

May 14, 2019

To : The President of the Stock Exchange of Thailand

Re : Management Explanation and Analysis of Operating Results for the 1st of 2019

The company and its subsidiaries (Group Company) reported that the loss before tax was 89.96 million Baht and corporate tax expense was 6.67 million Baht. As a result, the net loss was 96.63 million Baht. It was because of the effect from trade war between the US and China causing economic depression and the world demand for rubber lower, affecting the decrease in field latex price. Comparing the average price of field latex on Q1-2018 and Q1-2019, the price was 44.07 Baht per kilogram in 2018 and went down to 43.67 Baht per kilogram in 2019, the decrease of 9% (Source: Rubber Research Institute of Thailand)

In term of the operation result of Q1-2019 comparing to Q1-2018, the company had sales and service income 1,885.39 million Baht and 2,136.10 million Baht, the decrease of 20.03% or 250.71 million Baht, due to the effect from trade war causing the world demand for rubber lower and the decrease of latex price resulting the company's income lower. Cost of sales and service in 2019 comparing to 2018 was 1,750.13 million Baht and 1,799.73 million Baht, the decrease of 2.76% or 49.60 million Baht affected by the decrease in field latex price. The Company still has improving of rubber production which caused greater output and higher quality of rubber products. 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 Q1-2019 had loss before tax 69 million Baht due to the decrease in rubber price since last year causing sale income of skim rubber lower. 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 loss before tax 12 million Baht due to the decrease of the number of goods sold and income, 185 million Baht affected by the lower world demand. 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 9 million Baht loss before tax in 2019, the decrease in loss of 12 million Baht comparing to the same period of the last year. The group had the better result because it had improved its management. 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