



บริษัท ไทยรับเบอร์ลาเท็กซ์กรุ๊ป จำกัด (มหาชน)

THAI RUBBER LATEX GROUP PUBLIC COMPANY LIMITED

สำนักงานใหญ่ : เลขที่ 99/1-3 หมู่ที่ 13 ถนนบางนา-ตราด กม.ที่ 7 ตำบลบางแก้ว อำเภอบางพลี จังหวัดสมุทรปราการ 10540

HEAD OFFICE : NO. 99/1-3 VILLAGE NO.13, BANG NA-TRAT KORMOR, NO.7 ROAD, BANG KAE0 SUB-DISTRICT, BANG PHLI DISTRICT, SAMUT PRAKAN PROVINCE 10540, THAILAND

เลขประจำตัวผู้เสียภาษี 0107536000137 TEL : +66 2033 2310-39 FAX : +66 2033 2337-39 <https://www.thaitex.com> E-mail: info@thaitex.com



November 9, 2023

Re : Management Explanation and Analysis of Operating Results for 3rd quarter of 2023

To : The President of the Stock Exchange of Thailand

Business overview

- The Group Company has comprehensive rubber businesses, covering the whole value chain of rubber and latex products, which are the rubber plantation in Thailand, The producer of latex concentrate and latex rubber, latex rubber thread, rubber gloves and latex form mattress.

Business performance

-The Company and its subsidiaries ("the Group Company") reported a consolidated financial statements has gross profit of baht 37.16 million, operations loss of baht 76.49 million in 3rd quarter of 2023. The net loss after tax was baht 130.14 million, which is part of the major company's net loss of baht 106.48 million. The group's net loss was due to a decrease in revenue compared to the same period of 2022 and cost of sales and services which is 97% in high proportion compared to the revenue, which the main factors are the raw material cost and the production cost status transportation cost continue to be high. When comparing the price of natural rubber in the 3rd quarter of 2022 and 2023, the price of rubber decreased slightly from baht 49.14 per kilogram in 2022 to baht 44.09 per kilogram in 2023, representing a decrease of 10.28% YoY (Source: Rubber Authority of Thailand Website).

- For the 9-month financial statement of 2023, the revenue from sales and services amounted to baht 4,808.23 million. In comparison to 2022, where revenue from sales and services reached baht 7,199.34 million, there is a decrease of baht 2,391.11 million, representing a decline of 33.2% YoY. This reduction can be attributed to the demand for both concentrated rubber products and processed rubber products, which has continued to decrease from the global economic conditions. Additionally, inflation rate is still higher than expected which impact local Thailand's export and production industry, especially textile and garment industry, rubber prices has decrease due to the weakening global demand. Meanwhile, lower rubber supplies due to the impact of El Nino.

Financial rasion

	Q3/23	Q3/22	9M/23	9M/22	YE/22
Current Ratio	0.56	0.72	0.56	0.73	0.74
Average Collection Period	49	39	66	45	38
Average Inventory Period	59	56	78	69	48
Average Payment Period	13	12	18	15	12
Cash Cycle	95	83	126	100	74
Gross Profit Margin	2%	9%	3%	13%	12%
Operating Profit Margin	-5%	4%	-4%	7%	5%
Net Profit Margin	-8%	2%	-7%	4%	2%
ROE	-2%	1%	-6%	6%	7%
ROA	-1%	0.6%	-2%	4%	5%
Debt to Equity Ratio	1.31	1.16	1.31	1.16	1.18
DSCR	0.45	0.89	0.04	1.82	1.81

- For the 9-month period of 2023, the cost of sales and services amounted to baht 4,668.44 million. In comparison to 2022, where the cost of sales and services was baht 6,261.00 million, there is a decrease of baht 1,592.57 million, representing a reduction of 25% YoY and the expenses of sales & administration in 2023 year and 2022 year equals baht 388.76 million and baht 504.35 million

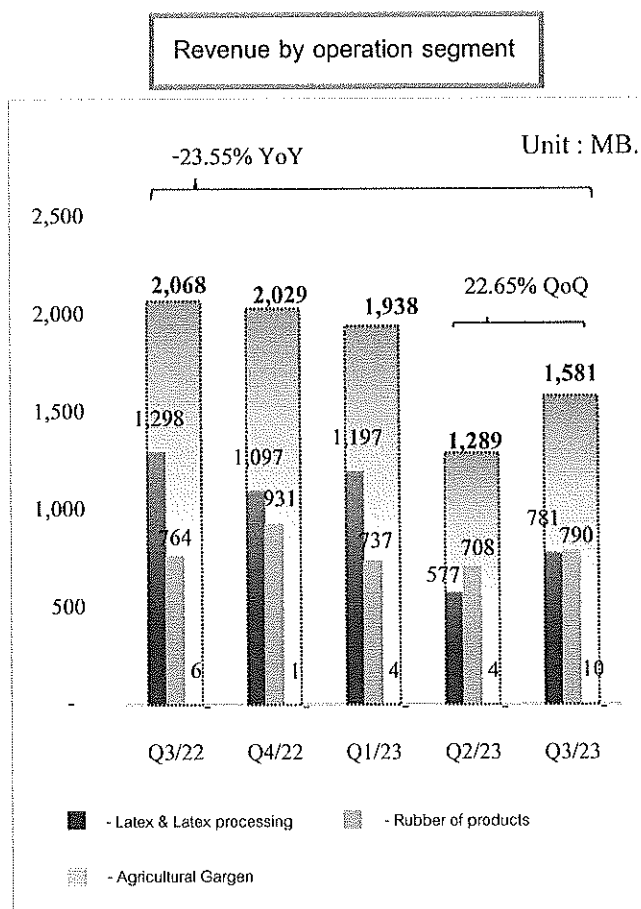
respectively, a decrease in baht 115.59 million representing of 23% YoY. Resulting in net loss for the 9-month period of 2023 amounted to baht 350.52 million, while the net profit of baht 301.43 million in the same period of 2022. These results are Thai economic not fully recovered. Thai baht exchange rate was still fluctuated and has strengthened against the same period of last year and the interest rate in Thailand continue increased since Aug'2022 to Sep'2023. The economy has signs of recovery from the previous quarter. Trade Balance is surplus in Aug – Sep'2023 equals 1.50 and 6.42 percent respectively (Source: Ministry of Finance) The private consumption and services are likely to expand from more tourists visit Thailand. As a result of political stability after election Thai government stimulate the economic. Resulting to the export sectors start to recover, as well as demand is likely to continue to expand. Even in the 4th quarter of 2023 it is expected that the global economy has slowed down from continuing higher interest rate and China economy slowed down significantly. As which Thailand's economy is poised for strength recovery in 2024 the Group Company is still attempt to the open for new markets and focused on the environment and sustainability to add value chain to the organization.

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

1. The consolidated financial statements of the latex and pre-vulcanized latex group for the 9-month financial statement of 2023, a loss before tax of baht 98 million, comparing to the same period of 2022 with a profit before tax of baht 268 million. Due to the increase in the cost of sales and services in response to the current global economic conditions that have not yet recovered, the global demand will slow down, which affects the demand of products has decreased.

2. The Product Manufacturing Business Group, which specializes in rubber-based products, reported a loss before tax of baht 216 million for the 9-month period of 2023. Compare with the 9-month period of 2022, which has a profit before tax of baht 122 million. The result of the global economy has not fully recovered. The exports sector has slowed down to the demand for rubber-based products have shrink. The Chinese economy that the main partner country has not recovered as expected. The sales price cannot be adapted.

3. The Agricultural Gargen business group, for the period of 9-month 2023, has a loss before tax of baht 41 million. Increase from the period of 9-month 2022 which can be attributed to the decrease in rubber prices when compared to the same period of the previous year with high production costs and expenses such as fertilizer (organic chemical) etc. Production quantity was lower than expected. That be effected by the climate change, contributing to the higher losses incurred, as the same liked the 2nd quarter of 2023.



Sustainability MD&A (ESG)

Environmental Undertakings

- The Company has initiated a Carbon Footprint of Organization (“CFO”) plan with the head office, Surat Thani, Chonburi, Rayong, and Chiang Rai participating in the assessment. The verification of data and registration will be completed by the first quarter of 2024.
- The Company has registered over 15 Carbon Footprint Products (CFP) for Concentrated Latex, Skim Latex, and Crepe Rubber products during November of 2023.
- The Company plans to replace traditional electricity with solar energy to reduce carbon footprint, starting with the head office in 2023 and other factories subsequently.
- All 5 factories at Surat Thani, Chonburi, Rayong, and Chiang Rai, have continued their energy conservation projects on water and electricity for the second year with the goal to reduce water and electricity consumption by 2 percent compared to previous year.
- The Company has participated in “Ting to Trash” (โครงการทิ้งทุบแทรช) project hosted by the Thai Listed Companies Association and the Security Exchange Commission in collaboration with Kid Kid Company Limited. The purpose of the project is to collect carbon footprint data from trash separation for “Yaek” (“แยก”) smartphone application.

Social Undertakings

- The Company has continued the “Yang Thai Kaae Jon Sangkhom Pen Suk Sing Waed Lorm Sodsai” (“ยางไทยแก่นจันทน์ ส่งคมเป็นสุข สิ่งแวดล้อมสดใส”) project from last year and provide supports to local school in the plantation of rubber trees and profiting from it. The participating schools are Maepang School, Maelaknuenthong School, Bantabkumantong School, and Banmaelua School.
- The Company has sent specialists to educate local agriculturist in preserving the quality of latex for their understanding on the method of preservation of latex before selling to the factory for further processing.
- Had Yai factory has contributed in Thod Phapa Khaya event organized by the local community. The recycled trash is pre-separated and donated to the community for further use.

Governance & Economic Undertakings

- The Company has participated in the SET ESG Rating 2023 survey and was given 58 points compared to 32 points of last year, In the next year the company improvement plan which has been devised to align with the sustainable investment growth market trends.
- The Company has participated in the upcycling of industrial waste of factories in "Knowledge Exchange for the Promotion and Development of Establishment to Enhance the Efficiency of Product Value under the BCG Concept" (โครงการแลกเปลี่ยนความรู้การส่งเสริมและพัฒนาสถานประกอบการเพื่อเพิ่มประสิทธิภาพหรือมูลค่าของผลิตภัณฑ์ตามแนวคิด BCG) project organized by the Department of Industrial Work and is qualified to give in-depth consultation to over 35 different businesses.
- The Company has organized the cooperation the "Greenhouse Gas Emission and Voluntary Carbon Credit Trading" (โครงการลดการปล่อยก๊าซเรือนกระจก และการซื้อขายคาร์บอนเครดิตแบบสมัครใจ) program with the Rubber Authority of Thailand and China Environment & Carbon Net-Zero Investment Representatives at Office of Chiang Rai Central Latex Market. The aim is to reduce Greenhouse gas emission alongside with generating income for Thai rubber plantation.
- The Company has collaborated with the National Metal and Materials Technology Center to innovatively research on industrial waste utilization to enhance economical value and mitigate internal factory industrial waste issues.

Please be informed accordingly,

Yours faithfully,



(Mr.Vorathep Wongsasuthikul)

Chairman