

No. NDR006/2018

Date: 23 February 2018

Subject Management Discussion and Analysis (MD&A) Report for Q4/2017

Attention Directors and Manager, The Stock Exchange of Thailand

N.D. Rubber Public Company Limited (“the Company”) would like to present the MD&A of 4<sup>th</sup> quarter of 2017 as of 31 December 2017 as follows:

Unit : Million Baht

	Q4/59	Q3/60	Q4/60	Change +/(-)				12M/59	12M/60	Change +/(-)	
				QoQ	%	YoY	%			THB'm	%
Income	216.43	213.57	193.25	-20.32	-9.51	-23.18	-10.71	855.47	829.88	-25.59	-2.99
Cost of Goods Sold	<b>181.91</b>	<b>194.11</b>	<b>180.66</b>	<b>-13.45</b>	<b>-6.93</b>	<b>-1.25</b>	<b>-0.69</b>	<b>713.01</b>	<b>745.72</b>	<b>32.71</b>	<b>4.59</b>
Gross Profit Margin	30.25	18.39	10.73	-7.66	-41.65	-19.52	-64.53	131.31	75.2	-56.11	-42.73
Administration Expenses	12.54	10.24	11.1	0.86	8.40	-1.44	-11.48	48.13	43.34	-4.79	-9.95
Selling Expenses	<b>4.38</b>	<b>2.99</b>	<b>3.36</b>	<b>0.37</b>	<b>12.37</b>	<b>-1.02</b>	<b>-23.29</b>	18.29	12.62	-5.67	-31.00
Net Profit Margin	6.86	1.86	-1.28	-3.14	-168.82	-8.14	-118.66	56.36	16.87	-39.49	-70.07

- The total revenue of Q4/17 decreased by 20.32 million baht comparing with Q3/17 and decreased by 23.19 million baht comparing with Q4/16 due to the decrease of export to Malaysia. Although, exports to India have increased, but the number of increases is less than the number of decreases. As a result, overall export revenue is less.
- The impact of the appreciation in Thai baht resulted in the Company’s revenue in Thai baht decreased. Compared between the years 2016 and 2017, the average exchange rate of Thai baht/Singapore dollar appreciated from 25.2481 to 24.2812 and Thai baht/US dollar appreciated from 34.0574 to 32.9767. As a result, the revenue of the Company was affected by the amount of approximately 13.6 million baht.
- The Company has a higher cost in the year 2017 compared to 2016 because of higher raw material costs. In the first half of the year 2017, natural rubber and synthetic rubber prices are higher than the year 2016. Although in the 4<sup>th</sup> quarter, natural rubber and synthetic rubber prices have fallen to normal but chemical prices has become higher due to closure of several chemical plants that caused environmental problems in China.
- In conclusion, in the year 2017, the Company’s profit was considerable reduced due to the raw material prices, baht appreciation and lower of export revenues.

5. Debt to Equity ratio as of December 31, 2017 decreased 1.41% comparing to the same period of last year due to repayment to financial institutions.

Please be informed accordingly,

Yours faithfully,

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(Mr. Chaiyasit Samrittivanicha)

Managing Director