



23 February 2024

Subject: Management discussion and analysis of year ended 31 December 2023

Dear Directors and Managers Stock Exchange of Thailand

T.R.V. Rubber Products Public Company Limited and its subsidiary ('The Group') would like to clarify the Group's operating results and financial position for the year ended 31 December 2023 as follows:

**Comparative operating results for the year ended 31 December 2023 and 2022 are summarised as follows:**

Income Statement	Consolidated financial statements		Consolidated financial statements		Increase (Decrease)	
	As of 31 December 2023		As of 31 December 2022			
	MB.	%	MB.	%	MB.	%
Revenue from sales	166.98	100.00%	173.62	100.00%	(6.63)	(3.82) %
Cost of sales	112.64	67.46%	117.67	67.77%	(5.02)	(4.27) %
<b>Gross profit</b>	<b>54.34</b>	<b>32.54%</b>	<b>55.95</b>	<b>32.23%</b>	<b>(1.61)</b>	<b>(2.88) %</b>
Other income	1.05	0.63%	45.35	26.12%	(44.30)	(97.68) %
Selling expenses	10.61	6.35%	9.74	5.61%	0.86	8.87 %
Administrative expenses	30.01	17.97%	26.11	15.04%	3.90	14.94 %
Finance costs	1.28	0.77%	1.47	0.84%	(0.19)	(12.87) %
<b>Profit before income tax expenses</b>	<b>13.50</b>	<b>8.08%</b>	<b>63.98</b>	<b>36.85%</b>	<b>(50.49)</b>	<b>(78.90) %</b>
Income tax expense	2.73	1.64%	13.33	7.68%	(10.60)	(79.52) %
<b>Net Profit for the year</b>	<b>10.77</b>	<b>6.45%</b>	<b>50.65</b>	<b>29.17%</b>	<b>(39.88)</b>	<b>(78.74) %</b>
Remeasurement of post-employment for the year, net of tax	0.64		-			
<b>Total comprehensive income for the year</b>	<b>11.41</b>		<b>50.65</b>		<b>(39.24)</b>	<b>(77.48) %</b>

**Revenue by product group**

Revenue by Product group	31-Dec-23		31-Dec-22	
	Million baht	%	Million baht	%
Automotive sector	98.14	58.78	89.42	51.50
<b>Growth rate (Percentage)</b>	<b>9.76</b>			
Appliance sector	65.92	39.48	82.61	47.58
<b>Growth rate (Percentage)</b>	<b>(20.20)</b>			
Others	2.92	1.75	1.59	0.91
<b>Growth rate (Percentage)</b>	<b>84.06</b>			
Total revenue from sales	166.98	100.00	173.62	100.00
<b>Growth rate (Percentage)</b>	<b>(3.82)</b>			

### Revenue from sales

In 2023, the Group had revenue from sales totalling THB 166.98 million which decreased by THB 6.63 million or 3.82% compared to 2022. The decrease is mainly from sales of moulded rubber parts in electrical appliances due to a relocation of one customer. However, there are new customers coming to cover. In the future, the Group is expecting more new customers. Another factor leading to a decrease is due to orders from some customers decreased due to their export/ domestic sales. In contrast, revenue from sale of moulded rubber parts for automotives increased from the new model work.

### Other income

In 2023, the Group had other income totalling THB 1.05, which significant decrease from 2022 due to the sale of investment properties in 2022.

### Cost of sales and gross profit

In 2023, the Group had cost of sales totalling THB 112.64 million, a decrease of THB 5.02 million due to a decrease in sales. However, the gross profit slightly increased due to lower raw material's costs as well as lower salary and employee expenses from the Group's cost saving policies.

### Selling expenses

Selling expenses	Consolidated financial Statements		Consolidated financial Statements		Increase (Decrease)	
	As of 31 December 2023		As of 31 December 2022			
	MB.	%	MB.	%	MB.	%
Salary and employee expenses	5.31	50.08%	5.16	52.92%	0.16	3.02181142 %
Vehicle expenses	1.04	9.85%	1.22	12.55%	(0.18)	(14.56) %
Sales promotion expenses	4.13	38.96%	3.35	34.38%	0.78	23.36 %
Other expenses	0.12	1.11%	0.01	0.15%	0.10	726.73 %
<b>Total selling expenses</b>	<b>10.61</b>	<b>100%</b>	<b>9.74</b>	<b>100.00%</b>	<b>0.86</b>	<b>8.87 %</b>

In 2023, the Group had selling expenses totalling THB 10.61 million, an increase of THB 0.86 million or 8.87% compared to 2022. Selling expense per revenue from sales was 6.35% in 2023, increased by 0.74% compared to 5.61% in 2022 due to sales promotion expenses.

### Administrative expenses

Administrative expenses	Consolidated financial Statements		Consolidated financial Statements		Increase (Decrease)	
	As of 31 December 2023		As of 31 December 2022			
	MB.	%	MB.	%	MB.	%
Salary and employee expenses	17.27	57.54%	16.23	62.17%	1.04	6.39 %
Consulting fee and audit fee	5.69	18.96%	2.89	11.07%	2.80	96.95 %
Depreciation and Amortization	2.53	8.44%	2.53	9.69%	0.00	0.15 %
Utility bills maintenance fee	1.08	3.61%	0.98	3.75%	0.10	10.53 %
Advertising and Public Relations	0.45	1.51%	0.65	2.47%	(0.19)	(29.62) %
Other expenses	2.98	9.93%	2.83	10.85%	0.15	5.17 %
<b>Total administrative expenses</b>	<b>30.01</b>	<b>100%</b>	<b>26.11</b>	<b>100.00%</b>	<b>3.90</b>	<b>14.94 %</b>

In 2023, the Group had administrative expenses totalling THB 30.01 million, an increase of THB 3.90 million or 14.94% compared to 2022. Administrative expense per revenue from sales was 17.97% in 2023, increased by 2.93% compared to 15.04% in 2022 due to consulting fees related to an increase of share capital.

**Net profit**

In 2023, the Group had a net profit of THB 10.77 million, a decrease of THB 39.88 million or 78.74% compared to 2022. Net profit decreased by 22.72% from 29.17% in 2022 to 6.45% in 2023 mainly due to profit from sale of investment properties in 2022.

**Statement of financial position**

Financial Statements (Unit: million baht)	31-Dec-23	31-Dec-22	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
<b>Assets</b>					
Current assets	347.13	223.79	123.34	55.11%	71.32%
Non-current assets	139.59	148.73	(9.15)	-6.15%	28.68%
<b>Total assets</b>	<b>486.72</b>	<b>372.52</b>	<b>114.19</b>	<b>30.65%</b>	<b>100.00%</b>
<b>Liabilities and shareholders' equity</b>					
Current liabilities	28.48	36.42	(7.93)	-21.78%	5.85%
Non-current assets	12.14	21.42	(9.28)	-43.31%	2.49%
Non-current assets	446.09	314.69	131.41	41.76%	91.65%
<b>Total liabilities and shareholders' equity</b>	<b>486.72</b>	<b>372.52</b>	<b>114.19</b>	<b>30.65%</b>	<b>100.00%</b>

**Total assets**

Financial Statements (Unit: million baht)	Consolidated financial statements		Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
	31-Dec-23	31-Dec-22			
Cash and cash equivalents	114.74	182.00	(67.26)	-36.96%	23.57%
Deposit at bank pledged as collateral	20.00	-	20.00	100.00%	4.11%
Trade and other receivables	185.07	28.95	156.11	539.18%	38.02%
Inventory	10.41	12.75	(2.35)	-18.39%	2.14%
Investment properties	-	-	-	-	0.00%
Land, building with equipment, and right-of-use assets	134.13	143.80	(9.68)	-6.73%	27.56%
Other assets	22.38	5.01	17.36	346.24%	4.60%
<b>Total assets</b>	<b>486.72</b>	<b>372.52</b>	<b>114.19</b>	<b>30.65%</b>	<b>100.00%</b>

As of 31 December 2023, the Group's total assets were THB 486.72 million, an increase of THB 114.19 million or 30.65% compared to 31 December 2022, mainly due to the following reasons;

- 1) Trade and other receivables increased by THB 156.11 million due to a subsidiary made advance payment for inventories to be used in the project.
- 2) Cash and cash equivalents decreased by THB 67.26 million. In 2023, the group had cash received from issuance of ordinary shares of THB 120 million. Cash decreased from paying of advance payment for inventories to be used in the project and decreased from using savings account for bank collateral against credit facility of promissory note.
- 3) Other assets increased by THB 17.36 million, mainly due to valued added tax from advance payment for inventories.

**Total liabilities**

Financial Statements (Unit: million baht)	Consolidated financial statements		Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
	31-Dec-23	31-Dec-22			
Trade and other payables	17.69	18.35	(0.66)	-3.57%	3.64%
Loan from financial institutions	8.39	15.75	(7.37)	-46.77%	1.73%
Liabilities under leasing agreements	2.26	4.32	(2.07)	-47.79%	0.46%
Income tax payable	1.61	8.75	(7.13)	-81.57%	0.33%
Employee benefit obligations	10.07	9.93	0.14	1.46%	2.07%
Other liabilities	0.61	0.74	(0.13)	-17.91%	0.13%
<b>Total liabilities</b>	<b>40.63</b>	<b>57.84</b>	<b>(17.21)</b>	<b>-29.76%</b>	<b>8.36%</b>

As of 31 December 2023, the Group's total liabilities were THB 40.63 million, a decrease of THB 17.21 million or 19.77% compared to 31 December 2022, mainly due to the following reasons;

- 1) Borrowing from a financial institution decreased by 7.37 million due to repayment made during the year amount of THB 7.44 million.
- 2) Income tax payable decreased by THB 7.13 million due to there was profit of sale of investment properties in 2022.

**Equity**

Financial Statements (Unit: million baht)	Consolidated financial statements		Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
	31-Dec-23	31-Dec-22			
Paid-up share capital	120.00	105.00	15.00	14.29%	24.69%
Premium on ordinary shares	254.89	149.89	105.00	70.05%	52.43%
Legal reserve	11.15	10.50	0.65	6.19%	2.29%
Cumulative profit	60.06	49.30	10.76	21.82%	12.35%
<b>Total shareholders' equity</b>	<b>446.09</b>	<b>314.69</b>	<b>131.41</b>	<b>41.76%</b>	<b>91.77%</b>

As of 31 December 2023, the Group's total equity of THB 446.09 million, increased by THB 131.41 million compared to 31 December 2022, mainly due to an increase in share capital and net profit during the year.

**Analysis of key financial ratios**

Financial Ratio	Unit	As of 31 Dec.2023	As of 31 Dec.2022
Current Ratio	times	12.19	6.15
Return on Equity (ROE)	%	2.83	16.49
Return on Assets (ROA)	%	2.51	13.70
Debt to Equity Ratio	times	0.09	0.18
Interest Bearing Debt	times	0.02	0.06

**Liquidity ratio**

As of 31 December 2023, the Group's liquidity ratio increased from 2022 due to cash received from an increase of share capital and an increase of advance payment for inventories.

**Efficiency ratio**

As of 31 December 2023, ratio of return on assets and return on equity decreased as compared to 2022 because in 2022, the Group had profit from selling investment properties.

**Financial policy ratios**

As of 31 December 2023, the Group's interest-bearing debt to equity ratio was 0.02 times decreased when compared to 2022 due to a decrease in total liabilities as described above and shares capital increased during the period.

Please be informed accordingly.

Yours sincerely



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T.R.V. Rubber Products Public Company Limited