

February 25, 2021

Re : Management Explanation and Analysis of Operating Results for Fiscal Year 2020

To : The President of the Stock Exchange of Thailand

The company and its subsidiaries ("the Group Company") reported that for the financial statements for fiscal year 2020, the Group Company's loss before tax was Baht 101.57 million and corporate tax expenses was Baht 18.96 million. As a result, the net loss was Baht 120.53 million. The comprehensive income only the part of the parent company had net profit after tax baht 24.16 million. It was because of the global economic depression due to the COVID-19 outbreaks and US-China Trade War. Comparing the average price of field latex of 2019 and 2020, the price was Baht 43.69 per kilogram in 2019 and went up slightly to Baht 44.74 per kilogram in 2020, the increase of 2.40% (Source: Rubber Authority of Thailand). The price was still at low level.

For the year of 2020, the Group Company had sales and service income Baht 6,848.18 million comparing to the same period last year which was Baht 6,827.45 million, the increase of 0.35% or Baht 20.73 million. It was mainly from economic recovery in many countries and higher demand from latex and pre-vulcanized latex product during the outbreak of COVID - 19 and the price of field latex was higher than the previous year. In addition, the group company recognized gain from foreign exchange rate due to the appreciation Thai Baht against US Dollar in 2020 compared to 2019. The year of 2020, the group company had Cost of sales and service for 2020 comparing to 2019 was Baht 6,208.67 million and Baht 6,321 million, the decrease of 1.81% or Baht 112.33 million due to a drop in sales income because it had improved management and cost control.

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

1. For the year, latex and pre-vulcanized latex group had net profit before tax 163 million Baht because Company's marketing strategy for 2020 is increasing domestic sale and dropping export, affecting the lower distribution cost. In the year 2020, the Company has planned to increase sale proportion between domestic and abroad to 70:30.
2. For the year, finished product group had loss before tax 266 million Baht. The effect from decreasing in demand by COVID-19 outbreak. It has a direct impact to the major market in China. However, the group's business were continue to expand new markets both domestic and overseas because of the group's products have good qualities to meet demand.
3. For the year, rubber plantation group had net profit before tax 1 million Baht. Because of expenses control and more effective in improvement, including the price of field latex was higher than the previous year.

Please be informed accordingly,

Yours faithfully,

Mr.Vorathep Wongsasuthikul

Chairman