

No. NDR005/2019

10 May 2019

Subject: Management Discussion and Analysis (MD&A) Report for the Three Month Period (Q1/2019)

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 period ended 31 March 2019 (1st quarter of 2019) as follows:

Unit : million baht							
	Q1/18	Q4/18	Q1/19	Change +/-			
				QoQ	%	YoY	%
Net Revenue	206.12	244.4	194.28	-50.12	-20.51	-11.84	-5.74
Cost of Goods Sold	180.77	200.32	163.05	-37.27	-18.61	-17.72	-9.80
Gross profit	25.35	44.08	31.23	-12.85	-29.15	5.88	23.20
Profit (Loss) from exchange rate	0.12	1.19	0.54	-0.65	-54.62	0.42	350.00
Other Income	1.26	2.13	2.1	-0.03	-1.41	0.84	66.67
Gain from bargain purchase	33.64	-	-	-	-	-33.64	-100.00
Profit before Selling and Administration expenses	60.37	47.40	33.87	-13.53	-28.54	-26.50	-43.90
Selling expense	9.18	8.54	11.26	2.72	31.85	2.08	22.66
Administration expense	34.78	30.99	25.73	-5.26	-16.97	-9.05	-26.02
Net Profit	13.84	-2.73	-5.02	7.75	280.75	-18.86	-136.27
Gross Profit Margin (%)	12.30	18.04	16.07	-1.96	-10.87	3.78	30.70
Net Profit Margin (%)	6.71	-1.12	-2.58	-1.47	131.32	-9.30	-138.48

- Revenue of Q 1/2019 is less than of both Q 4/2018 and Q1/2018 because of the followings:
 - Low purchasing power in domestic market causes our domestic income lower than target.
 - Changing the fiscal accounting year of the company in Malaysia to be ending at December caused the customers to buy a big volume in last December 2018 and reflect to less buying in January 2019.

- Gross profit margin of 1/2019 is decreased from 18.04% (Q 4/2018) to be 16.08% because of low revenue. But comparing with Q1/2018, the gross profit margin is increased from 12.30% to be 16.08% because of cost down activities in the year of 2018.
- The company has a loss in Q1/2019 for 5 million baht because the revenue is less than the target, so our gross profit cannot cover the fixed expenses. However, the revenue of Q1 has normally been the lowest in the year.
- There is no significantly changed in the cost of raw material.

Unit : million baht

	Before	After
	Q1/61	Q1/61
Net Revenue	206.12	206.12
Cost of Goods Sold	180.77	180.77
Gross profit	25.35	25.35
Profit (Loss) from exchange rate	0.12	0.12
Other Income	1.26	1.26
Gain from bargain purchase	-	33.64
Profit before Selling and Administration expenses	26.73	60.37
Selling expense	9.18	9.18
Administration expense	34.78	34.78
Net Profit	-19.15	13.84
Gross Profit Margin (%)	12.30	12.30
Net Profit Margin (%)	-9.29	6.71


- Due to PPA report which we received in Q 4/2018, company had recorded profit from bargain purchase at the amount of 33.64 million baht in Q4/2018 but the actual acquisition transaction was completed in Q2/2018, so we adjust the financial statement of 2018 by recording such profit in Q1/2018 instead of recording in Q 4/2018. This will change the profit and loss of each quarter but will not affect to the profit and loss of the year 2018.

	Q4/60	Q3/61	Q4/61	Unit : million baht			
				Change +/-			
				QoQ	%	YoY	%
CURRENT ASSETS	432.35	420.68	351.93	-68.75 -	16.34 -	80.42 -	18.60
NON-CURRENT ASSETS	760.48	804.30	796.11	-8.19 -	1.02	35.63	4.69
TOTAL ASSETS	1,192.83	1,224.98	1,148.04	-76.94 -	6.28 -	44.79 -	3.75
CURRENT LIABILITIES	434.91	370.58	316.66	-53.92 -	14.55 -	118.25 -	27.19
NON-CURRENT LIABILITIES	138.58	90.08	83.49	-6.59 -	7.32 -	55.09 -	39.75
SHAREHOLDERS' EQUITY	619.34	764.33	747.89	-16.44 -	2.15	128.55	20.76
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,192.83	1,224.99	1,148.04	-76.95 -	6.28 -	44.79 -	3.75

- Both assets and liabilities of Q1/2019 is decreased from Q4/2018 because of the debt payment.

Please be informed accordingly,

Yours faithfully,



(Mr. Chaiyasit Samrittivanicha)

Managing Director