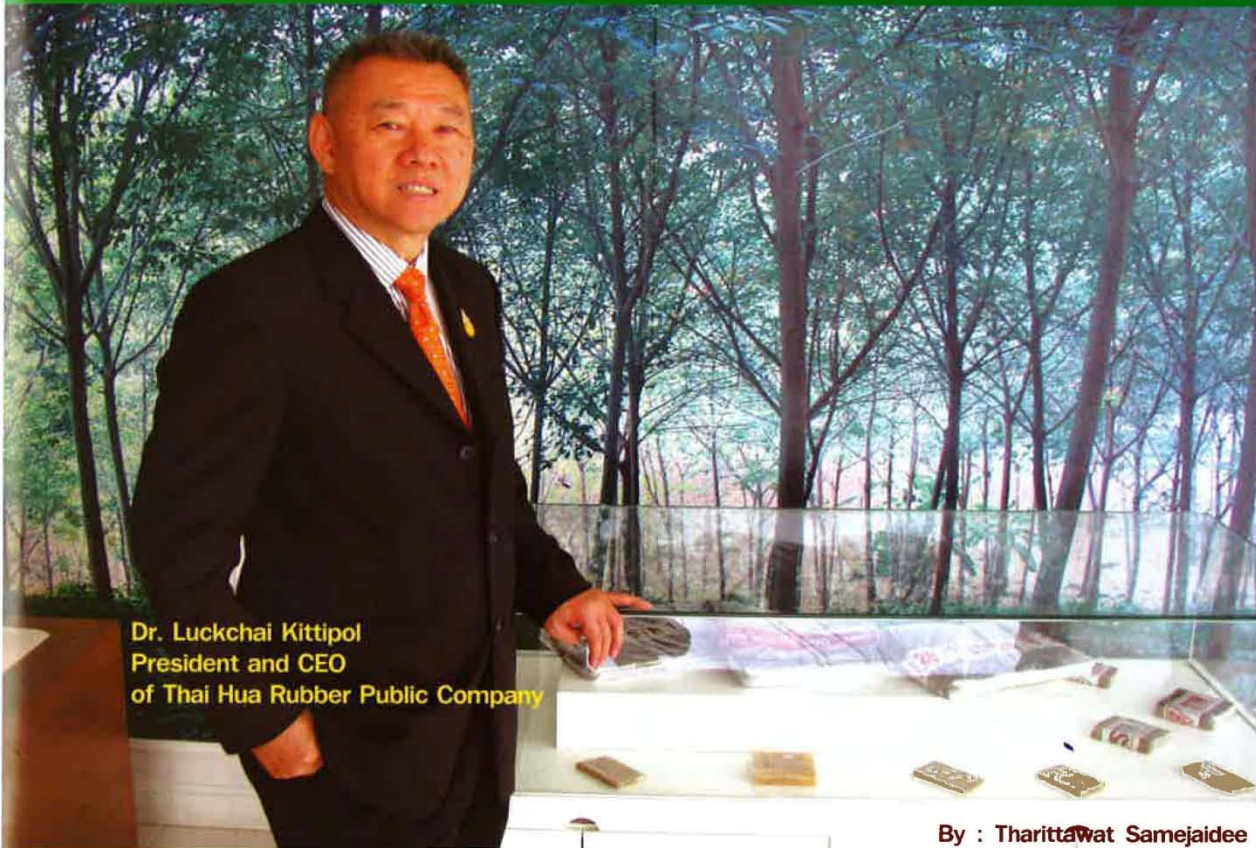


Interview with: Dr. Luckchai Kittipol Thai Hua on Track for Take-Off in 2012



Dr. Luckchai Kittipol
President and CEO
of Thai Hua Rubber Public Company

By : Tharittawat Samejaidee

Thai Hua Rubber Public Company Limited has long been one of Thailand's largest natural rubber producers and exporters. With the continuous forward looking developments for both upstream and midstream rubber business, as well as establishing various new projects that are already in place, it is no surprise that Thai Hua will no longer be only one of the country's key rubber producer, but playing a leading role in the world's rubber processing industry as well as being part of the midstream and even downstream of the rubber business in the years ahead.

Thai Hua originally run the rubber business under the name of Thai Hua Rubber Company Limited in 1985, and then changed its name to Thai Hua Rubber Public Company Limited in 1996. The company owns as well as leased many acres of rubber plantations throughout

Thailand and Laos. The main products produced comprise of Block and Compound Rubber (65%), Rubber Sheet (25%), and Concentrated Latex (10%).

Meanwhile, the Company is currently preparing to launch its shares in the Stock Exchange of Thailand this year.

This year alone, we can see the company's tremendous progress in many of the projects undertaken, both locally in Thailand as well as overseas.

The Rubber International Magazine recently interviewed **Dr. Luckchai Kittipol**, President and CEO of Thai Hua Rubber Public Company, in the company's Head Office in Bangkok.

After the EU and US economic problem in 2011, Dr Luckchai expressed an optimistic



Dr. Luckchai Kittipol

confidence that the Company's revenue in 2012 would be much more promising than that of previous years.

"Last year, we had expected the rubber sale of 50 billion baht, but managed to reach around 42 billion baht due to the downward price of rubber in the last quarter of last year. However, as for this year, 2012 and with some of our corporate plans in place, we are confident to hit the export sale of 500,000 tons, which contribute to the revenue of 50 billion baht. In fact the EU and US economic meltdown contributed an opportunity time for the Company to look into and put in place many of the structures and plans." commented the President of Thai Hua.

All these while, Thai Hua had spent much focus on the new emerging markets as well as joint venture with selected foreign companies to strengthen the company's stand in the rubber industry.

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Furthermore, last year Thai Hua entered into a joint venture with Seagift, a long standing prominent China Tyre Traders and Logistic Company, who is fully owned by Sailun Co., Ltd, the first tyre manufacturer in Qingdao that manage to integrate their tyre production with new technology innovation and development techniques from their Research and Development. This Joint Venture is to establish a Block Rubber factory under Thai Hua Rayong in Thailand. With this joint venture, the Company aims to establish a Research and Development





When asked about the funding for the R&D joint venture, Dr Luckchai admitted that normally any Research and Development Project besides, requiring a huge injection of funds, the process of the R&D itself could take a long time. However, since Seagift has been supported and designated by the Chinese government to run the R&D center specifically and with its current ready extensive know-how, he does not foresee any sizeable problem that will cause much concern. In fact, he is rather excited as to the various possibilities for the Company to venture into to produce new innovative rubber related products.

Sector, aiming to develop new rubber material so as to meet the requirements of some of the existing tyre manufacturers' demand. Seagift is a fully owned corporation whose mother Company is chosen and supported by Beijing Research & Development Center to be the Country's Rubber Research and Development Center. I believe this joint venture will benefit all the parties concerned, right from the Rubber Farmers, Tyre Manufacturers, Rubber Business Traders down to the end Tyre Users.

Apart from the benefit for the tyre manufacturers, the Rubber Research and Development will bring us to another paradigm in the next 5-10 years regarding the Natural Rubber Products. The Rubber Latex itself comprise of variety of rubber composite which are yet to be tap into; which can be used to further produce some value-added products. This is another of the direction the Company intent to go along."

Upstream and midstream rubber business

As part of the Company's upstream ventures, Thai Hua went into cultivation rubber plantations more than 15 years ago though it started small at that time. Just last year alone, Thai Hua had expanded its rubber cultivation into the west of Thailand for 10,000 rai, and is still continuing to do so for the balance land. In the Northeast, the Company's rubber plantations are already in full force cultivation. Plans are also in place for further expansion.





Thai Hua's Laos Rubber Plantation

Another upstream venture of the Company is the Rubber plantation Project in Laos since 7 years ago. The Company has already started on the 100,000 rai rubber plantation, and is targeting to reach 200,000 rai in the next 3-4 years. The total 200,000 rai of rubber plantation is targeted to be achievable in the year 2015.

In Laos alone, the Company is expecting to plant rubber trees for 20,000 rai of land per year. Some of the plantations in Laos are ready to yield their output sometimes this year. In preparation for this, Contract Farming has already been established. The management had also begun to arrange some program together with the Thai and Laos government bodies; to appoint the Thais' experts to conduct trainings so as to educate and teach the Laotians as to the know-how of rubber tapping.

This in turn will allow a technology transfer between the two countries as well as provide works and even new career opportunities for the Lao people. In turn, the people livelihood would turn for the better. In fact, if all approvals on target, the training course for the Laotians shall commence in March-April, this year.

In terms of midstream rubber business, Thai Hua had plan in place to increase another two Block Rubber processing factories within this year.

Last year, the Company had opened a Block Rubber factory in Thailand's Northeastern province, which is ready with its full capac-



LK Industrial Rubber Park will be built with the concept of a green industrial estate and shall house the main activities with focus on para rubber which is abundant in Thailand and all other rubber related products. We are not linked with chemicals and pollutions. Our intention for this Rubber Industrial Park is to invite all rubber related products manufacturers from all over the globe to come together under one roof as AEC (ASEAN Economic Community) for Rubber Industries.



ity of 50,000 tons for this year. And this May, the second Block Rubber factory with the capacity of 50,000 tons also in Northeastern province shall be ready for operation as well.

The Company also expands its first Block Rubber Factory operation to the Northern part of Thailand.

As it is the only Rubber Factory in the North, the management had taken steps to educate and familiarize the people in that community

to understand about the operation as well as to train and prepare the local workers to be ready to run the Factory once it is ready and once the natural rubber output is out.

Rubber industrial estate makes progress

Thailand mainly focuses on the basic upstream and midstream rubber operation, but lacks the sufficient progress in rubber research and technology, as well as the development of rubber related products. That is the reason why Dr. Luckchai came out with the idea to set up **LK Industrial Rubber Park** in Thailand's eastern Rayong Province to boost rubber R&D as well as producing the value-added products.

LK Industrial Rubber Park is wholly owned by Tribeca Enterprise Company Limited. The Industrial Park shall be occupying a land plot of 2441 rai. The capital investment for the project is estimated to be about 3 billion baht. The project is jointly operated with Industrial Estate Authority of Thailand (IEAT), and has received its approval since November 2010. If completed, the project will become Thailand's first Rubber Estate.





LK Industrial Rubber Park is jointly operated between Tribeca and Industrial Estate Authority of Thailand

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With the strong support from the government sectors, the BOI and the IEAT, I believe we shall not only be able to envisage but to realize a single market and production base to make Thailand a highly competitive rubber economic region.

With the strong Rubber R&D Center in our midst, Thailand shall be able to improve the current rubber products cum producing new value-added rubber related products.

Presently, Thailand exports 2.8 million tons of raw rubber for 300 billion baht.

Hence if given the opportunities for Thailand to export the value-added products for just one million tons, the export value shall be able to jump up to one trillion baht.” Dr. Luckchai commented.

The government sector and rubber industry

Dr. Luckchai is convinced that with the strong support from the Thai government, the Rubber Industry in Thailand will be moving into another level of paradigm for the whole country as well as the Thai Rubber farmers.

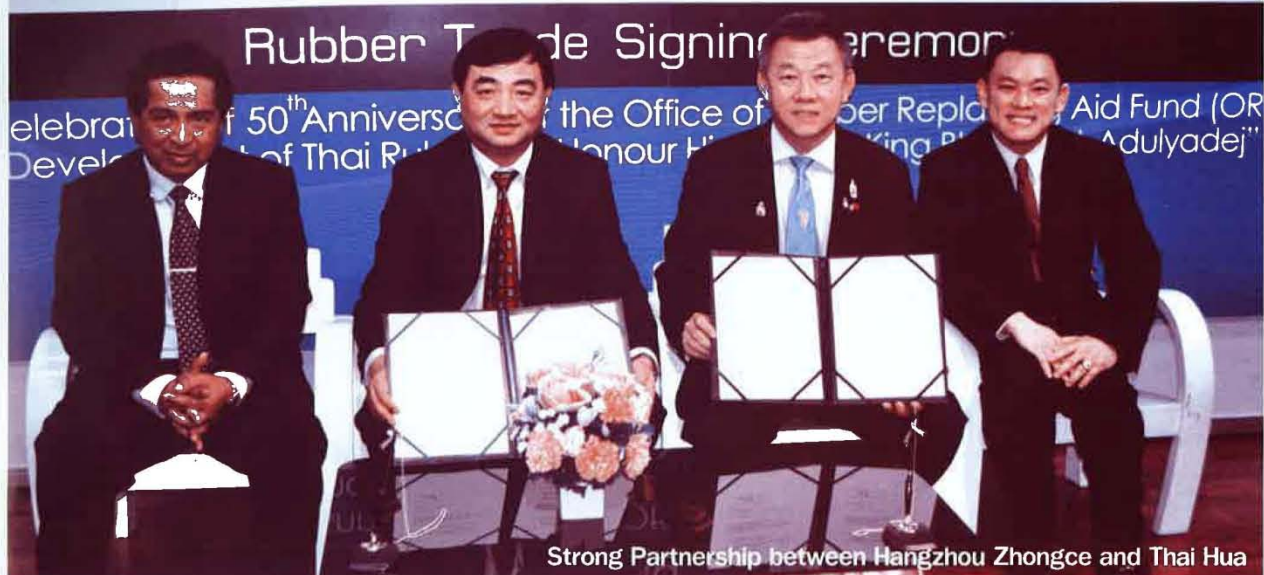
“Mr.Nattawut, Deputy Agriculture Minister has a clear determination to handle



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rubber issues from stabilizing the rubber price to raising the added value for rubber. Personally, I supported that good intentions and believe they can be done.”

Rubber price trend

When asked about the downtrend of the rubber price, Dr. Luckchai is of the opinion that

despite the sharp drop of the price in the late of last year the price would be more stabilized this year.

“In overview, the rubber sector remains strong. Last year’s price drop was because of the strong increase in the earlier quarters in that year. The Thai Rubber farmers are not willing to see the price fluctuation

and with their cooperation and if there is no substantial problem in Europe or severe natural disaster, the rubber price would be more stable.” Dr Luckchai commented.

Thai Hua’s key of success

To the final question on the key to the success of Thai Hua Rubber, Dr Luckchai attributes it to the team of trustworthy staffs who had contributed a lot to the company.

“We have good and capable teams to handle the various departments in the Company. Furthermore, in rubber business, there can be a lot of money



Cover Story



We have good and capable teams to handle the various departments in the Company. Furthermore, in rubber business, there can be a lot of money 'leaks' right from plantations to factories. I must say it is because, we have good, dedicated and trustworthy people leading the teams or else we could have been in trouble.

'leaks' right from plantations to factories. I must say it is because, we have good, dedicated and trustworthy people leading the teams or else we could have been in trouble.

I am very glad to see how this family-based Company had progressed from its humble beginning to now; with new, vibrant generations who are dedicated in their works; joining the workforce.



Finally, the teams of people work in unity. I must say each and every staff or worker is the main important factor for Thai Hua Rubber's achievement today." said Dr Luckchai. **R**

