<b>386.24</b>	<b>366.89</b>	<b>19.35</b>	<b>5.27</b>	<b>100.00</b>

**Total assets**

Financial Statements (Unit: million baht)	30-Jun-22	31-Dec-21	Increase (Decrease)	Increase (Decrease)	% Proportion per total assets
Cash and cash equivalents	126.71	111.42	15.29	13.72	32.81
Trade and other receivables	35.79	41.59	(5.80)	(13.95)	9.27
Inventory	21.47	14.46	7.01	48.48	5.56
Investment properties	49.12	49.12	-	-	12.72
Land,building with equipment,and right- of-use assets	148.01	144.93	3.08	2.13	38.32
Other assets	5.15	5.38	(0.23)	(4.25)	1.33
<b>Total assets</b>	<b>386.24</b>	<b>366.89</b>	<b>19.35</b>	<b>5.27</b>	<b>100.00</b>

As of 30 June 2022, total assets were THB 386.24 million, an increase of THB 19.35 million or 5.27%, compared to balance as of 31 December 2021. This is mainly because:

1. Cash and cash equivalents increased by THB 15.29 million mainly due to the receipt of payment for goods. This corresponded with the decrease in trade receivables and other receivables. In addition, the credit term of trade receivables is shorten.



2. Net inventories increased by THB 7.01 million mainly because the Company produced products to support future orders.
3. Right-of-use assets increased during the period by THB 3.08 million from car leasing contracts.

**Total liabilities**

Financial Statements (Unit: million baht)	30-Jun-22	31-Dec-21	Increase (Decrease)	Increase (Decrease)	% Proportion per total assets
Trade and other payables	37.31	29.29	8.01	27.35	9.66
Loan from financial institutions	19.36	23.79	(4.43)	(18.60)	5.01
Liabilities under leasing agreements	3.93	1.88	2.05	109.43	1.02
Income tax payable	3.36	2.49	0.87	34.75	0.87
Employee benefit obligations	9.47	9.01	0.46	5.11	2.45
Other liabilities	0.87	0.73	0.13	17.91	0.22
<b>Total liabilities</b>	<b>74.29</b>	<b>67.19</b>	<b>7.09</b>	<b>10.56</b>	<b>19.23</b>

As of 30 June 2022, total liabilities were THB 74.29 million, an increase of THB 7.09 million or 10.56%, compared to balance as of 31 December 2021. This is mainly because:

1. Trade payables and accrued expenses increased by THB 8.60 million, mainly due to higher raw material prices. The increase in accrued expenses derived from the accrued salary and bonus payable during the period. However, the Company paid employee salaries and bonuses within the year as at 31 December 2021.
2. Borrowings from financial institutions decreased by THB 4.43 million, due to the settlement during the period.
3. Lease liabilities increased by THB 2.05 million, mainly due to the purchase of right-of-use assets and payment for lease during the period of THB 2.45 million.
4. Accrued corporate income tax increased by THB 3.36 million from the estimate during the period.

**Equity**

Financial Statements  (Unit: million baht)	30-Jun-22	31-Dec-21	Increase  (Decrease)	Increase  (Decrease)	% Proportion  per total assets
Paid-up share capital	105.00	105.00	-	-	27.18
Premium on ordinary shares	149.89	149.89	-	-	38.81
Legal reserve	8.98	8.98	-	-	2.33
Cumulative profit	48.09	35.83	12.26	34.20	12.45
<b>Total shareholders' equity</b>	<b>311.96</b>	<b>299.70</b>	<b>12.26</b>	<b>4.09</b>	<b>80.77</b>

As of 30 June 2022, total shareholders' equity was THB 311.96 million, an increase of THB 12.26 million compared to 31 December 2021, mainly due to net profit during the period.

Please be informed accordingly.

Yours sincerely,

(Mr.Theerawut Nawamongkhonchaikit)

Chief Executive Officer

Authorized Signatory