



14 August 2024

Subject: Management discussion and analysis of Quarter 2 ended 30 June 2024

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 six-month period ended 30 June 2024 as follows:

**Comparative operating results for six-month period ended 30 June 2024 and 2023 are summarised as follows:**

Unit : million baht

Income Statement	Quarter 2		Increase		Quarter 2		Increase	
	3 months		(Decrease)		6 months		(Decrease)	
	2024	2023	MB.	%	2024	2023	MB.	%
Revenue from sales	32.73	40.59	(7.87)	(19.38)	435.17	88.03	347.14	394.34
Cost of sales	23.79	27.43	(3.64)	(13.28)	393.25	58.16	335.09	576.20
Gross profit	8.94	13.16	(4.22)	(32.08)	41.92	29.87	12.05	40.32
Gross profit margin (Percentage)	27%	32%			10%	34%		
Other income	0.42	0.27	0.15	56.20	0.64	0.46	0.18	40.20
Selling expenses	3.54	2.51	1.03	40.85	6.74	5.46	1.28	23.38
Administrative expenses	9.37	7.51	1.85	24.68	17.28	15.35	1.93	12.56
Finance costs	1.52	0.32	1.20	372.32	1.82	0.67	1.16	174.28
Profit before income tax expenses	(5.07)	3.08	(8.15)	(264.34)	16.72	8.86	7.87	88.81
Income tax expense	(0.92)	0.68	(1.60)	(235.19)	3.56	1.89	1.67	88.28
Net profit	(4.15)	2.40	(6.55)	(272.60)	13.16	6.96	6.20	88.96
Net profit margin (Percentage)	-13%	6%			3%	8%		

**Revenue by product group for six-month period**

Revenue by Product group	30-Jun-24		30-Jun-23	
	Million baht	%	Million baht	%
Automotive sector	35.03	49.87	48.90	55.55
<b>Growth rate (Percentage)</b>	<b>(28.36)</b>			
Appliance sector	34.67	49.36	37.33	42.41
<b>Growth rate (Percentage)</b>	<b>(7.12)</b>			
Others	0.54	0.77	1.80	2.04
<b>Growth rate (Percentage)</b>	<b>(69.78)</b>			
Total revenue from sales	70.25	100.00	88.03	100.00
<b>Growth rate (Percentage)</b>	<b>(20.20)</b>			



### **Revenue from sales**

For the three-month period ended 30 June 2024, the Group's revenue from sales was THB 32.73 million, a decrease of THB 7.87 million or 19.38%. The main reason was from sales of automotive molded rubber parts, due to the entry of electric vehicles into the market. This includes aspects such as lower prices and the increase in number of electric vehicle charging stations. In the segment of molded parts for electrical appliances, sales also decreased due to the reduction of some customer's order from foreign export sales.

For the six-month period ended 30 June 2024, Revenue from sales of the Group increased by THB 347.14 million or 394.34% compared to the same period of the previous year. The main reason was from sales of the water pump of subsidiary of THB 365 million to Royal Irrigation Department under the project "purchasing water pumps to increase efficiency in water management and solving flood and drought problem". However, sales of automotive molded rubber parts decreased by THB 17.78 million, or 20.20%, compared to the previous year. The main reason was the above information.

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

For the three-month period ended 30 June 2024, the Group had cost of goods sold totaling THB 23.79 million, a decrease of 13.28%. The main reason was from a decrease in sales volume.

For gross profit for the three-month period ended 30 June, the Group's gross profit decreased by 4.22% due to a significant decrease in sales of automotive molded rubber parts and the high cost of rubber prices from the price adjustment increase compared to the same period of the previous year.

### **Other income**

For the three-month period ended 30 June 2024, other income increased from the sales of rubber scrap and interest income.

### **Selling expenses**

The Group had selling expenses for the three-month period ended 30 June 2024, of THB 3.54 million, an increase THB 1.03 million compared to the same period of the previous year. This is due to salary expenses of Japanese staff who has been hired for acquiring new customers and hospitality expenses for foreign companies visiting the Company to discuss the feasibility of establishing a partnership or joint venture in Thailand.

### **Administrative expenses**

The Group had administrative expense for the three-month period ended 30 June 2024, of THB 9.37 million, an increase THB 1.85 million compared to the same period of the previous year was due to an increase in salary expenses and financial advisory service fees.

### **Net loss**

Net loss for the three-month period ended 30 June 2024 was THB 4.15 million. A decrease of THB 6.55 million compared to the same period of the previous year was due to a decrease in sales of automotive molded rubber parts including a increase in expenses as mentioned above.

**Statement of financial position**

Financial Statements (Unit: million baht)	Consolidated financial statements		Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
	30-Jun-24	31-Dec-23			
<b>Assets</b>					
Current assets	368.13	347.13	21.00	6.05%	72.82%
Non-current assets	137.41	139.59	(2.18)	-1.56%	27.18%
<b>Total assets</b>	<b>505.54</b>	<b>486.72</b>	<b>18.82</b>	<b>3.87%</b>	<b>100.00%</b>
<b>Liabilities and shareholders'equity</b>					
Current liabilities	30.73	28.48	2.25	7.90%	6.08%
Non-current liabilities	15.55	12.14	3.41	28.09%	3.08%
Shareholders'equity	459.25	446.09	13.16	2.95%	90.84%
<b>Total liabilities and shareholders'equity</b>	<b>505.54</b>	<b>486.72</b>	<b>18.82</b>	<b>3.87%</b>	<b>100.00%</b>

**Total assets**

Financial Statements (Unit: million baht)	Consolidated financial statements		Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
	30-Jun-24	31-Dec-23			
Cash and cash equivalents	330.21	114.74	215.47	187.79%	65.32%
Deposit at bank pledged as collateral	-	20.00	(20.00)	100.00%	0.00%
Trade and other receivables	26.19	185.07	(158.87)	-85.85%	5.18%
Inventory	13.40	10.41	3.00	28.77%	2.65%
Land,building with equipment,and right-of-use assets	129.57	134.13	(4.56)	-3.40%	25.63%
Other assets	6.16	22.38	(16.22)	-72.47%	1.22%
<b>Total assets</b>	<b>505.54</b>	<b>486.72</b>	<b>18.82</b>	<b>3.87%</b>	<b>100.00%</b>

As at 30 June 2024, the Group had total assets of THB 505.54 million, increased by THB 18.82 million or 3.87% from 31 December 2023, mainly due to the following reasons;

- 1) Cash and cash equivalents increased by THB 215.47 million because a subsidiary received a payment of THB 391.31 million from the Royal Irrigation Department and repaid a short-term loan of THB 100.00 million.
- 2) Trade and other receivables decreased by THB 158.87 million due to a decrease in advance payment for inventories as the Group already received the goods.
- 3) Other assets decreased by THB 16.22 million, mainly due to a decrease in value-added tax of the subsidiary."

**Total liabilities**

Financial Statements (Unit: million baht)	Consolidated financial statements		Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
	30-Jun-24	31-Dec-23			
Trade and other payables	27.58	17.69	9.89	55.89%	5.46%
Loan from financial institutions	4.53	8.39	(3.86)	-46.02%	0.90%
Liabilities under leasing agreements	2.58	2.26	0.32	14.30%	0.51%
Income tax payable	0.49	1.61	(1.12)	-69.71%	0.10%
Employee benefit obligations	10.57	10.07	0.50	4.99%	2.09%
Other liabilities	0.54	0.61	(0.07)	-11.44%	0.11%
<b>Total liabilities</b>	<b>46.29</b>	<b>40.63</b>	<b>5.66</b>	<b>13.93%</b>	<b>9.16%</b>

As at 30 June 2024, the Group had total liabilities of THB 46.29 million, increase by THB 5.66 million or 13.93% from 31 December 2023. The increase in total liabilities was due to an increase in trade payables and other payables, which came from the increase in accrued expenses. The main reason was the accrued salaries and bonuses as of 30 June 2024, whereas in 2023, the Company paid salaries and bonuses within 31 December 2023. In addition, trade payables for molds increased from a new customer.

**Equity**

Financial Statements (Unit: million baht)	Consolidated financial statements		Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
	30-Jun-24	31-Dec-23			
Paid-up share capital	120.00	120.00	-	0.00%	23.74%
Premium on ordinary shares	254.89	254.89	-	0.00%	50.42%
Legal reserve	11.15	11.15	-	0.00%	2.21%
Cumulative profit	73.22	60.06	13.16	21.91%	14.48%
<b>Total shareholders' equity</b>	<b>459.25</b>	<b>446.09</b>	<b>13.16</b>	<b>2.95%</b>	<b>90.84%</b>

As at 30 June 2024, the Group had total equity of THB 459.25 million, increased by THB 13.16 million compared to 31 December 2023, mainly due to net profit during the period.



**Analysis of key financial ratios**

Financial Ratio	Unit	As of 30 Jun.2024	As of 31 Dec.2023
Current Ratio	times	11.98	12.19
Return on Equity (ROE)	%	2.91	1.83
Return on Assets (ROA)	%	2.65	1.62
Debt to Equity Ratio	times	0.10	0.09
Interest Bearing Debt	times	0.02	0.02

**Liquidity ratio**

As of 30 June 2024, the Group's liquidity ratio decreased from 2023 due to an increase in current liabilities.

**Efficiency ratio**

As of 30 June 2024, ratio of return on assets and return on equity increased as compared to 2023 due to an increase in net profit from sales of subsidiary.

Please be informed accordingly.

Yours sincerely

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T.R.V. Rubber Products Public Company Limited