



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

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February 22, 2024

Re : Management Explanation and Analysis of Operating Results for Fiscal Year 2023,
ended December 31, 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 that for the financial statements for fiscal year 2023, the group of companies reported an gross profit of baht 230.86 million. Operational loss of baht 227.93 million, the net loss before tax of baht 425.13 million, and tax expenses of baht 29.64 million. The net loss after tax amounted to baht 454.77 million. which from the owners of the parent, which incurred a loss of baht 362.24 million. In the previous year 2022 had a net profit after tax of baht 229.03 million. Comparing the average price of field latex of 2022 and 2023, the price was decrease from baht 54.84 per kilogram in 2022 to baht 46.99 per kilogram in 2023, the increase of 14.31% (Source: Website Rubber Authority of Thailand).

Financial ratio

	YEAR 2023	YEAR 2022
Current Ratio	0.58	0.74
Average Collection Period	22	38
Average Inventory Period	32	48
Average Payment Period	7	12
Cash Cycle	48	74
Gross Profit Margin	3.50%	11.76%
Operating Profit Margin	-3.43%	5.42%
Net Profit Margin	-0.01%	2.46%
ROE	-0.02%	7.32%
ROA	-0.01%	5.43%
Debt to Equity Ratio	1.44	1.18
DSCR	0.18	1.81

- For the fiscal year 2023, the Group Company had revenues from sales of baht 6,604.48 million compared to the previous year, which was baht 9,227.74 million, the decrease of baht 2,623.26 million or 28.4% YoY. For the cost of sales in 2023 and 2022, it was baht 6,373.62 million and baht 8,142.72 million, respectively, and decrease of baht 1,769.10 million or a reduction of 21.7% YoY. And distribution cost and administrative expenses amounted to baht 506.97 million, showing a decrease of baht 158.63 million compared to baht 665.60 million in 2022 or a reduction of 23.8% YoY. This

decline can be attributed to the global economic situation not fully recover. Furthermore, the global manufacturing sector has shrunked consistently. The impact of banks raising interest rates, the demand has started to slow down. Moreover, the Chinese economy is currently experiencing a slowdown due to issues in the real estate sector, unemployment rate increased, and geopolitical issues. These factors have contributed to the ongoing economic deceleration in China. Simultaneously, the Thai economy continues to face the effect of the prolonged global economic slowdown. This is evident in the Q4 2023 GDP growth, which expanded lower than estimated. The recovery in the tourism sector has not reached full potential. The manufacturing and export sector is currently experiencing a slowdown, and household debt remains high. The Thai economy is expected to show improved expansion in 2024 compared to 2023, driven by government economic stimulus measures and the tourism sector's recovery.

In addition, the group company has ventured into new markets, emphasizing environmental sustainability. Major rubber-importing countries in both Europe and the United States of America have set criteria that mandate rubber products to be sourced from legally compliant rubber plantations, with verifiable traceability.

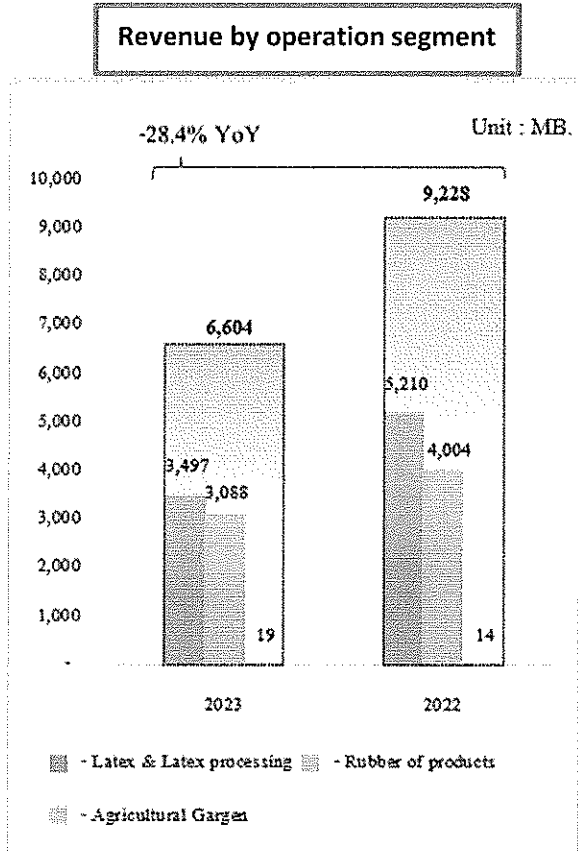
Financial operating results as follows.

1. The rubber concentrated and rubber processing business segment incurred a loss before tax of baht 97 million for the fiscal year 2023, compared to the previous year which was profit before tax of baht 270 million. This represents a significant decrease of baht 367 million or 136% YoY. This decline is attributed to the global economic slowdown and higher interest rate, impacting the volume of product orders, leading to a decrease.

2. The rubber product manufacturing business segment incurred a loss before tax of baht 284 million for the fiscal year 2023, compared to fiscal year 2022 was profit before tax of baht 91 million. This represents a significant decrease of baht 375 million or

412% YoY. This decline is a result of the global economy slowdown including China economy resulting to a decreasing in the demand.

3. The agricultural plantation business segment incurred a loss before tax of baht 44 million for the fiscal year 2023. This represents an increase from the previous year due to a decrease in trading volume and a decrease in rubber prices. Additionally, has high production costs, including organic and chemical fertilizers. Moreover, the lower-than-expected yield, influenced by unpredictable weather conditions, has contributed to the ongoing losses in the rubber plantation business group.



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 factories 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" (ยางไทยแก่น สุขสังคมเป็นสุข 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, Bantabkumanthong 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 32 points compared to 58 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