

29 October 2014

Subject Notification of the Connected Transaction of a subsidiary in the land purchase

To President

The Stock of Exchange of Thailand

According to the Meeting of the Board of Directors of Sri Trang Agro-Industry Public Company Limited ("STA" or the "Company") No. 7/2014 held on 29 October 2014, such Meeting of the Board of Directors had unanimously resolved to approve Sri Trang Rubber and Plantation Company Limited ("SRP") which is a wholly-owned subsidiary of the Company to purchase 47 plots of the land with rubber trees on some part of land in the amount of 1,354 rai 2 ngan 24 square wah (541,824 square wah) together with the buildings including drip irrigation system on some part of land at Doi Tao district, Changmai province. The value of the transaction was Baht 60,000,000.

18 plots of land with the buildings consisting of a single-stories warehouse, a water tank with 8 meters high and a water pump building including drip irrigation system with the total area of 461 rai 3 ngan 50 square wah (184,750 square wah) are the properties of connected person of the Company. Such purchase of land, building and other related assets are deemed to be connected transactions under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions in the year 2003 (hereinafter collectively referred to as the "Notification on Connected Transactions"). Therefore, the doing of such connected transaction shall be approved from the Meeting of the Board of Directors and the Company has to disclose the information concerning connected transactions to the SET.

Information concerning the connected transactions as following details;

1. Date, Month, and Year of Occurred Transaction

SRP will enter into the sale and purchase contract for such assets within 2 months after the approval of the STA Board of Directors No. 7/2014 date 29 October 2014 and such connected persons will transfer the land, buildings and other related assets to SRP within December 2014.

2. Parties and Connected Relation

Purchaser: Sri Trang Rubber and Plantation Company Limited ("SRP") is a 100% subsidiary of the Company

Seller: 1. Mrs. Voradi Sincharoenkul

The assets to be sold includes:

Land 13 plots of land with the total area of 335-0-56 rai (134,056 square wah) are the certificate of utilization No. 509, 580, 774, 831, 1036, 1037, 1039, 1043, 1050, 1140, 1169, 1346, 1686.

The average value of sale and purchase is Baht 106 per square wah with the amount of Baht 14,209,936.

Buildings the buildings consists of a single-stories warehouse, a water tank with 8-meter high and a water pump building. The value of sale and purchase is Baht 3,300,000.

Drip irrigation system the value of sale and purchase is Baht 500,000.

Total value of sale and purchase is Baht 18,009,936 which is below than the assessment value.

The assessment value of determined by the independent valuation company is Baht 18,121,225.

2. Ms. Vannisa Sincharoenkul

The assets to be sold includes:

Land 5 plots of land with the total area 126-2-94 rai (50,694 square wah) are the certificate of utilization No. 588, 589, 1077, 1170, 1347.

The average value of sale and purchase is Baht 93 per square wah with the amount of Baht 4,714,542.

Drip irrigation system the value of sale and purchase is Baht 230,000.

Total value of sale and purchase is Baht 4,944,542 which is below than the assessment value.

The assessment value determined by the independent valuation company is Baht 4,980,065.

Relationship : 1. Mrs. Voradi Sincharoenkul

- Holding 0.20% shares in paid-up shares of the Company
- No position in the Company
- Her relationship is an elder sister of three directors of the Company; that is,
 - Mr. Viyavood Sincharoenkul Chairman / Managing Director
 - Mr. Lee Paul Sumade Director
 - Mr. Kitichai Sincharoenkul Director

2. Ms. Vannisa Sincharoenkul

- Holding 0.019% shares in paid-up shares of the Company
- No position in the Company
- Her relationship is a daughter of Mr. Kitichai Sincharoenkul who is a director of the Company.

3. General Characteristics of Assets (only connected transaction)

This transaction regarding the land purchase from two connected persons is 18 plots of certificate of utilization and 3 buildings including drip irrigation system with the total area of 461-3-50 rai (184,750 square wah) which are located at Doi Tao district, Chiang Mai province. Such assets have the assessment value determined by Pann's Integrated Property Company Limited who is an independent valuation company (the "independent valuation company") and permitted by the Securities and Exchange Commission ("SEC") on 21 July 2014 equivalent to Baht 23,101,290 which can be divided as following details;

Owner of Assets to Sell	Assets	Details	Price assessment (Baht)
(1) Mrs. Voradi Sincharoenkul	Land	13 plots of certificate of utilization with the total area of 335-0-56 rai (134,056 square wah)	14,273,295
	Buildings	A single-stories warehouse, a water tank with 8 meters high and water pump building	3,307,474
	Drip irrigation system	Drip irrigation system for the rubber trees on such land	540,456
Total value of assessment			18,121,225
(2) Ms. Vannisa Sincharoenkul	Land	5 plots of certificate of utilization with the total area of 126-2-94 rai (50,694 square wah)	4,743,390
	Drip irrigation system	Drip irrigation system for the rubber trees on such land	236,675
Total value of assessment			4,980,065
Total value of assessment of two connected persons			23,101,290

4. The Return Value, Rule on Calculation of Return Value and Payment Term

4.1 The return value (only connected transaction) equivalents to Baht 22,954,478 with the reference from the value assessed by the independent valuation company.

4.2 Payment term SRP will pay the value of assets in cash to the sellers when the sellers transfer the ownership of land, buildings and other related assets to SRP.

5. Value and Size Calculation

a) The calculation of Net Tangible Assets (NTA) based on the Company's latest audited consolidated financial statement as of 30 June 2014 (unit : Baht)

$$\begin{aligned}\text{NTA} &= \text{Total Asset} - \text{Net Tangible Assets} - \text{Total Liabilities} - \text{Minority shareholders' equity} \\ &= 36,445,464,213 - 26,042,321 - 16,630,030,577 - 91,107,840 \\ &= 19,698,283,475\end{aligned}$$

b) Calculated 3% of NTA = 590.95 Million Baht ($3\% \times 19,698,283,475 = 590,948,504.25$)

c) Value and size calculation (the highest value between the return value or the value of assets will be received) = Baht 23,101,290 equivalent to 0.117% of NTA ($23,101,290/19,698,283,475 \times 100 = 0.117\%$)

The size of transaction is more than 0.03% of NTA but less than 3% of NTA. Therefore, the doing of the connected transaction shall be approved from the Meeting of the Board of Directors and the Company has to disclose the information concerning connected transactions to SET.

6. Source of Fund

SRP will increase the paid-up registered capital. The Company as a 100% shareholder of SRP will increase in capital with the source of fund from long-term loans from the commercial bank(s).

7. Benefits of the Transaction

SRP will use the land for the business expansion in rubber plantation and SRP will get revenue from the selling of rubber. Moreover, the Company will gain additional sources of raw materials and will get return from its investment in SRP.

8. The Opinion of the Board of Directors regarding the Transaction

The Meeting of the Board of Directors had three directors who were the interested directors; Mr. Viyavood Sincharoenkul, Mr. Lee Paul Sumade and Mr. Kitichai Sincharoenkul. Mr. Viyavood Sincharoenkul and Mr. Kitichai Sincharoenkul did not attend this agenda, Mr. Lee Paul Sumade did not vote on this agenda. The rest directors were of opinion that this transaction was appropriate and provided benefits to the Company.

9. The Opinion of Audit Committees and/or Directors which is different from the Board of Directors of the Company

No audit committee or director of the Company had the opinion which is different from the Board of Director.

The Company certified that the information in this report is accurate and completed in all respects.

Please be informed accordingly.

Sincerely yours,



A handwritten signature in blue ink, appearing to read "Veerasith", written over a horizontal line.

(Mr. Veerasith Sinchareonkul)

Director