



President

Stock Exchange of Thailand

11 August 2023

Dear Sir,

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

We enclose herewith the consolidated financial statements of Thai Rung Union Car Public Company Limited (“the Company”) for the quarter ended 30 June 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.2			Q.1-Q.2		
	2022	2023	Change	2022	2023	Change
Production	413,725	390,033	6%	921,512	870,111	6%
Domestic sales	189,058	196,107	-4%	406,131	427,296	-5%
Export sales	255,124	206,520	24%	528,816	449,644	18%

In the second quarter of 2023, there were 413,725 cars produced, an increase of 6% and exports to foreign countries 255,124 cars, an increase of 24% compared to the same period last year. This is because the main trading partners still grow well. Both the Australian, Asian, and Middle Eastern markets. While domestic car sales totalled 189,058 units, a decrease of 4% due to.

- 1) Financial institutions are strict in approving car loans. Especially the pickup truck from a very high household debt situation
- 2) People's purchasing power is declining. from rising interest rates and higher cost of living
- 3) The popularity of electric cars is growing. Most of which are imported finished cars and are not produced in the country.

For the overall picture of 2023, the Federation of Thai Industries (FTI) has reduced the production target from 1.95 million units to 1.9 million units and reduced the production target for domestic sales from 900,000 units to 850,000 units. The main factor is from the popularity of electric vehicles (EV) that come to take more than 5% of the market share of gasoline-consuming cars, which EVs are imported vehicles and are not produced in the country. Still, the production target is still set for export of 1.05 million units but still need to monitor the situation of geopolitical conflicts 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 June 2023 compared to the same quarter of the previous year. and financial position as of 30 June 2023 compared to as of 31 December 2022 These comments are made for reading together. with consolidated financial statements

Consolidated Income Statement for the Quarter ended 30 June 2023

THB millions		Q2'2023	Q2'2022	Change	
Item					
	Operating revenues	575	718	(143)	(20%)
	Other income	29	22	8	34%
1.1	Total revenues	605	740	(136)	(18%)
1.2	Cost of sales & services	505	551	(46)	(8%)
1.3	Selling & administrative expenses	68	83	(15)	(18%)
1.4	Share in profit/(loss) of associates (joint ventures)	8	17	(10)	(50%)
	Profit/(loss) before tax	39	123	(84)	(68%)
	Income tax income (expense)	(8)	(20)	12	60%
1.5	Net profit/(loss)	31	103	(72)	(70%)

THB millions		Q2'2023	Q2'2022	Change	
Item					
Distribution of consolidated profit/(loss)					
	Attribution to owners of the parent company	31	102	(72)	(70%)
	Attribution to non-controlling interests	0.4	0.9	(0.55)	(60%)

1. Overview of Results for the Year

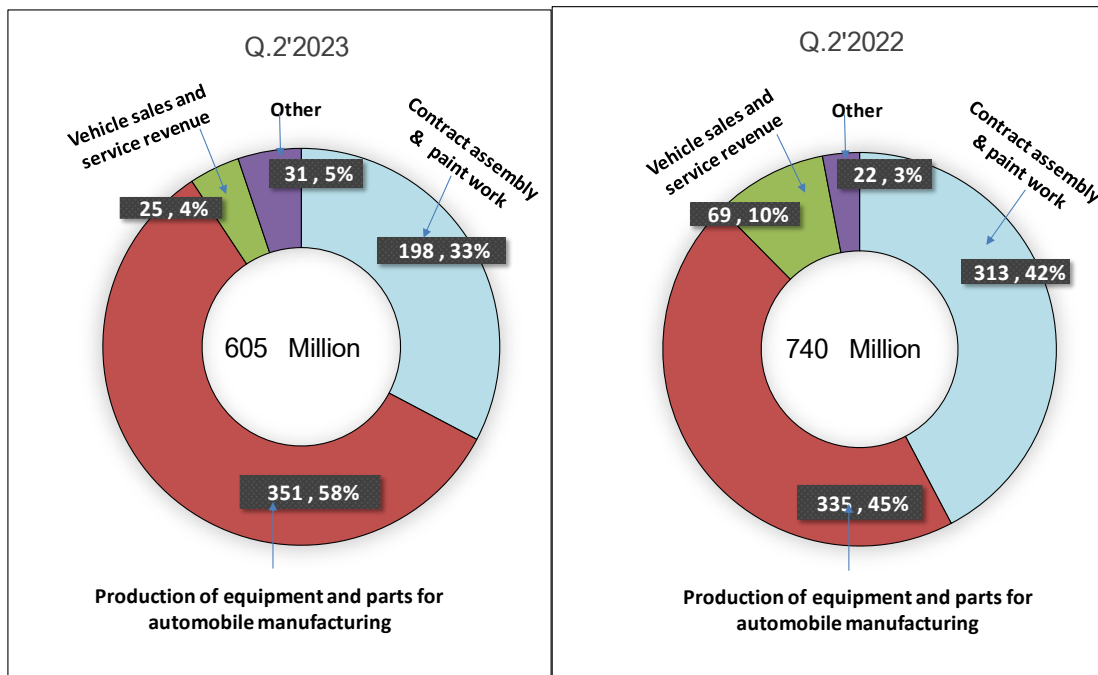
The Company's business is production and distribution in the automotive industry. Its consolidated results for 2023, compared with those for 2022, were as follows:

1.1 Consolidated Revenues

In the second quarter of 2023, the company's total operating income excluding share of profit from associates was 605 million baht, a decrease of 136 million baht or 18% due to the growing popularity of electric vehicles. The big ones are EVs imported from abroad that are not domestically produced. As a result, the automotive industry and agricultural machinery Slow down the purchase according to the overall picture of the Thai automotive industry.

Operating revenues by type of business

Q2'2023 /Q2'2022 = -136 , -18%



- 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) 351 million baht or 58%, an increase of 15 million baht or 5% from the same quarter last year from existing customers who have increased orders and launched new projects.
- Revenue from assembly work and other work related to cars totalling 198 million baht or 33% from revenue from sales of goods and services which decreased from the same quarter last year by 115 million baht or 37% from the orders of the automotive group and the agricultural machinery industry, the order quantity decreased.
- Revenue from car sales and service income from car service centers totalled 25 million baht or 4% from sales of goods and services. which decreased from the same quarter of the previous year by 44 million baht or 64% due to the decrease in consumer demand for cars and sales of special project vehicles for government agencies.
- Other income 31 million baht or 5% from sales of goods and services. which increased from the same quarter last year by 9 million baht or 39% from interest income and land and building rental.

1.2 Cost of sales and service

Consolidated cost of sales and service for the second quarter of 2023 was 505 million baht, with the cost of sales and services 88% compared to the same quarter of the previous year equal to 77%, an increase of 11% due to lower revenues. There are some fixed costs and the proportion of production of each product is different. There are measures to reduce costs and increase production efficiency continuously.

1.3 Selling and administrative expenses

Consolidated selling and administrative expenses for the second quarter of 2023 amounted to 68 million baht, representing 12% of revenue, compared to 12% in the second quarter of 2022 with the same proportion.

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

Share of profit from investments in joint ventures in the second quarter of 2023 was 7 million baht, a decrease of 10 million baht or 57% from the same quarter of the previous year. because of economic conditions.

1.5 Net profit/(loss)

The company had a net profit of 31 million baht, a portion of the parent company, a decrease of 72 million baht from the same quarter last year. The reason for the decrease in income and profit in the proportion of different products.

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

THB millions ITEM	30-Jun-23	31-Dec-22	Change	%
Total Assets	4,181	4,320	(138)	(3%)
Total Liabilities	556	599	(42)	(7%)
Total Equity	3,625	3,721	(96)	(3%)

2.1 Assets

As of June 30, 2023, total assets were 4,181 million baht, a decrease of 138 million baht from December 31, 2022, mainly from Cash and cash equivalents of 89 million baht, inventories of 17 million baht, trade accounts receivable of 13 million baht, other non-current assets of 7 million baht, investments in associates of 3 million baht, depreciation in the year of 65 million baht and an increase from right-of-use assets. 15 million baht Assets for operation and investment 21 million baht Current financial assets 19 million baht

2.2 Liabilities

As of June 30, 2023, total liabilities were 556 million baht, a decrease of 42 million baht from 31 December 2022, mainly from trade payables from customer orders for raw materials and accrued income tax from the results. operations that took place in the year.

2.3 Equity

As of 30 June 2023, total shareholders' equity was 3,625 million baht, compared to 31 December 2022, a decrease of 96 million baht, mainly from the dividend payment of 272 million baht. capital increase from registration and realized share of profits from joint ventures.

3. Financial ratio.

Financial ratios		Q2'23	Q2'22
Net profit margin	%	4.99%	13.51%
Liquidity ratio	times	3.53	2.81
Debt to Equity Ratio	times	0.15	0.18

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