



14 November 2022

**Management Discussion and Analysis of T.R.V. Rubber Products Public Company Limited for the nine-month period ended 30 September 2022**

Attention: Directors and Managers Stock Exchange of Thailand

T.R.V. Rubber Products Public Company Limited (The Company) and its subsidiaries (The Group) would like to clarify the operating results and financial position for the nine-month period ended 30 September 2022 as follows:

**Comparative operating results for the three-month periods ended 30 September 2022 and 2021 can be summarised as follows:**

Income Statement	Consolidated financial statements		Separate financial statements		Increase	
	Quarter 3 2022 3 months		Quarter 3 2021 3 months		(Decrease)	
	MB.	%	MB.	%	MB.	%
Revenue from sales	43.08	100.00%	40.97	100.00%	2.11	5.16%
Cost of sales	31.10	72.18%	23.99	58.55%	7.11	29.63%
<b>Gross profit</b>	<b>11.99</b>	<b>27.82%</b>	<b>16.98</b>	<b>41.45%</b>	<b>(5.00)</b>	<b>(29.41%)</b>
Gross profit margin (Percentage)	44.45	103.18%	0.77	1.89%	43.68	5636.13%
<b>Other income</b>	<b>56.44</b>	<b>131.00%</b>	<b>17.76</b>	<b>43.34%</b>	<b>38.68</b>	<b>217.84%</b>
Selling expenses	2.56	5.94%	2.39	5.84%	0.17	7.06%
Administrative expenses	7.40	17.18%	7.34	17.92%	0.06	0.80%
Finance costs	0.35	0.82%	0.42	1.02%	(0.07)	(15.86%)
<b>Profit before income tax expenses</b>	<b>46.13</b>	<b>107.06%</b>	<b>7.60</b>	<b>18.56%</b>	<b>38.52</b>	<b>506.53%</b>
Income tax expense	9.14	21.21%	1.37	3.34%	7.77	567.64%
<b>Net profit</b>	<b>36.99</b>	<b>85.86%</b>	<b>6.24</b>	<b>15.22%</b>	<b>30.75</b>	<b>493.12%</b>

The Group had a net profit for the three-month period ended 30 September 2022 totalling THB 36.99 million, an increase of THB 30.75 million or 493.12% compared to the same period of the previous year. Here are the reasons for such an increase:

1. The Company had a significant increase in other income from selling investment properties (land), accounting for 103.18% of the revenue from sales.
2. Revenue from sales increased by THB 2.11 million or 5.16%, compared to the same period of the previous year. This is because sales of molded rubber parts in electrical



appliances and automotive vehicles increased due to the recovery in domestic consumption.

3. Gross profit was 27.82%, a decrease of THB 5 million or 29.41% compared to the same period of the previous year. This is because the price of rubber compound, the main raw material, continues to increase in line with the price of crude oil on the global market. The Company informed its clients of the price increase already. In the future, if the raw material price continues to increase, the Company will renegotiate the selling price.
4. Selling and administrative expenses slightly increased due to employee annual salary increases and fuel and vehicle repair costs.
5. Total net profit was 85.86%, an increase of THB 30.75 million or 493.12% compared to the same period of the previous year. The increase was from gains from selling investment properties during the period.

**Comparative operating results for the nine-month periods ended 30 September 2022 and 2021 can be summarised as follows:**

Income Statement	Consolidated financial statements		Separate financial statements		Increase	
	Quarter 3 2022		Quarter 3 2021		(Decrease)	
	9 months		9 months			
	MB.	%	MB.	%	MB.	%
Revenue from sales	135.55	100.00%	133.28	100.00%	2.27	1.71%
Cost of sales	88.45	65.25%	79.72	59.81%	8.74	10.96%
<b>Gross profit</b>	<b>47.10</b>	<b>34.75%</b>	<b>53.56</b>	<b>40.19%</b>	<b>(6.46)</b>	<b>(12.06%)</b>
Gross profit margin (Percentage)	44.64	32.93%	0.93	0.70%	43.71	4715.36%
<b>Other income</b>	<b>91.74</b>	<b>67.68%</b>	<b>54.49</b>	<b>40.88%</b>	<b>37.25</b>	<b>68.36%</b>
Selling expenses	7.53	5.55%	8.04	6.04%	(0.52)	(6.41%)
Administrative expenses	21.16	15.61%	17.39	13.05%	3.77	21.67%
Finance costs	1.11	0.82%	1.48	1.11%	(0.36)	(24.64%)
<b>Profit before income tax expenses</b>	<b>61.94</b>	<b>45.69%</b>	<b>27.57</b>	<b>20.69%</b>	<b>34.36</b>	<b>124.62%</b>
Income tax expense	12.69	9.36%	5.55	4.16%	7.14	128.74%
<b>Net profit</b>	<b>49.25</b>	<b>36.33%</b>	<b>22.03</b>	<b>16.53%</b>	<b>27.22</b>	<b>123.58%</b>

The Group had a net profit for the nine-month period ended 30 September 2022 totalling THB 49.25 million, an increase of THB 27.22 million or 123.58% compared to the same period of the previous year. The reasons for such an increase are as follows:

1. The Company had a significant increase in other income from selling investment properties (land), accounting for 32.93% of the revenue from sales.



- Revenue from sales increased by THB 2.27 million or 1.71% due to increased sales of molded rubber parts in electrical appliances. The sales increase is due to the recovery in domestic consumption compared to the previous year's third quarter and the launch of new models. However, sales of automotive molded rubber parts for the overall nine months declined due to automobile manufacturing supply chain problems and semiconductor shortages. The sales decline also arose from inflationary pressures and rising interest rates, limiting consumers' purchasing power for this product category.
- Gross profit was 34.75%, a decrease of THB 6.46 million or 12.06% compared to the same period of the previous year. This decrease is mainly because the price of rubber compound, the main raw material, increased in line with the price of oil on the global market. Currently, The Company has already adjusted the selling price with most clients. In the future, if the raw material price continues to increase, the Company will renegotiate the selling price.
- Administrative expenses increased by THB 3.77 million or 21.67% compared to the same period of the previous year. The expenses increase arose from salary and employee benefit expenses and financial advisor and legal advisor fees.
- Net profit was THB 49.25 million or 36.33%, an increase of THB 27.22 million or 123.58% compared to the same period of the previous year. This increase was due to gains from selling investment properties during the period.

### Statement of financial position

Financial Statements (Unit: million baht)	Consolidated financial statements 30-Sep-2022	Separate financial statements 31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
<b>Assets</b>					
Current assets	266.05	167.69	98.36	58.66%	63.69%
Non-current assets	151.69	199.21	(47.52)	(23.85%)	36.31%
<b>Total assets</b>	<b>417.74</b>	<b>366.89</b>	<b>50.85</b>	<b>13.86%</b>	<b>100.00%</b>
<b>Liabilities and shareholders'equity</b>					
Current liabilities	81.23	41.04	40.19	97.92%	19.44%
Non-current assets	23.27	26.15	(2.88)	(11.01%)	5.57%
Non-current assets	313.25	299.70	13.55	4.52%	74.99%
<b>Total liabilities and shareholders'equity</b>	<b>417.74</b>	<b>366.89</b>	<b>50.85</b>	<b>13.86%</b>	<b>100.00%</b>

**Total assets**

Financial Statements (Unit: million baht)	Consolidated financial statements 30-Sep-2022	Separate financial statements 31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
Cash and cash equivalents	215.23	111.42	103.81	93.16%	51.52%
Trade and other receivables	32.08	41.59	(9.51)	-22.87%	7.68%
Inventory	18.63	14.46	4.17	28.80%	4.46%
Investment properties	-	49.12	(49.12)	-100.00%	-
Land, building with equipment, and right-of-use assets	146.70	144.93	1.77	1.22%	35.12%
Other assets	5.12	5.38	(0.26)	-4.94%	1.22%
<b>Total assets</b>	<b>417.74</b>	<b>366.89</b>	<b>50.85</b>	<b>13.86%</b>	<b>100.00%</b>

As of 30 September 2022, total assets were THB 417.74 million, an increase of THB 50.85 million or 13.86% compared to balance as of 31 December 2021. This is mainly because:

1. Cash and cash equivalents increased by THB 103.81 million mainly due to the receipt from selling investment properties.
2. Net inventories increased by THB 4.17 million mainly because the increase in raw material price which in line with market price.
3. Right-of-use assets increased during the period by THB 5.69 million from car leasing contract.

**Total liabilities**

Financial Statements (Unit: million baht)	Consolidated financial statements 30-Sep-2022	Separate financial statements 31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
Trade and other payables	64.03	29.29	34.73	118.56%	15.33%
Loan from financial institutions	17.56	23.79	(6.23)	-26.17%	4.20%
Liabilities under leasing agreements	4.60	1.88	2.72	145.21%	1.10%
Income tax payable	8.13	2.49	5.64	226.26%	1.95%
Employee benefit obligations	9.70	9.01	0.69	7.67%	2.32%
Other liabilities	0.48	0.73	(0.25)	-34.07%	0.12%
<b>Total liabilities</b>	<b>104.50</b>	<b>67.19</b>	<b>37.30</b>	<b>55.52%</b>	<b>25.01%</b>



As of 30 September 2022, total liabilities were THB 104.50 million, an increase of THB 37.30 million or 55.52%, compared to balance as of 31 December 2021. This is mainly because:

1. Trade payables and accrued expenses increased by THB 34.73 million during the period mainly due to increase in accrued expenses derived from the accrued salary and bonus payable during the period, while employee salaries and bonuses were paid within 31 December 2021. Moreover, dividend payable increased due to an interim dividend payment of THB 35.70 million was announced during the period.
2. Borrowings from financial institutions decreased by THB 6.23 million, due to the settlement during the period.
3. Lease liabilities increased by THB 2.72 million, mainly due to the purchase of right-of-use assets and payment for lease during the period of THB 2.96 million.
4. Accrued corporate income tax increased by THB 8.13 million from the estimate tax during the period based on net profits from sales of goods and gains from sales of investment properties.

### Equity

Financial Statements (Unit: million baht)	Consolidated financial statements 30-Sep-2022	Separate financial statements 31-Dec-21	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
Paid-up share capital	105.00	105.00	-	-	25.14%
Premium on ordinary shares	149.89	149.89	-	-	35.88%
Legal reserve	10.50	8.98	1.52	16.90%	2.51%
Cumulative profit	47.86	35.83	12.03	33.57%	11.46%
<b>Total shareholders' equity</b>	<b>313.25</b>	<b>299.70</b>	<b>13.55</b>	<b>4.52%</b>	<b>74.99%</b>

As of 30 September 2022, total shareholders' equity was THB 313.25 million, an increase of THB 13.55 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