

February 23th, 2018

To : The President of the Stock Exchange of Thailand

Re : Report on 2017 business operating result of Thai Rubber Latex Corporation (Thailand) PLC.
(TRUBB)

The company had net profit before tax 228.64 million Baht and corporate tax expense was 34.26 million Baht. As a result, the net profit for 2017 was 194.38 million Baht. Comparing to the result of 2016, which was 142.47 million Baht loss, TRUBB gained the increase in net profit 336.85 million Baht due to the increase in field latex at the beginning of the year. Despite the high volatility of field latex price during the year, comparing the average price of field latex in 2016 and 2017, the price was higher 14% from 50.03 Baht per kilogram in 2016 to 57.12 Baht per kilogram in 2017 (Source: Rubber Research Institute of Thailand)

In the late of 2017, TRUBB restructured by taking Thai Rubber Latex Group Co.,Ltd. (one of TRUBB subsidiary companies) (THAITEX), which was for internally restructuring and tax benefits. The restructuring would improve the operation of the company because THAITEX had operating the same market segment as TRUBB, and the financial statement of TRUBB would be clearer in term of , market segment showing the better operational abilities of the Latex and pre-vulcanized latex Group.

In term of the operation result of 2017 comparing to 2016, the company had sales and service income 9,468.14 million Baht, the increase of 20.57% or 1,615.08 million Baht, due to the increase of latex price helping the company gain more income. Cost of sales and service in 2017 comparing to 2016 was 8,401.27 million Baht and 7,115.82 million Baht, the increase of 18.06% or 1,285.45 million Baht. The result of the increase came from the higher raw material price, more effective production cost control, and the improving of rubber thread production which caused greater output and higher quality of rubber thread produced. However, the price of chemical materials increased, causing the higher cost of production.

The company had its subsidiary companies and associated company with financial results as follows:

1. Latex and pre-vulcanized latex group in 2017 had profit before tax 154 million Baht, the increase of 261 million Baht comparing to 2016 due to the increase in rubber price since last year. The increase of gross profit margin was mainly from the higher selling price, the decrease of production cost and the increase in productivity that made the gross profit rose from 6% to 10%. Plus, because the Group Company invested in the new plants and tanks for producing and containing more products since the late 2015, it could contain more materials in order to produce more products for demand in the future. As a result, the company could gain more benefit from skim rubber, a by-product of concentrated latex, that was the increase of 1,415 tons comparing to the last year.
2. Finished product group had 134 million Baht profit before tax, the increase of 77 million Bath comparing to 2016 due to the modified of new machines and the expansion of production capacity, which the new system has started working since the third quarter of 2017 resulting the increase of the number of goods sold and income, 649 million Baht in sale income. The group's consumers were mainly from China and would continue to expand more because of the group's products have good qualities to meet demand.
3. Rubber plantation group had 62 million Baht loss before tax in 2017, the decrease in loss of 20 million Baht, because the rubber price was higher than last year, which causing the increase of the entire company's profit. Although there were many factors affecting business such as the high volatility of field latex price and the latex price was at the low level, the group had fixed cost and also had the impairment in the buildings and equipment, which was why the company had the net loss. However, because the decrease of net loss, the entire group had the better result.

Moreover, the better result of TRUBB was mainly from Latex and pre-vulcanized latex group and Finished product group that gained the profit rapidly comparing to 2016

Please be informed accordingly,

Yours faithfully,

Mr.Vorathep Wongsasuthikul

Chairman and Chief Executive Officer