

# Sri Trang Agro-Industry Public Company Limited



THE WORLD'S LEADING FULLY INTEGRATED GREEN RUBBER COMPANY

## The 2020 Annual General Meeting of Shareholders

23 June 2020

# The Voting Card's Example

การออกบัตรลงคะแนนผู้ถือหุ้นประจำปี 2565  
The 2023 Annual General Meeting of Shareholders  
บริษัท สวีตฟาร์ม จำกัด (มหาชน)  
Sri Trang Agro-Industry Public Company Limited  
ที่อยู่: บ้านนาหว้า ตำบลนาหว้า อำเภอเมือง จังหวัดสกลนคร

จำนวนหุ้น (amount) 200 หุ้น (share) จำนวนคะแนน (amount) 200 คะแนน (votes)  
โปรดกรอกชื่อผู้ถือหุ้นลงในช่องว่างด้านล่าง และลงนามลงท้ายบัตรลงคะแนนนี้ด้วยชื่อผู้ถือหุ้น

Agenda 1 To endorse the work of the Board of Directors of the Board Meeting of Shareholders for 2023, held on 8 November 2023

 อนุมัติ (Approve)  
  ไม่อนุมัติ (Disapprove)  
  งดออกเสียง (Abstain)

ชื่อ / Signed \_\_\_\_\_ ผู้ถือหุ้นหรือผู้รับมอบอำนาจ / shareholder or proxy

การออกบัตรลงคะแนนผู้ถือหุ้นประจำปี 2565  
The 2023 Annual General Meeting of Shareholders  
บริษัท สวีตฟาร์ม จำกัด (มหาชน)  
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Agenda 2 To endorse the performance results of the Board of Directors of the Company for the year 2023 and to endorse and approve the audited financial statements of the Company for the year ended 31 December 2023

 อนุมัติ (Approve)  
  ไม่อนุมัติ (Disapprove)  
  งดออกเสียง (Abstain)

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Agenda 3 To endorse and approve the dividend payment of the Company for the year 2023

 อนุมัติ (Approve)  
  ไม่อนุมัติ (Disapprove)  
  งดออกเสียง (Abstain)

ชื่อ / Signed \_\_\_\_\_ ผู้ถือหุ้นหรือผู้รับมอบอำนาจ / shareholder or proxy

# The Voting Card's Example

การประชุมสามัญผู้ถือหุ้น ประจำปี 2563

วาระที่ 1



C1

The 2020 Annual General Meeting of Shareholders

บริษัท ศรีตรังแอกโรอินดัสทรี จำกัด (มหาชน)

Sri Trang Agro-Industry Public Company Limited

ชื่อผู้ถือหุ้น/Name of Shareholder

4010032261

จำนวนหุ้น (amount) 300 หุ้น (shares) จำนวนเสียง (amount) 300 เสียง (votes)

ขอใช้สิทธิออกเสียงในวาระที่ 1 พิจารณารับรองรายงานการประชุมวิสามัญผู้ถือหุ้น ครั้งที่ 1/2562 ซึ่งประชุมเมื่อวันที่ 8 พฤศจิกายน 2562

Agenda 1 To consider and certify the minutes of the Extraordinary General Meeting of Shareholders No.1/2019, held on 8 November 2019



เห็นด้วย (Approve)



ไม่เห็นด้วย (Disapprove)



งดออกเสียง (Abstain)



ลงชื่อ / Signed ..... ผู้ถือหุ้น หรือ ผู้รับมอบฉันทะ / shareholder or proxy

# Voting Procedures except agenda regarding the election of directors



All shareholders / their proxies disapprove or abstain in such agenda

Mark their votes in the voting cards, sign and raise hand up

Officers collect your voting cards

Processing.

Inform the result to the Shareholders Meeting

Sign the approve voting cards, officers will collect when the meeting finish

# Voting Procedures for the agenda regarding the election of directors



All shareholders / their proxies

Mark their votes in the voting cards and sign

Officers collect your voting cards

Processing

Inform the result to the Shareholders Meeting

# Agenda items



1. To consider and certify the Minutes of the Extraordinary General Meeting of Shareholders No.1/2019 held on 6 November 2019
2. To acknowledge the performance results of the Board of Directors of the Company for the year 2019 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2019
3. To acknowledge the interim dividend payment from the Company's performance for the year 2019

# Agenda items



4. To consider and approve the election of directors to replace the directors who retire by rotation
5. To consider and approve the determination of remuneration of directors for the year 2020
6. To consider and approve the appointment of the auditor and determination of auditing fee for the year 2020
7. Other matters (if any)

# Agenda 1



To consider and certify the Minutes of the Extraordinary General Meeting of Shareholders No.1/2019 held on 6 November 2019

A copy of the Minutes of the Extraordinary General Meeting of Shareholders No.1/2019 held on 6 November 2019 is enclosed with the Invitation letter and disseminated on the Company's website [www.sritranggroup.com](http://www.sritranggroup.com)



# Agenda 2

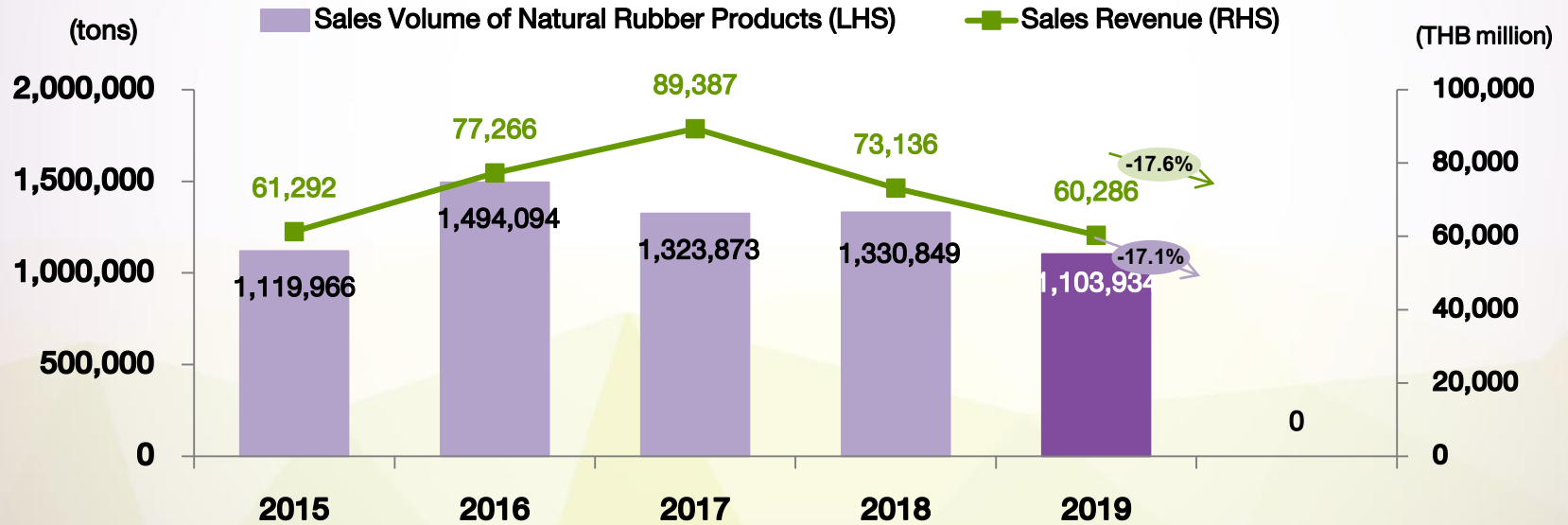


To acknowledge the performance results of the Board of Directors of the Company for the year 2019 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2019

The Company regularly discloses MD&A through the SET system after the release of financial statements.

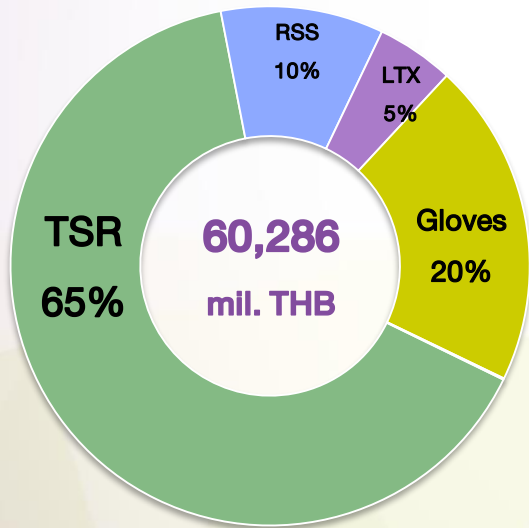
# Agenda 2

## Revenue and NR Sales Volume

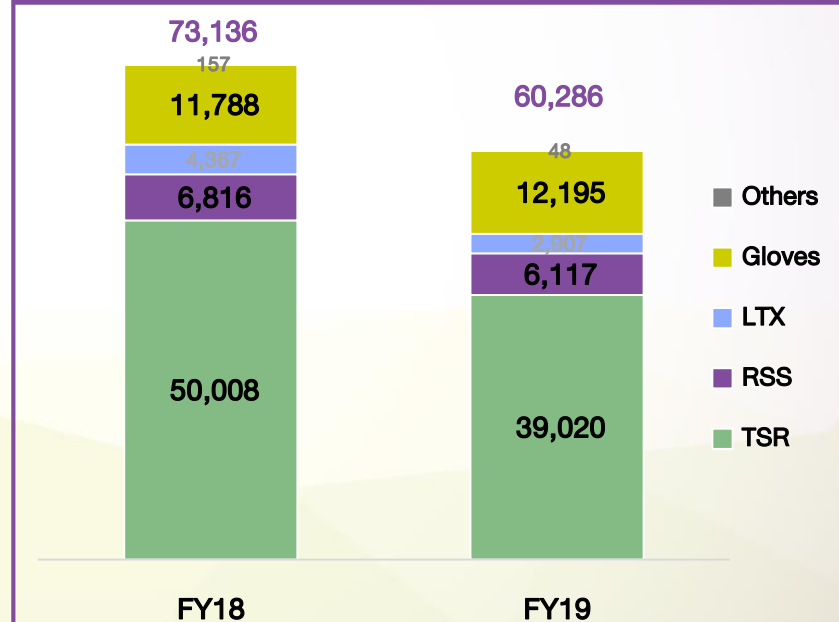


# Agenda 2

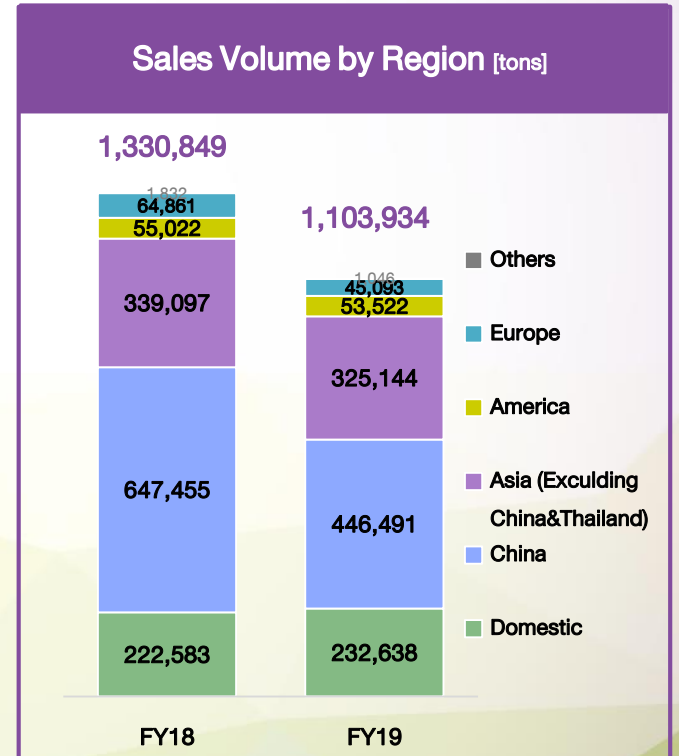
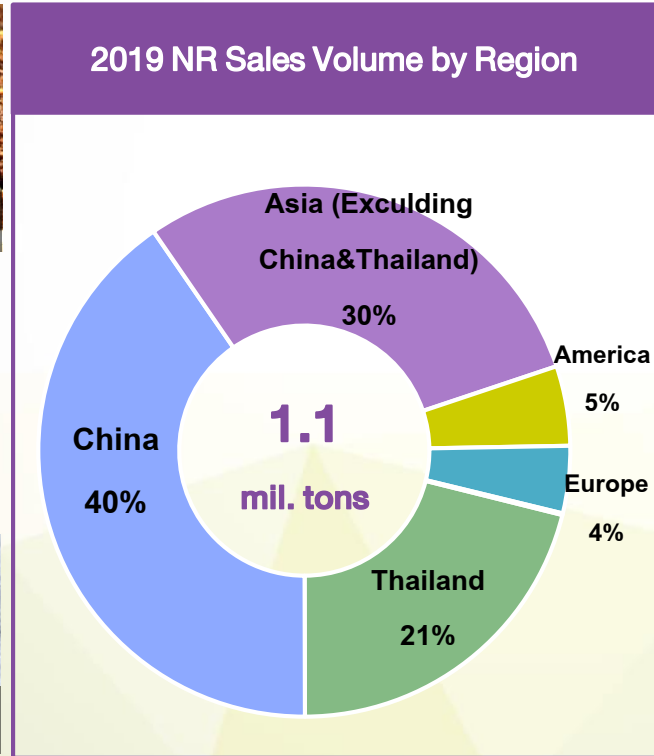
## 2019 Sales Revenue by Product



## 2019 Sales Revenue Portion by Product [THB million]



# Agenda 2



# Agenda 2



Latex Powder Examination Glove

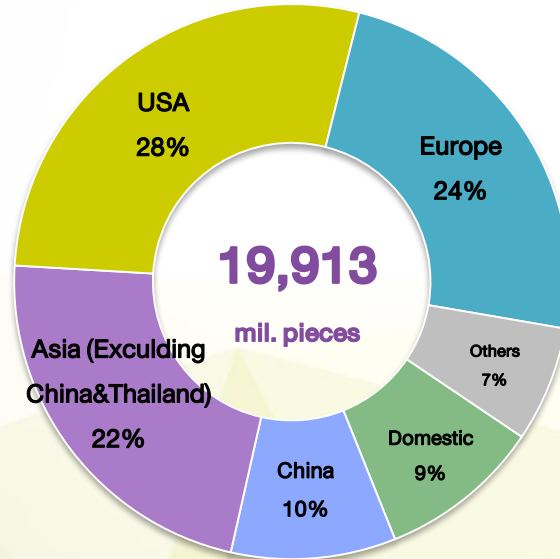


Latex Powder-Free Examination Glove

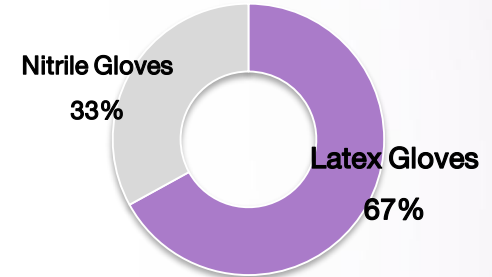


Nitrile Powder-Free Examination Glove

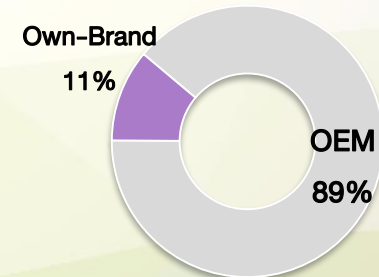
## 2019 Gloves Sales Volume by Region



## Sales Volume of Latex Gloves & Nitrile Gloves Portion



## Sales Volume of OEM & Own-Brand Portion



# Agenda 2

## Key Factors Affecting the Company's Operation



**1. Volatility of Natural Rubber Price**



**2. Foreign Exchange Rate**



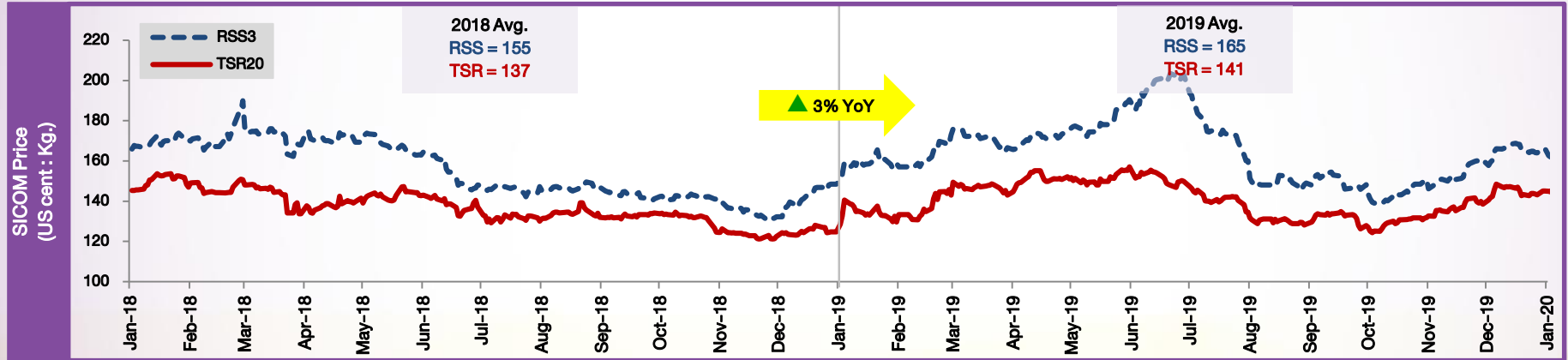
**3. Financial Costs**



**4. Government Policy**

# Agenda 2

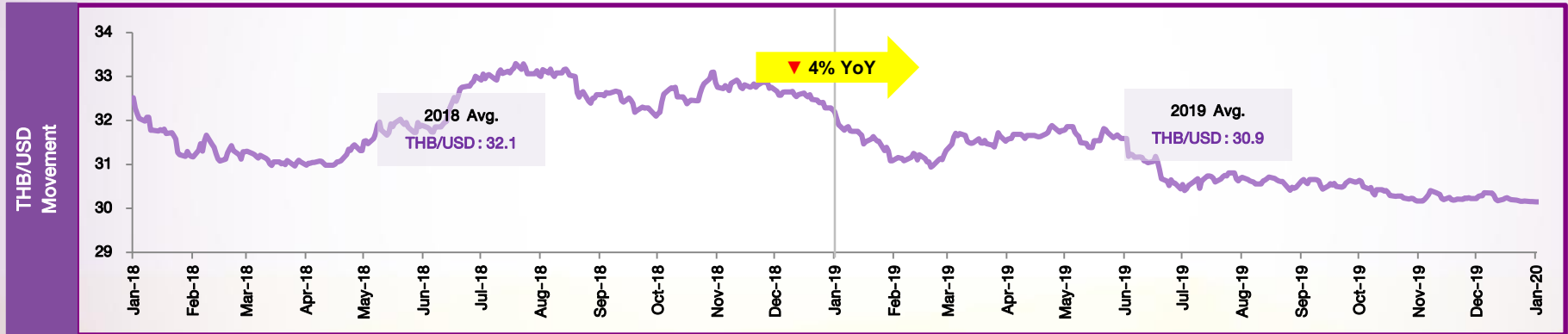
## Factor 1 : Volatility of Natural Rubber Price



- In 1H2019, prices of TSR20 on SICOM moved up 16.5% because of supply concerns following the decision by members of the International Tripartite Rubber Council (ITRC), namely, Thailand, Indonesia and Malaysia, to implement the Agreed Export Tonnage Scheme (AETS) together with the fungal disease that afflicted rubber trees on the Sumatra Island in Indonesia also cut down supply and led to speculation in the futures markets. **The average price of TSR20 on SICOM during the first half of 2019 was 145.5 cent/kg.**
- In 2H2019, NR prices went down alongside prices of other commodities due to outflow of funds from the futures markets. **The price of TSR20 on SICOM reached the bottom in late September at 124.4 cent/kg and in the second half of 2019 was 135.8 cent/kg.**
- **The average price of TSR20 on SICOM for 2019 was 140.6 cent/kg, up 3.0% from 2018.** But NR prices experienced more volatility during 2019 than in 2018, which became the main factor affecting our profitability in both natural rubber and glove businesses

# Agenda 2

## Factor 2 : Foreign Exchange Rate



- In 2019, Thai Baht moved up 3.8% against US Dollar, from an average of 32.1 Baht/US dollar in 2018 to 30.9 Baht/US dollar in 2019. During 2019, Thai Baht was going to be stronger from quarter to quarter as a result of capital flows following the delay in interest rate increase by the Federal Reserve and a record of Thailand's current account surplus..
- In 2019, the Company recorded Baht 569.0 million in foreign exchange gain in 2019, improved from a loss of Baht 252.1 million in 2018..

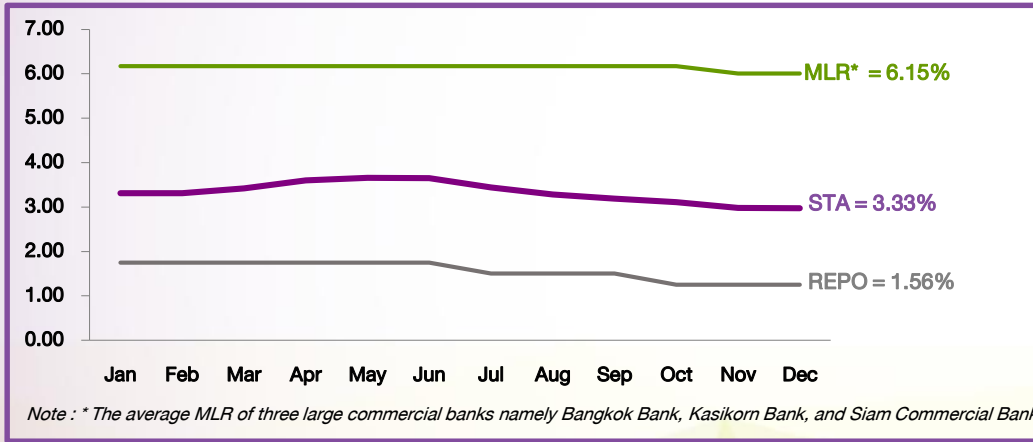
(THB million)	2018	2019
Realised gain/(loss) on exchange rate	(151.8)	318.3
Unrealised gain/(loss) on exchange rate	(100.3)	(250.7)
<b>Gain/(loss) on exchange rate</b>	<b>(252.1)</b>	<b>569.0</b>



# Agenda 2



## Factor 3 : Financial Costs



	2018	2019
RP	1.52%	1.56%
MLR	6.18%	6.15%
STA	3.15%	3.33%

(THB million)	2018	2019
Financial Cost	935.2	890.5

### Factor affected decrease in financial costs in 2019:

- A decrease in short-term borrowings to support raw material purchasing of natural rubber and the redemption of matured debenture in the amount of Baht 810 million in May 2019.
- In 2019, interest expenses dropped from Baht 935.2 million last year to Baht 890.5 million, down 4.8%.

# Agenda 2

## Factor 4 : Government Policy

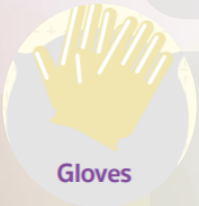


Natural Rubber

### 2019:

The governments of three major natural rubber-producing countries, Thailand, Indonesia, and Malaysia, **imposed a quota of 240,000 tons of rubber export reduction during January to March 2018**, which Indonesia and Malaysia started implement this scheme the period from 1 April 2019 to 31 July 2019 and Thailand implemented the period from 20 May 2019 to 19 August 2019.

- Natural rubber price guarantee program for rubber farmers [Period: October 2019 to March 2020] which the guaranteed prices were at 60 Bath/kg. for good quality unsmoked sheets, at 57 Baht/kg. for fresh latex and at 23 Baht/kg. for cup lump.
- Interest rate subsidy program offered to businesses that consume natural rubber which the Government shall subsidy the interest rate no more than 3%.

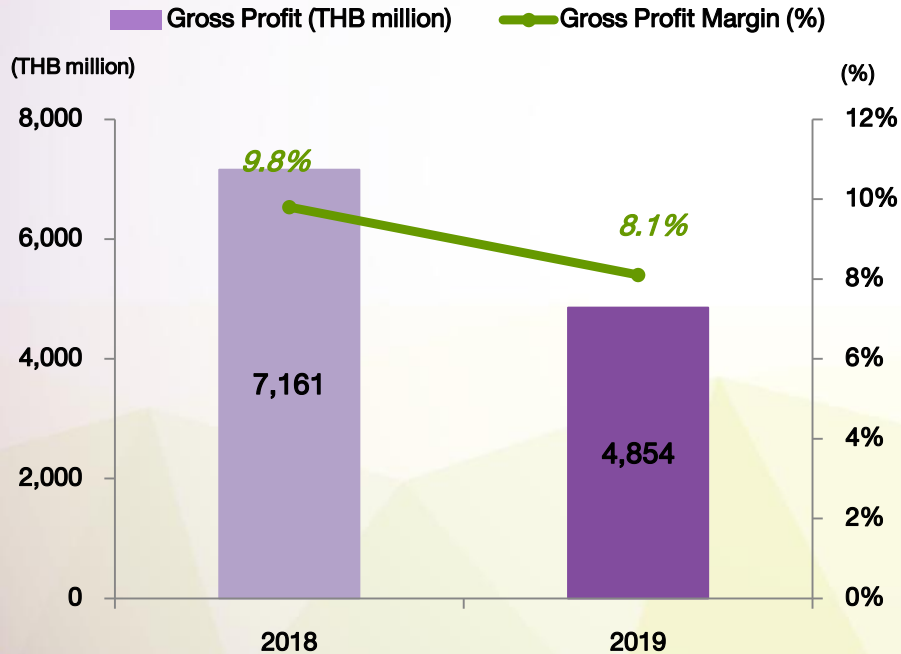


Gloves

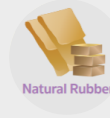
Glove operations are also affected by policies such as the ban issued by the US Food and Drug Administration on the use of powdered medical gloves, which could lead to shifting in demand for latex gloves to powder-free latex gloves or nitrile gloves.

# Agenda 2

## Gross Profit and Gross Profit Margin



### Gross profit and gross profit margin in 2019 decreased due to:

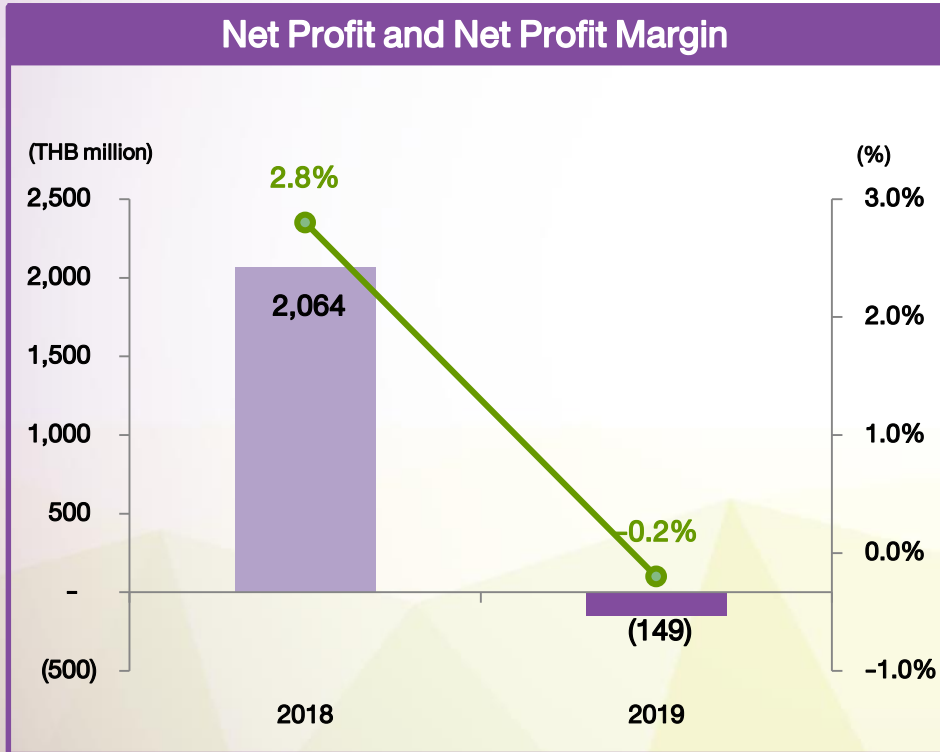


- High volatility of natural rubber price on the global markets which moved inconsistent with domestic raw material process and/or fundamental



- The drop in prices of latex and synthetic rubber, the primary raw material in latex and nitrile glove production, respectively, which moved down alongside oil prices on the global market
- The appreciation of Thai Baht against US Dollar, especially when compared with Malaysian Ringgit, the currency of our major competitors
- These bought about an decreased in ASP of gloves to represent raw material prices and to compete with competitors in Malaysia

# Agenda 2



## Net loss mainly due to the drop of:

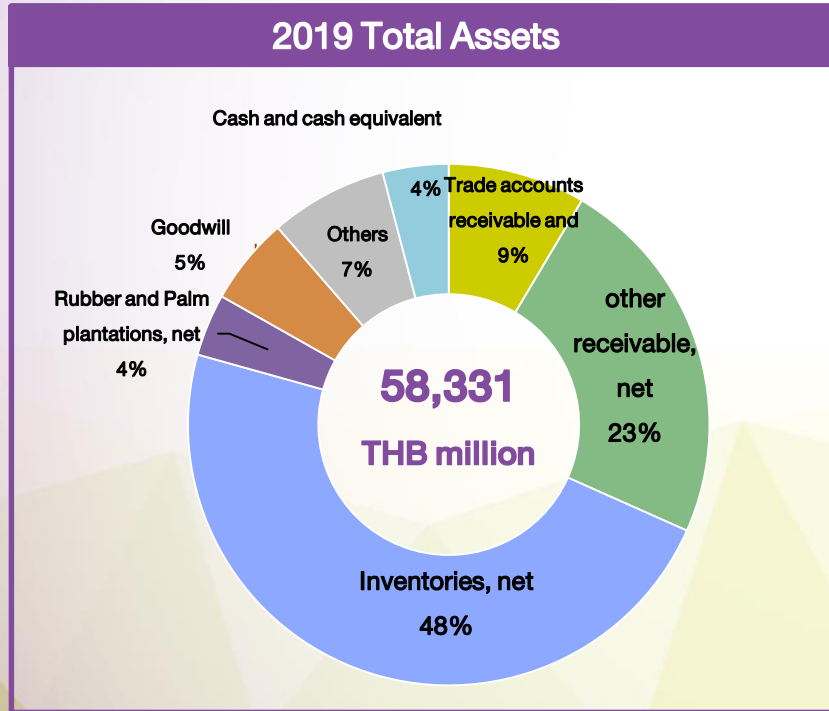
- Operating profit
- Share of profit from investments in associates and joint ventures
- The drop in profits from glove business due to the appreciation of Thai Baht against Malaysian Ringgit, a main competitor country

At the end of 2019, we had Baht 961.2 million in gains from the net realizable value of inventory that cannot be recorded in accordance with the accounting standards.

Had we been able to record such gains, we would have had a net profit of Baht 812.7 million in 2019.

# Agenda 2

## Financial Structure – Total Assets

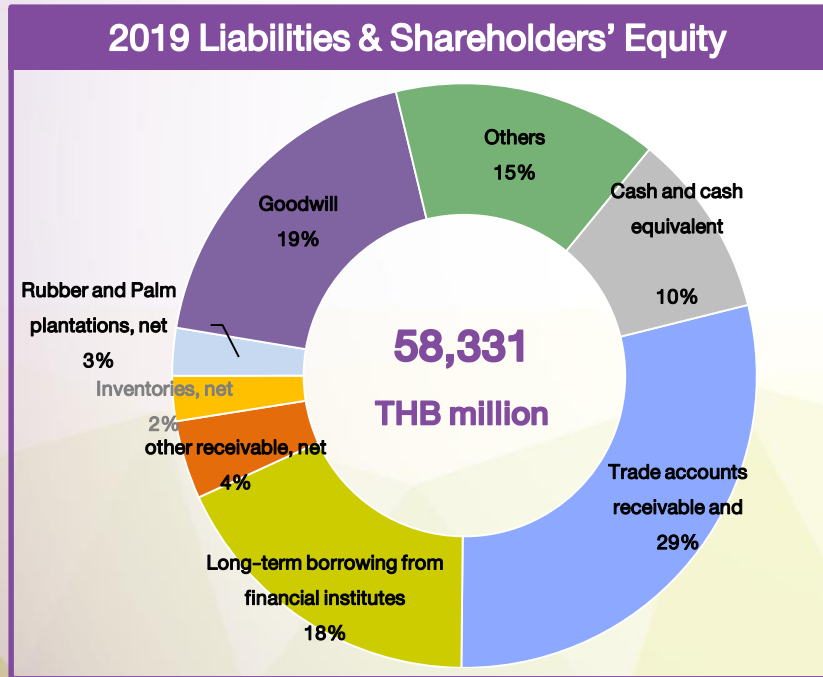


Consolidated (THB million)	31 Dec 18	31 Dec 19	% Chg.
Cash and cash equivalent	4,259	2,382	-44.1%
Trade accounts receivable and other receivable, net	5,970	4,978	-16.6%
Inventories, net	12,452	13,494	8.4%
Other current assets	1,545	1,689	9.3%
<b>Total current assets</b>	<b>24,226</b>	<b>22,543</b>	<b>-6.9%</b>
Investments in associates and JVs	801	896	11.8%
Property, plant and equipment, net	26,382	27,802	5.4%
Rubber and Palm plantations, net	2,051	2,247	9.5%
Goodwill	3,175	3,175	-
Other non-current assets	1,779	1,669	-6.2%
<b>Total non-current assets</b>	<b>34,189</b>	<b>35,788</b>	<b>4.7%</b>
<b>Total Assets</b>	<b>58,414</b>	<b>58,331</b>	<b>-0.1%</b>

# Agenda 2



## Financial Structure – Total Liabilities and Shareholders' Equity



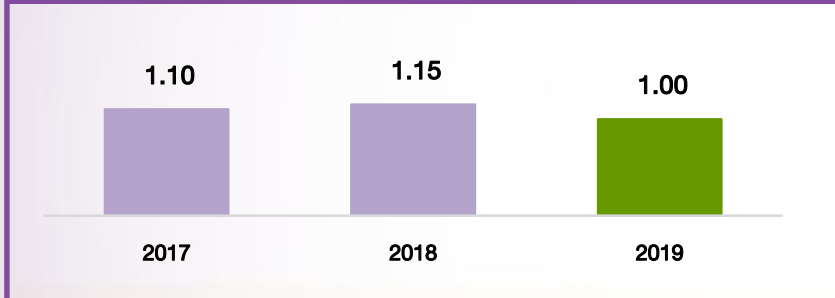
Consolidated (THB million)	31 Dec 18	31 Dec 19	% Chg.
Short-term loans	15,767	16,949	7.5%
Long-term loans*	9,702	10,496	8.2%
Trade AP and other payables	2,677	2,529	-5.5%
Debentures*	2,265	1,455	-35.8%
Derivative financial instruments	171	143	-16.4%
Other liabilities	1,421	1,271	-10.5%
<b>Total Liabilities</b>	<b>32,003</b>	<b>32,842</b>	<b>2.6%</b>
Issued and paid-up share capital	1,536	1,536	-
Premium on share capital	10,852	10,852	-
Retained earning	9,173	8,567	-6.6%
Other shareholders' equity	4,851	4,534	-6.5%
<b>Total Shareholders' Equity</b>	<b>26,411</b>	<b>25,488</b>	<b>-3.5%</b>

Note : \*Including the current portion

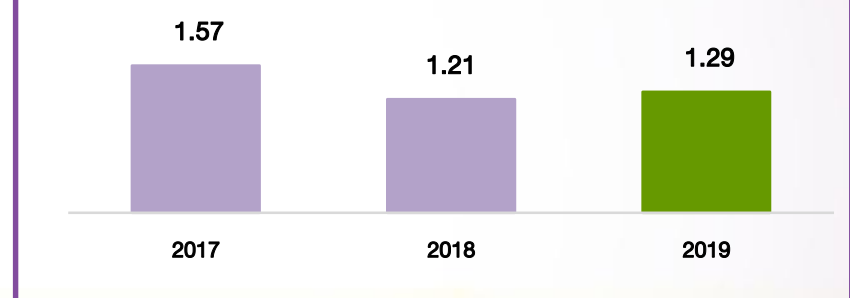
# Agenda 2

## Financial Ratios

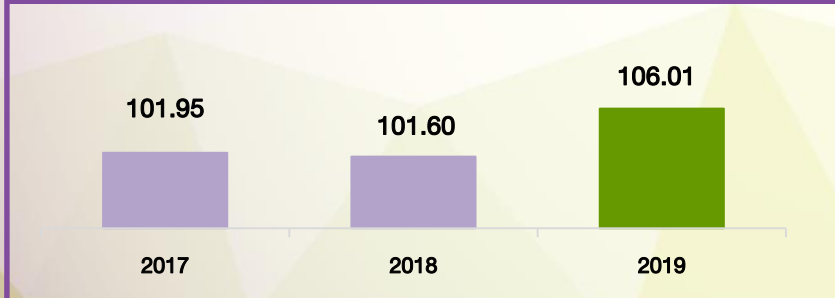
### Current Ratio (times)



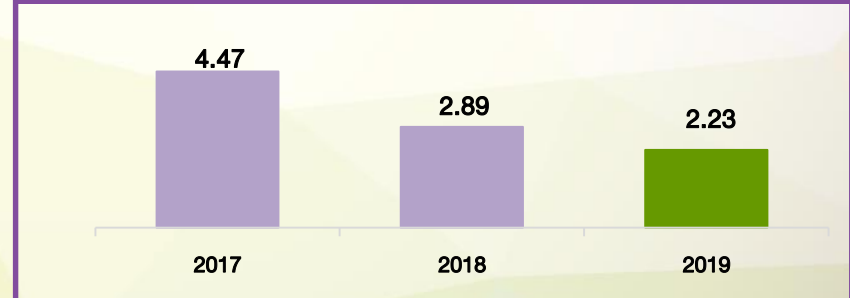
### Debt to Equity Ratio (times)



### Cash Cycle (days)

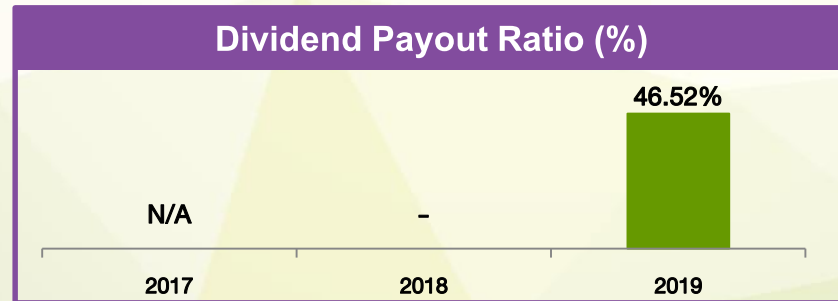
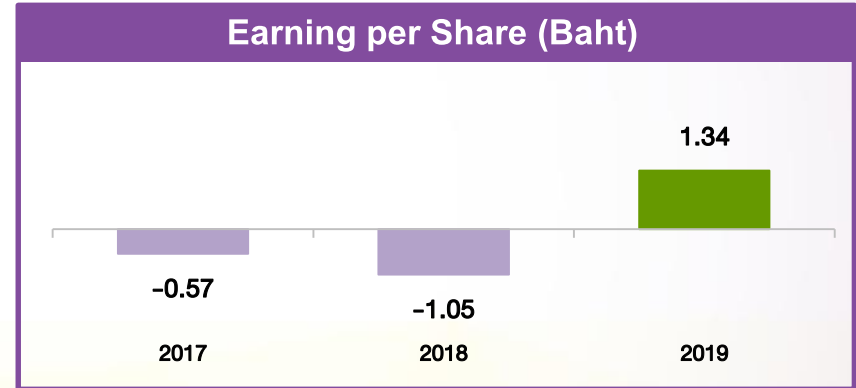
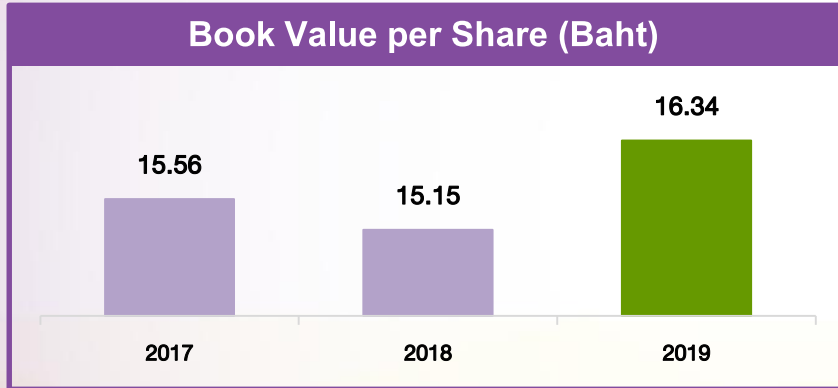


### Fixed Asset Turnover (times)



# Agenda 2

## Financial Ratios





# Agenda 2

## Sustainability Performance

## Economic and Corporate Governance



SDGs Goal



Thailand Sustainability Investment  
and Selected in SET THSI index



Certified FSC™  
FSC FM and FSC CoC



CAC Certification



CG score : Excellent



Sustainability Disclosure Award  
(Recognition)



Customer Satisfaction

# Agenda 2

## Sustainability Performance

### Social

**GREEN PROCUREMENT  
and  
GREEN PRODUCT**

“Create more happiness for internal and external society”



SDGs Goal



The Outstanding Organization for the Promotion of the Disabled Person



Mobile Application  
STA F.R.I.E.N.D.S



102 companies

	2018	2019
	40	102

STA's partners signed to show the intention against corruption.

Purchasing local products and services	2,824 mil. THB
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Support the purchasing of local products & services

# Agenda 2

## Sustainability Performance

### Environment

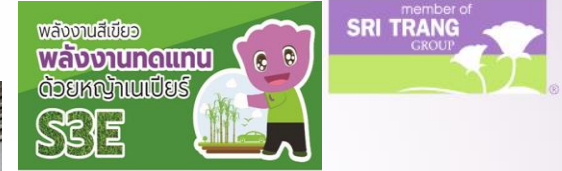
GREEN PROCESS



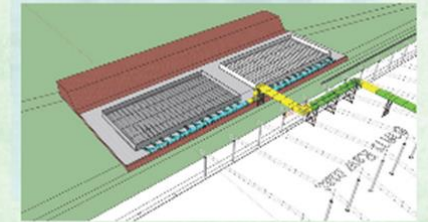
“Focus on the effective environmental management system”



SDGs Goal



Improved cup lump storage building to closed system at Loei factory



ระบบบำบัดกลิ่นแบบกรองชีวภาพ (Bio-Filter)

Energy Saving Project 2019 (Natural Rubber)  
35 projects



Investment 4,577,835 Baht.  
Save cost 19,167,281 Baht.

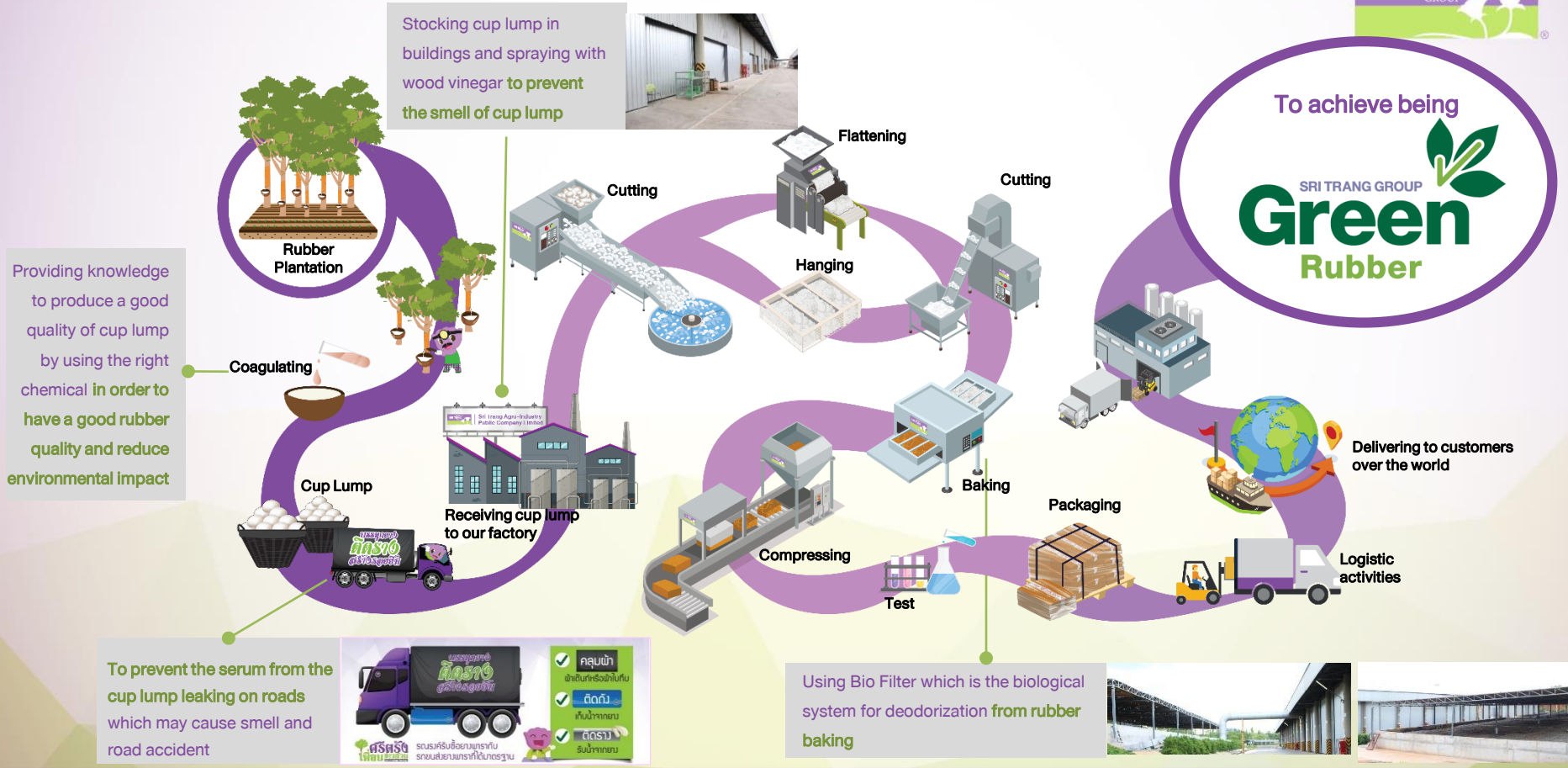


save 5,384,832.66 (Kwh/ton)  
Reduce Greenhouse Gas (CO<sub>2</sub>) emission  
3,135 tCO<sub>2</sub>-eq



The odor treatment project Bio-filter at Loei factory

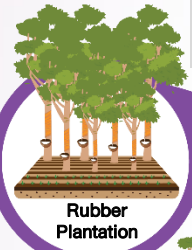
# Taking a Step Forward as the Green Rubber Company



Stocking cup lump in buildings and spraying with wood vinegar to prevent the smell of cup lump



Providing knowledge to produce a good quality of cup lump by using the right chemical in order to have a good rubber quality and reduce environmental impact



Rubber Plantation

Coagulating

Cup Lump

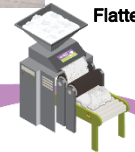


Receiving cup lump to our factory

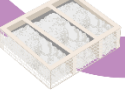
Cutting



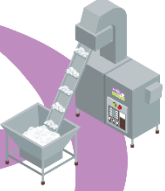
Flattening



Hanging



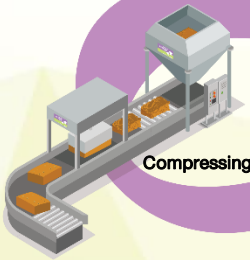
Cutting



Baking



Compressing



Test



Packaging



Delivering to customers over the world



Logistic activities



To prevent the serum from the cup lump leaking on roads which may cause smell and road accident

รถบรรทุกสิบล้อ  
สิบล้อ  
สิบล้อ

- ✓ คุลมบ่า
- ✓ ฝาปิดกันรั่วซึม
- ✓ ติ๊กตัม
- ✓ รั้วน้ำจากถนน
- ✓ ติ๊กตัม
- ✓ รั้วน้ำจากถนน

Using Bio Filter which is the biological system for deodorization from rubber baking



# Agenda 3



To acknowledge the interim dividend payment from the Company's performance for the year 2019

Objective and Reasons as shown in  
invitation agenda item 3



# Agenda 3



Due to the epidemic of Coronavirus Disease 2019 (COVID-19), the Company has postponed the 2020 Annual General Meeting of Shareholders. To avoid the impact of the postponement of the 2020 AGM, the Board of Directors has approved the interim dividend payment from the Company's performance for the year 2019 instead. As the Company still has accumulated profit, considering together with the current cash flow ability, the Board of Directors approved the dividend payment of Baht 0.35 per share, totaling Baht 537.60 million. It will be paid from the Company's accumulated profitless 5 years loss carry forward whereby individual shareholder shall not be entitled to a tax credit which has already been paid to shareholders on 15 May 2020.

# Agenda 3

	2019	2018 (Adjusted)	2017
Net profit (million Baht)	(52.07)	2,161.50	(1,418)
Earnings per share (Baht)	(0.10)	1.34	(1.05)
Dividend per share (Baht)	0.35	0.65	-
Interim dividend (Baht/share) (as at 15 May 2020)	0.35	0.25	-
Year-End dividend (Baht/share)	-	0.40	-
Number of shares (shares)	1,536	1,536	1,536
Total dividend payment (million Baht)	537.60	998	-
Payout ratio (%)	NA	46.52	-

# Agenda 4



To consider and approve the election of directors to replace the directors who retire by rotation



# Agenda 4



The four directors who shall vacate office are:

1. Mr. Kitichai Sincharoenkul      Director
2. Mr. Samacha Potavorn      Director / Independent Director
3. Mr. Patrawut Panitkul      Director
4. Mr. Vitchaphol Sincharoenkul      Director

# Agenda 4

4.1 To consider and approve the election of Mr. Kitichai Sincharoenkul to be a director of the Company for another term.



Proposed to be appointed as a director  
of the Company

[Profile](#)

# Agenda 4

4.2 To consider and approve the election of Mr. Samacha Potavorn to be a director / independent director of the Company for another term.



Proposed to be appointed as a director / independent director of the Company

## Profile

# Agenda 4

4.3 To consider and approve the election of Mr. Patrawut Panitkul to be a director of the Company for another term.



Proposed to be appointed as a Director  
of the Company

[Profile](#)

# Agenda 4

4.4 To consider and approve the election of Mr. Vitchaphol Sincharoenkul to be a director of the Company for another term.



Proposed to be appointed as a director  
of the Company

[Profile](#)

# Agenda 5



To consider and approve the determination of remuneration of directors for the year 2020

# Agenda 5



The directors' remuneration for the year 2020, with the details as follows:

## Remuneration of Board of Directors

- Chairman of the Board Baht 75,000 / person/ month
- Directors Baht 56,000 / person/ month

## Remuneration of Audit Committee

- Chairman of the Audit Committee Baht 85,000 / person/ month
- Audit Committee member Baht 70,000 / person/ month

## Meeting Allowance (only pay to those who attend the meeting)

- Chairman of the Board / Chairman of Audit Committee Baht 10,000 / person/ time
- Directors / Audit Committee member Baht 7,000 / person/ time

**Other Benefits / Non-monetary remuneration** None

# Agenda 5

	Remuneration of Directors (Baht)		
Year	2020	2019	2018
Board of Directors	6,276,000	5,604,000	5,604,000
Audit Committee	2,700,000	2,424,000	2,424,000
Total	8,976,000	8,028,000	8,028,000



# Agenda 5

Name	Position	Remuneration of Directors (Baht/year)		
		2020	2019	2018
1. Mr. Viyavood Sincharoenkul	Chairman	900,000.-	804,000.-	804,000.-
2. Mr. Prakob Visitkitjakarn <sup>1</sup>	Vice Chairman, Independent Director and Chairman of Audit Committee	-	390,000.-	936,000.-
3. Miss Anusra Chittmittrapap <sup>2</sup>	Vice Chairman, Independent Director and Audit Committee	840,000.-	672,000	600,000.-
4. Mr. Chaiyos Sincharoenkul	Director	672,000.-	600,000.-	600,000.-
5. Mr. Kitichai Sincharoenkul	Director	672,000.-	600,000.-	600,000.-
6. Mr. Veerasith Sinchareonkul	Director	672,000.-	600,000.-	600,000.-
7. Mr. Lee Paul Sumade	Director	672,000.-	600,000.-	600,000.-
8. Mr. Patrawut Panitkul	Director	672,000.-	600,000.-	600,000.-
9. Mr. Li Shiqiang <sup>3</sup>	Director	36,129.-	600,000.-	600,000.-
10. Mr. Chalernpop Khanjan	Director	672,000.-	600,000.-	600,000.-
11. Mr. Kriang Yanyongdilok <sup>4</sup>	Independent Director and Chairman of Audit Committee	1,020,000.-	840,000.-	744,000.-
12. Mr. Samacha Potavorn	Independent Director and Audit Committee	840,000.-	744,000.-	744,000.-
13. Gen. Thanasorn Pongarna <sup>5</sup>	Independent Director	672,000.-	300,000.-	-
14. Mr. Vitthaphol Sincharoenkul <sup>6</sup>	Director	560,000.-	-	-

# Agenda 5

	Meeting Allowance (Baht/time)	
	2020	2019
Chairman	10,000	-
Director	7,000	-
Chairman of Audit Committee	10,000	-
Audit Committee Member	7,000	-

# Agenda 6



To consider and approve the appointment of the auditor and determination of auditing fee for the year 2020

# Agenda 6



It is deemed appropriate that the shareholders meeting approve the appointment of an auditor from EY Office Limited to be an auditor of the Company for the year 2020 with the names listed as follows:

Name of Auditor	Certified Public Accountant (Thailand) No.	Year for Auditing the Company in past 5 years
1. Mr. Supachai Panyawattano	3930	2018 , 2019
2. Miss Krongkaew Limkittikun	5874	-
3. Mr. Nuttawut Santiphet	5730	-

Either of these auditors can conduct the audit and express an opinion on the financial statements of the Company. In the event that neither of these auditors is available, EY Office Limited can delegate another one of its Certified Public Accountants to conduct the audit.

# Agenda 6



## Auditing fee of the Company and its subsidiaries

Unit: Baht

	2020	2019
Auditing fee (year end)	6,030,000	4,944,000
Reviewing fee (quarterly)	5,324,000	4,680,000
<b>Total auditing fee</b>	<b>11,354,000</b>	<b>9,624,000</b>

For the year 2020, EY Office Limited proposed the auditing fee of the Company and 10 subsidiaries, aggregately in an amount of Baht 11,354,000, divided into the auditing fee of the Company in an amount of Baht 6,100,000 and the auditing fee of the subsidiaries in an amount of Baht 5,254,000, which is increased from the previous year of 18%.

# Agenda 6



In addition, the Company uses the audit services for the foreign subsidiaries from the same audit firm specified herein and other audit firms. The determination to appoint the auditor of each foreign subsidiary shall primarily consider from quality of its services and auditing fee rate. For the subsidiaries located in foreign countries that use the audit services from other audit firms, the Board of Directors of the Company will enable them to submit the financial statements within prescribed time.

# Agenda 7



Other matters (if any)

member of  
**SRI TRANG**  
GROUP

