

No. NDR002/2021

23 February 2021

Subject: Management Discussion and Analysis (MD&A) Report for Business Operation of the Year 2020

Attention: Directors and Manager, The Stock Exchange of Thailand

N.D. Rubber Public Company Limited (“the Company”) would like to present the MD&A for the Three-Month and Twelve-Month period ended 31 December 2020. Overall performance of 2020 is lower than our expectation due to:

Revenue

Unit: Million Baht

| | | 2019 | 2020 | Change (+/-) | | Q4/19 | Q3/20 | Q4/20 | Change (+/-) | | | |
|------------------------|--------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|-------------|-------------|
| | | | | YoY | % | | | | QoQ | % | YoY | % |
| | | | | | | | | | | | | |
| Consolidated Statement | Sales Revenue | 850.63 | 775.85 | -74.78 | -8.79 | 226.62 | 225.68 | 224.79 | -0.89 | -0.39 | -1.83 | -0.81 |
| | Profit/Loss from Exchange rate | 4.60 | 2.55 | -2.05 | -44.57 | 0.35 | 1.57 | 1.01 | -0.56 | -35.67 | 0.66 | 188.57 |
| | Other Revenue | 6.63 | 3.03 | -3.6 | -54.30 | 1.32 | 0.49 | -0.80 | -1.29 | -263.27 | 2.12 | -160.61 |
| | Total | 861.86 | 781.42 | -80.44 | -9.33 | 224.28 | 227.74 | 225.00 | -2.74 | -1.2 | 0.72 | 0.32 |
| Separated Statement | Sales Revenue | 604.99 | 562.71 | -42.28 | -6.99 | 148.07 | 167.55 | 158.82 | -8.73 | -5.21 | 10.75 | 7.26 |
| | Profit/Loss from Exchange rate | 4.61 | 2.55 | -2.06 | -44.69 | 0.33 | 1.57 | 1.01 | -0.56 | -35.67 | 0.68 | 206.06 |
| | Other Revenue | 22.30 | 14.08 | -8.22 | -36.86 | 1.89 | 1.11 | -0.56 | -1.67 | -150.45 | -2.45 | -129.63 |
| | Total | 631.90 | 579.34 | -52.56 | -8.32 | 150.29 | 170.23 | 159.27 | -10.96 | -6.44 | 8.98 | 5.98 |

- Revenue of Q4/2020 is a little bit lower than Q3/2020. Domestic revenue contributes more portion of this downtrend than export revenue because of the second pandemic in Thailand during end of 2020 which cause the psychology effect to the consumer.
- Total revenue of 2020 is decreased by 9.33% comparing with 2019 because of country lockdown during Q2/2020 which less the company’s revenue.
- Although, our subsidiaries in Malaysia continue implement the condition movement policy in Q4/2020, the business still be able to operate, except the shoe business which continue struggle from the school closing.

Cost and Expenses

Unit: Million Baht

| | | 2019 | 2020 | Change (+/-) | | Q4/19 | Q3/20 | Q4/20 | Change (+/-) | | | |
|------------------------|-------------------------|--------|--------|--------------|--------|--------|--------|--------|--------------|--------|--------|--------|
| | | | | YoY | % | | | | QoQ | % | YoY | % |
| | | | | | | | | | | | | |
| Consolidated Statement | Sales Revenue | 850.63 | 775.85 | -74.78 | -8.79 | 226.62 | 225.68 | 224.79 | -0.89 | -0.39 | -1.83 | -0.81 |
| | Cost | 699.20 | 591.02 | -108.18 | -15.47 | 174.93 | 167.47 | 166.06 | -1.41 | -0.84 | -8.87 | -5.07 |
| | | 82.20% | 76.18% | -6.02% | -7.32 | 77.19% | 74.21% | 73.87% | -0.34% | -0.46 | -3.32% | -4.30 |
| | Selling Expenses | 50.56 | 32.56 | -18.00 | -35.60 | 13.57 | 10.95 | 5.12 | -5.83 | -53.24 | -8.45 | -62.27 |
| | | 5.94% | 4.20% | -1.74% | -29.29 | 5.99% | 4.85% | 2.28% | -2.57% | -52.99 | -3.71% | -61.94 |
| | Administration Expenses | 103.58 | 93.63 | -9.95 | -9.61 | 28.80 | 24.80 | 24.73 | -0.07 | -0.28 | -4.07 | -14.13 |
| 12.18% | | 12.07% | -0.11% | -0.90 | 12.71% | 10.99% | 11.00% | 0.01% | 0.09 | -1.71% | -13.45 | |
| Separated Statement | Sales Revenue | 604.99 | 562.71 | -42.28 | -6.99 | 148.07 | 167.55 | 158.82 | -8.73 | -5.21 | 10.75 | 7.26 |
| | Cost | 561.49 | 478.42 | -83.07 | -14.79 | 133.95 | 138.73 | 128.78 | -9.95 | -7.17 | -5.17 | -3.86 |
| | | 92.81% | 85.02% | -7.79% | -8.39 | 90.46% | 82.80% | 81.09% | -0.90% | -2.07 | -9.37% | -10.36 |
| | Selling Expenses | 13.21 | 7.46 | -5.75 | -43.53 | 3.88 | 2.19 | 1.35 | -0.84 | -38.36 | -2.53 | -65.21 |
| | | 2.18% | 1.33% | -0.85% | -38.99 | 2.62% | 1.31% | 0.85% | -0.46% | -35.11 | -1.77% | -67.56 |
| | Administration Expenses | 40.68 | 42.80 | -2.12 | -5.21 | 9.52 | 13.03 | 9.90 | -3.13 | -24.02 | 0.38 | 3.99 |
| 6.72% | | 7.61% | 0.89% | 13.24 | 6.43% | 7.78% | 6.23% | -1.55% | -19.92 | -0.20% | -3.11 | |

- Cost of sales of Q4/2020 remains in low level as of Q3/2020 because of advance purchasing low price raw material during country lockdown during Q2/2020. This strategy results to our 2020 cost 6% lower than 2019.
- There is no substantial changed in selling and administration expenses.

Company Performance

Unit: Million Baht

| | | 2019 | 2020 | Change (+/-) | | Q4/19 | Q3/20 | Q4/20 | Change (+/-) | | | |
|------------------------|-------------------|--------|--------|--------------|--------|--------|--------|--------|--------------|--------|--------|--------|
| | | | | YoY | % | | | | QoQ | % | YoY | % |
| | | | | | | | | | | | | |
| Consolidated Statement | Sales Revenue | 850.63 | 775.85 | -74.78 | -8.79 | 222.62 | 225.68 | 224.79 | -0.89 | -0.39 | 2.17 | 0.97 |
| | Gross Profit | 151.43 | 184.82 | 33.39 | 22.05 | 47.69 | 58.21 | 58.73 | 0.52 | 0.89 | 11.04 | 23.15 |
| | | 17.80% | 23.82% | 6.02% | 33.82 | 21.42% | 25.79% | 26.13% | 0.34% | 1.32 | 4.71% | 21.99 |
| | Net Profit (Loss) | -19.88 | 45.21 | 65.09 | 327.41 | -12.07 | 17.97 | 20.81 | 2.84 | 15.80 | 32.88 | 272.41 |
| -2.34% | | 5.83% | 8.17% | 149.15 | -5.42% | 7.96% | 9.26% | 1.30% | 16.33 | 14.68% | 70.85 | |
| Separated Statement | Sales Revenue | 604.99 | 562.71 | -42.28 | -6.99 | 148.07 | 167.55 | 158.82 | -8.73 | -5.21 | 10.75 | 7.26 |
| | Gross Profit | 43.50 | 84.29 | 40.79 | 93.77 | 14.12 | 28.82 | 30.04 | 1.22 | 4.23 | 15.92 | 112.75 |
| | | 7.19% | 14.98% | 7.79% | 108.34 | 9.54% | 17.20% | 18.91% | 1.71% | 9.94 | 9.37% | 98.22 |
| | Net Profit (Loss) | 8.03 | 39.43 | 31.4 | 391.03 | 3.02 | 13.64 | 14.15 | 0.51 | 3.74 | 11.13 | 368.54 |
| 1.33% | | 7.01% | 5.68% | 427.07 | 2.04% | 8.14% | 8.91% | 0.77% | 9.46 | 6.87% | 336.76 | |

- Both revenue and cost of Q4/2020 are similar to Q3/2020, therefore the net profit of Q4/2020 is at 20.81 Million Baht which is increased by 2.84 Million Baht comparing with Q3/2020.
- The company performance of year 2020 is much better than year 2019 by 327%. We have a net profit at 45.21 Million Baht in 2020. The most impact factors are low cost of raw material and decreasing manufacturing cost program of the company.

Assets and Liabilities

Unit: Million Baht

| | | Q4/19 | Q3/20 | Q4/20 | Change (+/-) | | | |
|---------------------------|-----------------------|----------|----------|----------|--------------|--------|--------|---------|
| | | | | | QoQ | % | YoY | % |
| Consolidated Statement | Current Assets | 330.46 | 364.09 | 389.49 | 25.4 | 6.98% | 59.03 | 17.86% |
| | Fixed Assets | 730.89 | 713.59 | 695.64 | -17.95 | -2.52% | -35.25 | -4.82% |
| | Total Assets | 1,061.35 | 1,077.68 | 1,085.13 | 7.45 | 0.69% | 23.78 | 2.24% |
| | Current Liabilities | 293.75 | 277.48 | 274.19 | -3.29 | -1.19% | -19.56 | -6.66% |
| | Long-term Liabilities | 64.94 | 51.98 | 56.83 | 4.85 | 9.33% | -8.11 | -12.49% |
| | Total Liabilities | 358.69 | 329.46 | 331.02 | 1.56 | 0.47% | -27.67 | -7.71% |
| | Retained Earnings | 702.66 | 748.22 | 754.11 | 5.89 | 0.79% | 51.45 | 7.32% |
| Separated Statement | Current Assets | 137.06 | 174.73 | 172.05 | -2.68 | -1.53% | 34.99 | 25.53% |
| | Fixed Assets | 866.51 | 844.46 | 842.64 | -1.82 | -0.22% | -23.87 | -2.75% |
| | Total Assets | 1,003.57 | 1,019.19 | 1,014.69 | -4.5 | -0.44% | 11.12 | 1.11% |
| | Current Liabilities | 240.59 | 240.13 | 221.21 | -18.92 | -7.88% | -19.38 | -8.06% |
| | Long-term Liabilities | 26.55 | 18.33 | 18.62 | 0.29 | 1.58% | -7.93 | -29.87% |
| | Total Liabilities | 267.14 | 258.46 | 239.83 | -18.63 | -7.21% | -27.31 | -10.22% |
| | Retained Earnings | 736.43 | 760.72 | 774.85 | 14.13 | 1.86% | 38.42 | 5.22% |

- There is no substantial changed in the company assets and liabilities. The company's current liabilities are lower than long-term liabilities because of lower financial cost.

Please be informed accordingly,

Yours faithfully,



(Mr. Chaiyasit Samrittivanicha)

Managing Director