

**SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED**

9 Moo 4 Kached, Muang Rayong, RAYONG 21100, THAILAND

TEL: (038) 634 481-5 FAX: (038) 634 001

www.shunthaiglove.com

Highly Intend To Reply Your Satisfaction...

Ref. Inv-Out 025 /2562

August 15, 2019

Subject : Clarification on operating results for half year 2019 as of June 30, 2019 (unaudited) and operating results with changes greater than 20%

To: The President of the Stock Exchange of Thailand

Shun Thai Rubber Gloves Industry Public Company Limited would like to clarify the operating results of the half year 2019 as of June 30, 2019 (unaudited) as follows:

(Unit: Million Baht)

	For 6 Months Jan- June 2019	For 6 Months Jan- June 2018	Difference	%
Revenue from sales	359.36	357.08	2.28	0.64
Cost of sales	(337.74)	(330.85)	6.89	2.08
Gross profit	21.62	26.23	(4.61)	(17.57)
Selling expense	(6.77)	(6.12)	0.65	10.62
Administrative expenses	(26.07)	(26.63)	(0.56)	(2.10)
Other expenses	-	-	-	-
Other income	2.56	1.27	1.29	101.57
Finance cost	-	-	-	-
Profit (loss) equity	(9.55)	(3.25)	6.32	195.66
Share of loss from investments in associate	-	-	-	-
Profit (loss) for the period	(9.55)	(3.23)	6.32	195.66

Summary of Operating Results of half year 2019 as of June 30, 2019 (unaudited)

The operating results for half year 2018 as of June 30, 2019 showed increased in Loss 6.32 million baht or 195.66% due to the price of the main raw material has started to rise in the

The administrative expenses decreased 0.56 million baht or 2.10% from dec nd quarter The Company gainedeasing office expenses and control the use of factory supplies. Million baht in gross profit representing a 17.57% decrease.Of which can be attributed from an increase in sales revenue by 2.28 million baht or 0.64% increase.



SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED

9 Moo 4 Kached, Muang Rayong, RAYONG 21100, THAILAND

TEL: (038) 634 481-5 FAX: (038) 634 001

www.shunthaiglove.com

Highly Intend To Reply Your Satisfaction...

Nonetheless the company operating performance is expect to improve on sales, improved production planning and more efficient manufacturing leading to lower production cost in second half of the year.

The administrative expenses decreased 0.56 million baht or 2.10% from decreasing office expenses and control the use of factory supplies.

In addition, the company has less borrowing liabilities, therefore the financial cost has decreased. Also the Restructured debt from related company has ended.

Interim Management Discussion and Analysis

(1) The progress of revisions to operations or financial status

Board of Directors together with the management determine ways to solve problems by marketing products that are more profitable such as household gloves and surgical gloves and to expand market share in the domestic market to avoid the strengthening Thai Baht. Increase distribution channels, improving the efficiency of the production, machine improvement and reduce production & operational costs and waste. By setting a quality improvement plans as follows:

- Market development plan

The company is focused on expanding the market in high-margin products such as household gloves, surgical gloves which have high margin and have quality requirements that meet the standards Suited for the company's production line which can produce thicker gloves, nitrile rubber gloves and natural rubber industrial gloves, the company has a policy to expand the market in the food industry and the electronics industries. And surgical gloves, sterile medical gloves which still command a high growth rate.

- Machinery improvement and reducing production cost

Improve machinery to increase efficiency, reduce waste, reduce electricity consumption and increase productivity.

- Former replacement – replacement of deteriorated formers

- Insulating steam piping and covering SOFT water tank heating and improving oven system, steam distribution system, steam insulation pipe installed heat exchanger increasing the amount of hot water for glove production to reduce the loss of heat energy in production process



SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED

9 Moo 4 Kached, Muang Rayong, RAYONG 21100, THAILAND

TEL: (038) 634 481-5 FAX: (038) 634 001

www.shunthaiglove.com

Highly Intend To Reply Your Satisfaction...

-
-
- Improve the cooling piping system and insulating the cold water piping the production line and improve the chiller efficiency (by relocating the chiller to become one central chiller producing cold water in one storage tank)
 - Improve the modification of the machinery system for greater production support and continuous production readiness

2) Future commitments and contingent liabilities

2.1 As at June 30, 2019 and December 31, 2018, the Company obtained credit line (bank overdraft, short-term loan, discounted notes receivable, currency futures contract, guarantee obligation, liabilities for export and import) from 2 local banks totaling Baht 42.85 million and Baht 83.08 million, respectively with MOR and MLR interest rate. In respect of the credit line, they are guaranteed by pledge of Company's deposit and mortgage/pledge of buildings and improvements that exist or that are to be constructed thereon including a portion of machinery and equipment according to Note No.8. Moreover, the loan agreements contain conditions and restrictions, such as not to create an additional pledge on those assets, etc.

2.2 As at June 30, 2019, the Company had available, but unutilized, letters of credit amounting to U.S.Dollars 0.30 million (equivalent to Baht 9.25 million).

2.3 As at June 30, 2019 and December 31, 2018, the Company obtained letters of guarantee issued by a local financial institution amounting to Baht 2.85 million guaranteed by a pledged of deposits with financial institutions.

2.4 On November 1, 2017, the Company entered into operating lease agreements for office buildings for two-years period. These agreements are renewable. The Company is committed to pay rent at the rate of Baht 49,115 per month, and a service charge at the rate of Baht 52,553 per month..

(3) Related party transactions

The company has no related party transactions



SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED

9 Moo 4 Kached, Muang Rayong, RAYONG 21100, THAILAND

TEL: (038) 634 481-5 FAX: (038) 634 001

www.shunthaiglove.com

Highly Intend To Reply Your Satisfaction...

Please be informed accordingly. In case you have any questions or suggestions, kindly contact the
Company Secretary Tel. 02-511 6040 ext.103.

Yours sincerely,

(MR. Ekkachai Tangsatjatham)

Chief Executive Officer

(Mr. Chai Wattanasuwan)

Director