

February 22th, 2019

To : The President of the Stock Exchange of Thailand

Re : Report on 2018 business operating result of Thai Rubber Latex Corporation (Thailand) PLC.
(TRUBB)

The company had net profit before tax Baht 71.28 million and corporate tax expense was Baht 8.97 million. As a result, the net profit for 2018 was Baht 62.31 million. Comparing to the result of 2017, which was Baht 194.38 million in profit, the Company's profit decreased Baht 132.07 million due to the decrease in field latex. Comparing the average price of field latex in 2018 and 2019, the price was 57.12 Baht per kilogram in 2017 and went down to 42.74 Baht per kilogram in 2018, the decrease of 25% (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 liquidation of THAITEX has completely finished in December 4th, 2018. 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 2018 comparing to 2017, the company had sales and service income Baht 7,513.34 million of the year 2018 and the year 2017 had sales and service income Baht 9,427.17 million, the decrease of 20.03% or Baht 1,913.81 million, due to the decrease of latex price causing the company's income lower. Cost of sales and service in 2018 comparing to 2017 was Baht 6,645.12 million and Baht 8,401.28 million, the decrease of 20.09% or Baht 1,756.15 million affected by the decrease in field latex price. The Company has 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 2018 had loss before tax Baht 30 million, the decrease of Baht 188 million comparing to 2017, which the company gained Baht 158 million in profit due to the decrease in rubber price since last year causing the decrease in profit from skim rubber, byproduct of concentrated latex. 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.
2. Finished product group had Baht 142 million profit before tax, the increase of Baht 8 million comparing to 2017 due to the increase of the number of goods sold and income, Baht 175 million. The group's consumers were mainly from China and Europe and would continue to expand more because of the group's products have good qualities to meet demand.
3. Rubber plantation group had Baht 41 million loss before tax in 2018 but had loss before tax Baht 63 million in 2017, the decrease in loss of Baht 22 million. 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 which was why the company had the net loss. However, because the decrease of net loss, the entire group had the better result.

Please be informed accordingly,

Yours faithfully,

Mr.Vorathep Wongsasuthikul

Chairman