

August 11, 2021

Re : Management Explanation and Analysis of Operating Results for 2nd 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 2nd quarter of 2021, the Group Company's profit before tax was baht 160.50 million and corporate tax expense was baht 48.09 million. As a result, the net profit was baht 112.41 million. The comprehensive profit only the part of the parent company had net profit after tax was baht 119.59 million. For the financial statement for 6-month period of 2021, it had loss before tax baht 294.74 million and corporate tax expense was baht 78.95 million, so the Group Company's had net profit was baht 215.79 million and the comprehensive profit only the part of the parent company was baht 252.50 million for the period. Because of rising demand from latex and rubber products during the COVID-19 still outbreaks around the world comparing to the same period of last year. In addition, the Group Company had increased sales volume in 2021 and comparing the average price of field latex of 2020 and 2021, the price was baht 40.56 per kilogram in 2020 and went up to Baht 58.33 per kilogram in 2021, the increase of 43.81% (Source: Rubber Authority of Thailand)

For the 6-month period of 2021, the Group Company had sales and service income baht 4,496.78 million comparing to the same period last year which was baht 2,947.51 million, the increase of 52.56% or baht 1,549.27 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 the 6-month period of 2021 comparing to the same period last year was baht 3,764.91 million and baht 2,629.77 million, the increase of 43.16% or baht 1,135.14 million due to increasing the capacity.

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

1. For the 6-month period of 2021, latex and pre-vulcanized latex group had profit before tax Baht 223 million. Increased by Baht 151 million comparing to the same period of the year. Because of 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 and improved its management to set the selling price and cost.

2. For the 6-month period of 2021, finished product group had profit before tax Baht 83 million. Increased by Baht 148 million comparing to the same period of the year. 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 6-month period of 2021, rubber plantation group had Baht 11 million loss before tax, the decrease in loss of Baht 4 million comparing to the same period of the 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. 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

