

May 13, 2021

Re : Management Explanation and Analysis of Operating Results for 1st quarter of 2021

To : The President of the Stock Exchange of Thailand

The company and its subsidiaries ("the Group Company") reported that for the financial statements for 1st quarter of 2021, the Group Company's profit before tax was baht 134.23 million and corporate tax expense was baht 30.85 million. As a result, the net profit was baht 103.38 million. The comprehensive profit only the part of the parent company had net profit after tax was baht 132.92 million. It was because of increased sales volume in 2021 and comparing the average price of field latex of 2020 and 2021, the price was baht 38.66 per kilogram in 2020 and went up slightly to Baht 54.79 per kilogram in 2021, the increase of 41.72% (Source: Rubber Authority of Thailand) during the COVID-19 still outbreaks and US-China Trade War.

For 1st of 2021, the Group Company had sales and service income baht 2,257.26 million comparing to the same period last year which was baht 1,639.25 million, the increase of 37.70% or baht 618.01 million. It was mainly from the higher demand of latex and pre-vulcanized latex product during the outbreak of COVID - 19 and the price of field latex was higher than the previous year. Cost of sales and service for 1st of 2021 comparing to the same period last year was baht 1,918.84 million and baht 1,427.89 million, the increase of 34.38% or baht 490.95 million due to increasing the capacity.

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

1. For the 3-month period of 2021, latex and pre-vulcanized latex group had profit before tax baht 114 million because Company's marketing strategy is increasing domestic sale and dropping export, affecting the lower distribution cost compared to the higher sales volume. In addition, the Company has planned to increase production capacity according to market demand.

2. For the 3-month period of 2021, finished product group had profit before tax baht 29 million. The effect from increasing in demand from rubber products by COVID-19 outbreak. 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 3-month period of 2021, rubber plantation group had baht 9 million loss before tax. The fact that there were many factors affecting business such as the high volatility of field latex price. Moreover, the group's business had fixed cost which was not varied on the latex price that result the net loss.

Please be informed accordingly,

Yours faithfully,

(Mr.Vorathep Wongsasuthikul)

Chairman