

November 13th, 2018

Subject: Management Explanation and Analysis of Operating Results for the 3rd of 2018

To: President of the Stock Exchange of Thailand

The total operational performance of group companies of Thai Rubber Latex Corporation (Thailand) PLC. ("TRUBB or the Company") for the 3rd quarter of 2018 has shown the loss before tax of Baht 43.81 million and the tax expense of Baht 0.68 million which has resulted to the net loss after tax at Baht 44.49 million. For the 9-month period of 2018, the net profit before tax of the Company was Baht 107.34 million while tax expense was Baht 12.88 million. Then, the net profit of the Company was Baht 94.47 million. Therefore, comparing with the same period in 2018, a profit before tax of the Company revealed at Baht 128.63 million and tax expense at Baht 11.38 million while the net profit was Baht 117.26 million. Hence, the profit after tax of the Company represented a decreased of Baht 22.79 million because the main reason was the price of field latex which was decreased dramatically from 61.44 Baht per kilogram in the 9-month period of 2017 to 44.32 Baht per kilogram in the 9-month period of 2018 (Source: Rubber Authority of Thailand). This was also effective to the degeneration of the sale volume of Latex and pre-vulcanized latex group.

For the financial statements for 9- month period of 2018 in comparison to the 9-month period of 2017, the revenue of the Company from sales and services was Baht 5,647 million which represented a decrease of Baht 1,703 million or 23% as the reduction of rubber price. Meanwhile, the cost of goods sold and the cost of services were Baht 4,937 million, decreasing by Baht 1,696 million or 25% as compare to the same quarter of 2017 as they were also reduced from the rubber price decline. However, the Company still had the gross profit

margin ratio at 9% due to a capability on a cost control of the Company. Moreover, a group of companies has remained to resolve and develop its products in order to enhance its quantity and quality.

The group of companies and its subsidiaries have the operating results as detailed below.

1. The business group of Latex and pre-vulcanized latex: there was the loss before tax of Baht 2 million for 9-month period of 2018, decreasing by Baht 141 million from 9-month period of 2017 because the reduction of sales volume of our subsidiary in Shanghai (Trading) which was affected directly to the degeneration of sale revenue in this group and the cost of goods sold was dropped pursuant to the sale volume decline. Moreover, according to the gradual decrease in a price of latex, the sale revenue from the Skim was downed and the cost per unit was reduced at the same proportion of the sale price per unit which was also decreased.

2. Latex product group: there was a profit before tax of Baht 148 million for 9-month period of 2018, increasing by Baht 116 million from 9-month period of 2017 due to the fact that the group adjusted the system and expanded the capacity of the rubber mattress and pillow business, fully starting since the 3rd quarter of 2017 that generated more revenues of Baht 166 million or 34% in the same period of 2017. The rubber thread business increased its capacity in Q1 2018 which impacted to an enlargement on the sale volume and the revenue from sales at Baht 89 million or 7% from the 9-month period of 2017. The latex product group has expanded its customer bases continually, especially in China because of its product quality with highly demanded.

3. Rubber plantation group: there was a loss before tax at Baht 39 million, decreasing by Baht 3 million because a price of rubber fluctuated dramatically and its price was at the low level. However, the group of companies still had fixed costs which were not dropped similar to the rubber price and then, a group of companies had been in the loss position.

For selling expenses, there was a decrease due to the reduction of sales volume of our subsidiary in Shanghai (trading company) and the transportation cost had been dropped down from the said reduction.

For administration expenses, there was an increase from the latex product group mainly due to the enlargement of sales volume which the group of companies was required to hire more employees. Then, there were the expenses which were relevant to the employees and added the bonus.

To sum up, the operational performance of the Company for the 9-month period of 2018, the turnover of latex and pre-vulcanized latex group were decreased mainly due to degeneration of latex price. However, the latex products group still generated the profits dramatically as compared to the operation results in the same period in the last year.

Please be informed accordingly,

Yours faithfully,

Mr.Vorathep Wongsasuthikul

Chairman