President

Stock Exchange of Thailand

13 August 2024

Dear Sir,

Explanation and Analysis of Financial Statements for the Year Ended 30 June 2024

We enclose herewith the consolidated financial statements of Thai Rung Union Car Public Company Limited ("the Company") for the year ended 30 June 2024, 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		
	2024	2023	Change	2024	2023	Change
Production	347,117	413,725	(16%)	761,240	921,512	(17%)
Domestic sales	144,271	189,058	(24%)	308,027	406,131	(24%)
Export sales	248,515	255,124	(3%)	519,040	528,816	(2%)

In the second quarter of 2024, Thailand produced 347,117 cars and sold 144,271 cars in the country, down 16% and 24% respectively from the same quarter of the previous year due to stricter credit approval by financial institutions due to very high household debt and a weak economy due to the delay of the government's economic stimulus measures. Meanwhile, exports of 248,515 cars decreased slightly but still showed signs of growth in line with sales in several trading partners that are still growing well.

For 2024, the Federation of Thai Industries (FTI) has revised its car production estimate from 1.9 million to 1.7 million (a 10% decrease from the previous year), reducing the production target for domestic sales by 200,000 units to 550,000 units, but maintaining the production target for exports at 1,150,000 units. This is due to the country's low economic growth, declining purchasing power, high household debt, and stricter financial institutions in approving car loans.

Company results

Management provided the following comments regarding the Company's results for the quarter ended 30 June 2024 compared to the same quarter of the previous year. and financial position as of 30 June 2024 compared to as of 31 December 2023 These comments are made for reading together. with consolidated financial statements.

Consolidated Income Statement for the year ended 30 June 2024

	THB millions Item	Q2'2024	Q2'2023	Change	
	Operating revenues	520.4	575.3	(54.9)	(10%)
	Other income	40.8	29.3	11.5	39%
1.1	**Total revenues**	**561.1**	**604.6**	**(43.5)**	**(7%)**
1.2	Cost of sales & services	443.8	504.9	(61.1)	(12%)
1.3	Selling & administrative expenses	70.4	67.6	2.8	4%
1.4	Share in profit/(loss) of associates (joint ventures)	10.3	7.1	3.2	46%
	Profit/(loss) before tax	**57.1**	**39.0**	**18.1**	**46%**
	Income tax income (expense)	14.9	8.1	6.7	83%
1.5	**Net profit/(loss)**	**42.3**	**30.9**	**11.4**	**36.8%**

THB millions Item	Q2'2024	Q2'2023	Change	
Distribution of consolidated profit/(loss)				
Attribution to owners of the parent company	42.5	30.5	12.0	39%
Attribution to non-controlling interests	(0.2)	0.4	(0.6)	(160%)

1. Overview of Results for the Year

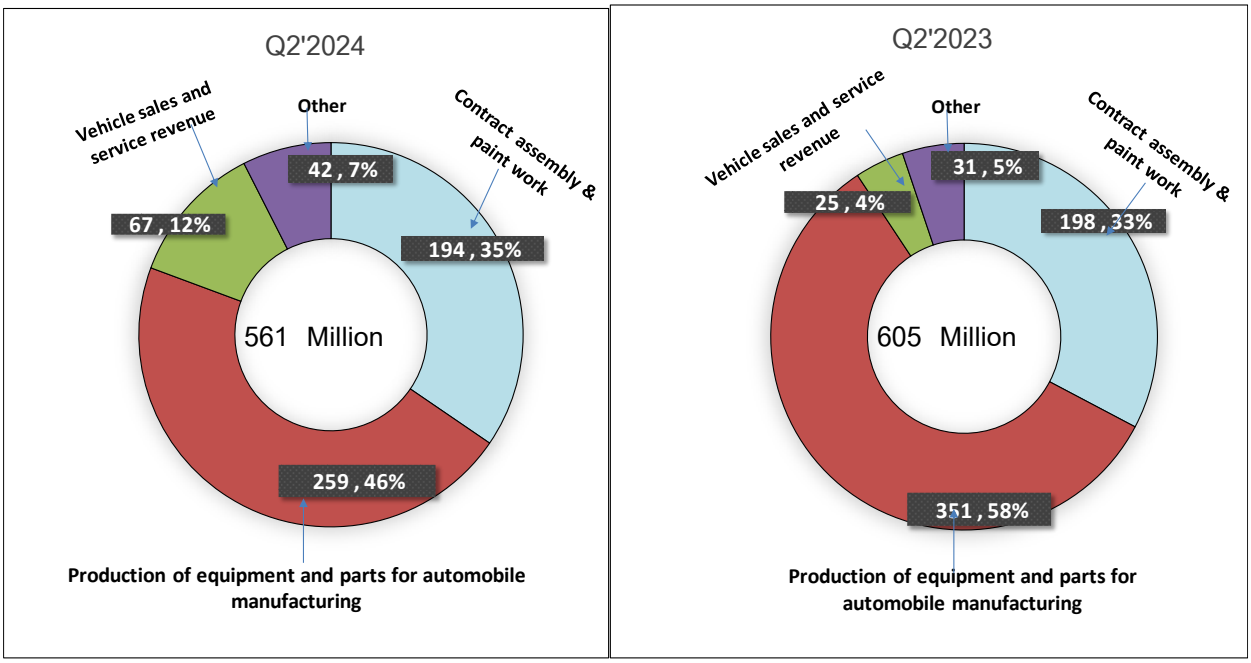
The Company's business is production and distribution in the automotive industry. Its consolidated results for 2024, compared with those for 2023, were as follows:

1.1 Consolidated Revenues

In the second quarter of 2024, the Company had total revenue from operations excluding profit sharing from associates of 561 million baht, a decrease of 43 million baht or 7% from the same quarter of the previous year, resulting from the current economic situation, resulting in a decrease in sales.

Operating revenues by type of business

Q2'2024 / Q2'2023 = -43 , -7%



Note: Total income includes operating income and other income. (Excluding profit sharing from associated companies)

- Revenue from the production of automotive manufacturing equipment (Molds and jigs plus production and distribution of both OEM and spare parts) 259 million baht or 46%, a decrease of 92 million baht or 26% from the automotive parts customer group, the order quantity has decreased, and some have adjusted their production plans. The reason is that the company's customers are affected by the economic situation and the increase in sales of EV cars imported from abroad.

- Revenue from assembly work and other work related to cars totalling 194 million baht, or 35 %, from total revenues. This decreased from the previous year by 4 million baht or 2 % from the automotive and agricultural sectors. The machinery industry has seen a decrease in order volumes. Customers produce it themselves. and some adjust production plans.

- Revenue from car sales and services Revenue from car service booths totalled 67 million baht, or 12%, from total revenues. increased of 42 million baht or 166 % from car export sales. according to customer conditions.

- Other income 42 million baht or 7% from total revenues. This increased from the previous year by 11 million baht or 35% from land and building rental income.

1.2 Cost of sales and service

Consolidated cost of sales and service for the second Quarter of 2024 was 444 million baht, with cost of sales and services 85%, compared to the previous year at 88%, a decrease of 3% due to the proportion of production of each product is different. However, the company try to manage both variable and fixed costs to reduce them as production decreases. There are measures to continuously reduce costs and increase production efficiency.

1.3 Selling and administrative expenses

Consolidated selling and administrative expenses for the second Quarter of 2024 amounted to 70 million baht, accounting for 13% compared to the same quarter last year equal to 11%,an increase of 2%.

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

Share of profits from investments in joint ventures in the second Quarter of 2024 was 10 million baht, an increase of 3 million baht or 46%

1.5 Net profit/(loss)

The Company had a net profit attributable to owners of the parent of 42 million baht, an increase of 12 million baht from the same quarter of the previous year due to profits in different product proportions. Production efficiency has been increased and factory costs controlled.

2. Analysis of Consolidated Balance Sheet at 30 June 2024 compared with 31 December 2023 (Bt. Millions)

THB millions ITEM	30-Jun-24	31-Dec-23	Change	%
Total Assets	4,238	4,367	(129)	(3%)
Total Liabilities	541	662	(121)	(18%)
Total Equity	3,697	3,704	(8)	(0.2%)

2.1 Assets

As of June 30, 2024, Total assets were 4,238 million baht, a decrease of 129 million baht from December 31, 2023, with most of the decrease coming from dividend payments to shareholders of 134 million baht, receivables and other assets decreasing from sales decreasing and an increase in investment in associated companies by 11 million baht.

2.2 Liabilities

As of June 30, 2024, total liabilities were 541 million baht, a decrease of 121 million baht from December 31, 2023, with the majority decrease from trade payables from customer orders for raw materials for production, compensation payments to retired employees. work and increased from accrued corporate taxes from operating results in the year

2.3 Equity

As of June 30, 2024, total shareholders' equity was 3,697 million baht, compared to December 31, 2023, decrease of 8 million baht , mainly from the payment of dividends of 134 million baht, increased operating results in the year ,Increase the paid-up registered capital and receive profit sharing from the joint venture company

3. Financial ratio.

Financial ratios		Q2'24	Q2'23
Net profit margin	%	7.57%	5.05%
Liquidity ratio	times	3.96	3.35
Debt to Equity Ratio	times	0.15	0.18

As for profitability, it can be seen that the rate of return from net profit Increased compared to the same quarter of the previous year. Because the proportions of each product are different. and have profits arising from operations.

The overall financial liquidity of the company is good. Shows that the company has liquidity. There are more current assets than current liabilities. Able to pay debts of the company well.

When considering the ability to repay debt, it can be seen that the debt to equity ratio The value has decreased slightly.

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 and there was an associated company whose accounting periods ended at different times.

Trusting this meets your requirements we remain,
Yours faithfully,

Phakkawat Suwanmajo
Company Secretary