



No. STGT.CS 008/2023

22 September 2023

Subject: Notification of the Entering into Connected Transaction and the Appointment of a Company Secretary

To: President

The Stock Exchange of Thailand / Singapore Exchange

Enclosure: Information Memorandum of Sri Trang Gloves (Thailand) Public Company Limited

Re: the Entering into the Connected Transaction

The Board of Directors Meeting of Sri Trang Gloves (Thailand) Public Company Limited (the "Company") No. 4/2023, convened on 22 September 2023, resolved to approve the following agendas.

1. Approved the renewal of the Portfolio Management Agreement between Sri Trang Gloves Global Pte. Ltd. ("STGG"), a subsidiary in which the Company holds 100 percent of shares and established in Singapore engaging in financial asset management and financial investment of the group business, as "the Client", and Paragon Capital Management Singapore Pte. Ltd. ("PCMS"), a juristic person established in Singapore and operates the business as the investment advisor and asset management, as "the Investment Advisor", which is the connected person of the Company since the major shareholder of PCMS are Dr. Viyavood Sincharoenkul and his spouse which Dr. Viyavood Sincharoenkul is Director and Chairman of Executive Committee of the Company. Therefore, this transaction is classified as connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (including any amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) (including any amendment thereto) (collectively, "Notifications on Connected Transactions"). The value of the transaction is USD 2,700,000 or approximately THB 98.20 million calculated based on the average foreign exchange rate of the Bank of Thailand as of 21 September 2023 at THB 36.37 per USD ("the Foreign Exchange Rate") or equivalent to 0.27 percent of the net tangible asset value of the Company from the Company's consolidated financial statements for the six months period ending 30 June 2023, which has been reviewed by a certified auditor ("Financial Statements"). Therefore, such transaction is greater than 0.03 percent but less than 3.00 percent of the net tangible asset value.

During the past six months prior the entering into such a transaction, there have been no other transactions occurring with the same connected persons, its related parties, or its close relatives. Hence, the total value of transactions is equivalent to 0.27 percent of the net tangible asset value of the Company (based on Financial Statements), which is greater than 0.03 percent but less than 3.00 percent of the net tangible asset value. Therefore, the Company is required to obtain the approval from the Board of the Directors' meeting before the entering into the transaction and to disclose the information relating to the transaction to the Stock Exchange of Thailand as shown in the attachment.

2. Approved the appointment of Miss Patcharee Kosanam to be the Company Secretary in replace of Miss. Kittaya Vuthipadadorn, effective on 22 September 2023 onward.

Please be informed accordingly.

Yours faithfully,

----- Signature -----

(Miss Thanawan Sa-ngiamsak)
Director and Chief Financial Officer

(Please see the next page >>)

Information Memorandum of Sri Trang Gloves (Thailand) Public Company Limited

Re: The Entering into the Connected Transaction

The Board of Directors' Meeting No. 4/2023 of Sri Trang Gloves (Thailand) Public Company Limited (the "Company") which was held on 22 September 2023 has passed a resolution to enter into the connected transaction, details are as follows:

1. Date, Month, Year when the Transaction Occurred

STGG and PCMS will renew the Portfolio Management Agreement within 17 October 2023.

2. Related Counterparties and the Relationship

Client: STGG

Investment Advisor: PCMS

Relationship between the Parties

The major shareholders of PCMS are Dr. Viyavood Sincharoenkul and his related party indirectly hold 8.01 percent of total shares in PCMS and Ms. Sun Szu Shu (spouse) directly holds 30 percent of total shares in PCMS. In this regard, Dr. Viyavood Sincharoenkul is the director and Chairman of the Executive Committee of the Company.

3. General Characteristic of Transaction

On 18 October 2021, STGG, a subsidiary of the Company in Singapore that engages in financial asset management and financial investment of the group business, entered into the Portfolio Management Agreement with PCMS, a juristic person established in Singapore and operates the business as the investment advisor and asset management, as well as having an expertise and extensive experience in investment field. Since the agreement will be expired in 2 years on 17 October 2023, the Company therefore approved STGG to renew such agreement in another 2 years. The significant details stipulated in the agreement can be summarized as follows:

Topics	Details
Characteristic of Agreement	Portfolio Management Agreement
Assets under Management (AUM)	USD 180,000,000 of investment fund or approximately THB 6,546.60 million (excludes fixed deposits with financial institutions).
Scope of Asset Management under Portfolio	PCMS will manage the assets under the portfolio to invest in financial securities including but not limited to stocks and shares, debt securities, derivatives, units in any unit trust, bank deposit.
Term of Agreement	2 years from the date of renewal the agreement
Management Fee	0.75 percent per annum of assets under management (excludes fixed deposits with financial institutions) or equivalent to USD 1,350,000 per annum, totaling USD 2,700,000 throughout the term of agreement or approximately THB 98.20 million (based on the Foreign Exchange Rate).

4. Total value of consideration, criteria to determine the total value of consideration, and payment method

● **Total value of consideration**

The management fee at 0.75 percent per annum of assets under management (excludes fixed deposits with financial institutions) or equivalent to USD 1,350,000 per annum, totaling USD 2,700,000 throughout the term of agreement or approximately THB 98.20 million (based on the Foreign Exchange Rate), this is equivalent to 0.27 percent of the net tangible asset value of the Company (based on Financial Statements) which is greater than 0.03 percent but less than 3.00 percent of the net tangible asset value of the Company.

Calculation of the Company's Net Tangible Assets

$$\begin{aligned} \text{Transaction Size (\%)} &= \frac{\text{Total value of consideration} \times 100}{\text{Total net tangible assets of the Company}} \\ &= \frac{98,199,000 \times 100}{36,078,214,996} \\ &= 0.27 \end{aligned}$$

During the past six months prior the entering into such a transaction, there have been no other transactions occurring with the same connected persons, its related parties, or its close relatives. Hence, the total value of transactions is equivalent to 0.27 percent of the net tangible asset value of the Company (based on Financial Statements), which is greater than 0.03 percent but less than 3.00 percent of the net tangible asset value. Therefore, the Company is required to obtain the approval from the Board of the Directors' meeting before the entering into the transaction and to disclose the information relating to the transaction to the Stock Exchange of Thailand.

● **Criteria to determine the total value of consideration and payment method**

The determination of management fee at 0.75 percent per annum of assets under management (excludes fixed deposits with financial institutions) or equivalent to the transaction value of approximately THB 98.20 million, is under the general commercial condition and the negotiation between the parties which is lower than the market price of this industry based on the comparative market price of the investment advisor in Singapore which generally charge the management fee at the rate of 1.0-3.0 percent per annum.

5. Characteristics of the Interest of the Connected Person in the Transaction

The major shareholders of PCMS are Dr. Viyavood Sincharoenkul and his spouse, which Dr. Viyavood Sincharoenkul is the director and Chairman of the Executive Committee of the Company.

- 1) Dr. Viyavood Sincharoenkul and his related party indirectly hold 8.01 percent of total shares in PCMS
- 2) Ms. Sun Szu Shu, the spouse of Dr. Viyavood Sincharoenkul directly holds 30 percent of total shares in PCMS.

Therefore, this is a transaction between a subsidiary of the listed company and juristic person whose its major shareholder is the director of listed company (including the spouse of director), and it is classified as the connected transaction under assets or services classification following the Notifications on Connected Transactions.

6. Rational and Necessity for entering into transactions

In 2021, the Company established STGG as the subsidiary to conduct and engage in financial asset management and financial investment in Singapore, where is the major financial investment center in Asia. Furthermore, STGG has filed for the tax incentive under the regulations of Monetary Authority of Singapore (“MAS”) for the exemption of corporate income tax from the investment, and the exemption of withholding tax from the dividend which STGG pays to the Company. As of 22 September 2023, the Company has a USD 280,000,000 investment fund in STGG that was divided into fixed deposits in the amount of USD 100,000,000 with the Singapore financial institutions and another USD 180,000,000 will be managed the assets under the portfolio to invest in financial securities by PCMS.

PCMS is the investment advisor having an expertise and extensive experience, and the asset management company holding the license issued by the relevant authority in Singapore, and promptly provides the services for the client. In addition, the management fee at 0.75 percent per annum which PCMS has proposed to STGG is lower than the general market rate in Singapore at 1.0-3.0 percent per annum and the agreement is under the general commercial condition in comparison with other company carrying on business of the same nature.

7. Related Parties and nature of scope of interest

4 directors who have interest in this transaction are Dr. Viyavood Sincharoenkul, Mr. Kitichai Sincharoenkul, Mr. Veerasith Sinchareonkul and Mr. Vitanath Sincharoenkul that had no right to vote in this agenda.

8. Opinions of the Board of Directors

The Board of Directors (excluding directors with interests) has considered and opined that the entering into this transaction is reasonable and beneficial to the Company’s business. The Company could manage the excess liquidity asset in form of cash while generating the appropriate return to the Company under the benefit of tax exemption on the return of such investment. Moreover, the management fee is appropriate and lower than the market price in comparison with the management fee of other company in the same industry in Singapore.

9. Opinions of the Audit Committee and/or the directors of the Company which are different from those of the Board of Directors

The Audit Committee and the directors did not have any opinions that were different from the opinions of the Board of Directors.