

Sri Trang Agro-Industry Public Company Limited



THE WORLD'S LEADING FULLY INTEGRATED GREEN RUBBER COMPANY

The 2019 Annual General Meeting of Shareholders

30 April 2019

The Voting Card's Example

ក្រុមហ៊ុនស្រូវស្រែក ភ្នំពេញ ខេត្តស្រះចក
The 2019 Annual General Meeting of Shareholders
សហគ្រាសស្រូវស្រែកភ្នំពេញ ខេត្តស្រះចក (កម្ពុជា)
Sri Trang Agro-Industry Public Company Limited
ភ្នំពេញ/Province of Sra Prek Chhng ខេត្តស្រះចក

ចំនាត់ថ្នាក់ (amount) 1,599 ភ្នំ (share) ថ្នាក់ប្រាក់ (amount) 1,599 ដុល្លារ (USD)
សំនុំសិទ្ធិបោះឆ្នោតសម្រាប់សហគ្រាសស្រូវស្រែកភ្នំពេញ ខេត្តស្រះចក លេខ ០១២៣៤៥៦៧៨៩០

Agenda 1 To acknowledge the minutes of the 2019 Annual General Meeting of Shareholders held on 28 April 2020

ប្រឹក្សា (Approve)
 ប្រកាស (Disapprove)
 ទោសនា (Abstain)

ហត្ថលេខា / Signed _____ ឈ្មោះ/ ឈ្មោះសមាជិក/ shareholder or proxy

ក្រុមហ៊ុនស្រូវស្រែក ភ្នំពេញ ខេត្តស្រះចក
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Agenda 2 To acknowledge the performance results of the Board of Directors of the Company for the year 2019 and to acknowledge the audited financial statements of the Company for the year ended 31/12/2019

ប្រឹក្សា (Approve)
 ប្រកាស (Disapprove)
 ទោសនា (Abstain)

ហត្ថលេខា / Signed _____ ឈ្មោះ/ ឈ្មោះសមាជិក/ shareholder or proxy

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Agenda 3 To acknowledge the dividend payment of the Company for the year 2019 and acknowledge the interim dividend payment

ប្រឹក្សា (Approve)
 ប្រកាស (Disapprove)
 ទោសនា (Abstain)

ហត្ថលេខា / Signed _____ ឈ្មោះ/ ឈ្មោះសមាជិក/ shareholder or proxy

The Voting Card's Example



การประชุมสามัญผู้ถือหุ้น ประจำปี 2562

The 2019 Annual General Meeting of Shareholders

บริษัท ศรีตรังแอกโริנדัสทรี จำกัด (มหาชน)

Sri Trang Agro-Industry Public Company Limited

ชื่อผู้ถือหุ้น/Name of Shareholder

วาระที่ 1



4010033241

C1

จำนวนหุ้น (amount) 1,599 หุ้น (shares) จำนวนเสียง (amount) 1,599 เสียง (votes)

ขอใช้สิทธิออกเสียงในวาระที่ 1 พิจารณารับรองรายงานการประชุมสามัญผู้ถือหุ้นประจำปี 2561 ซึ่งประชุมเมื่อวันที่ 26 เมษายน 2561

Agenda 1 To consider and certify the minutes of the 2018 Annual General Meeting of Shareholders, held on 26 April 2018



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 2018 Annual General Meeting of Shareholders held on 26 April 2018
2. To acknowledge the performance results of the Board of Directors of the Company for the year 2018 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2018
3. To consider and approve the dividend payment of the Company for the year 2018 and acknowledge the interim dividend payment

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 2019
6. To consider and approve the appointment of the auditor and determination of auditing fee for the year 2019
7. Other matters (if any)

Agenda 1



To consider and certify the Minutes of the 2018 Annual General Meeting of Shareholders held on 26 April 2018

A copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2017 is enclosed with Invitation to the 2018 Annual General Meeting of Shareholders and disseminated on the Company's website www.sritranggroup.com

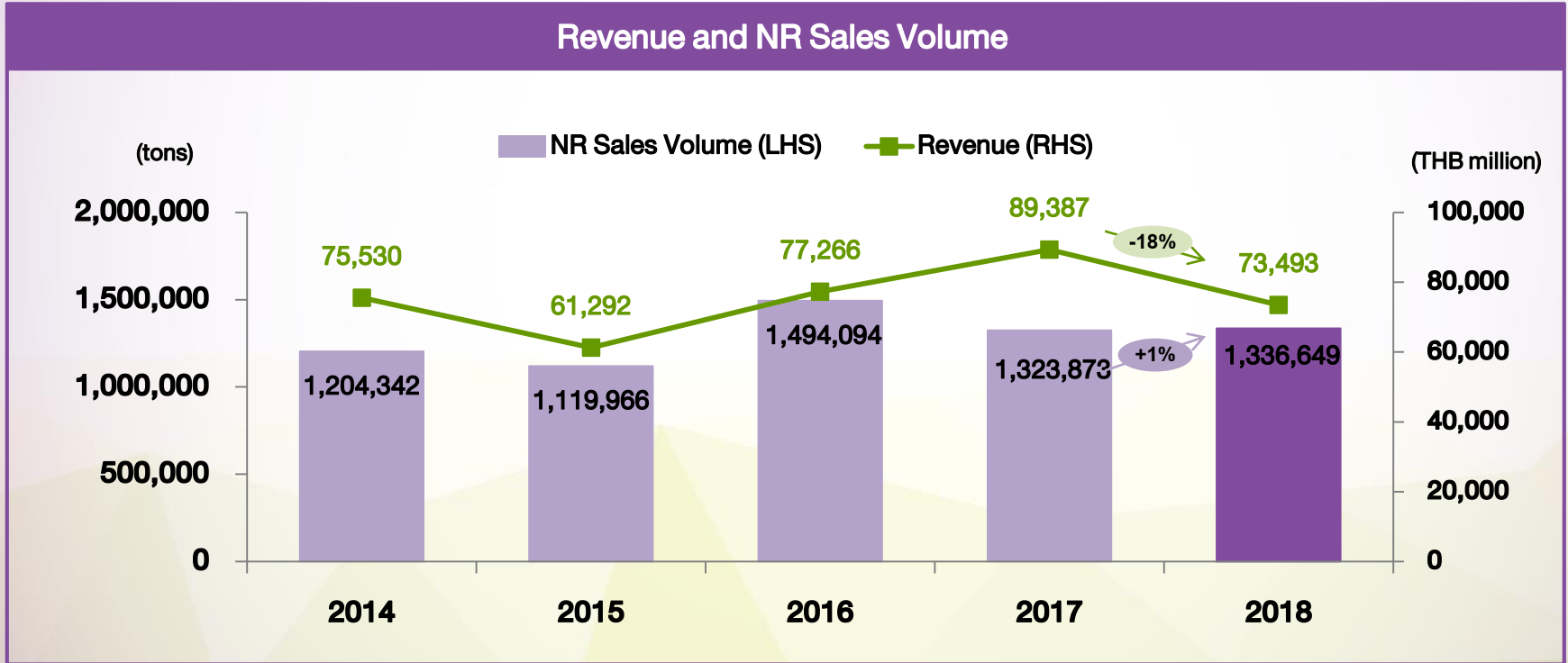
Agenda 2



To acknowledge the performance results of the Board of Directors of the Company for the year 2018 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2018

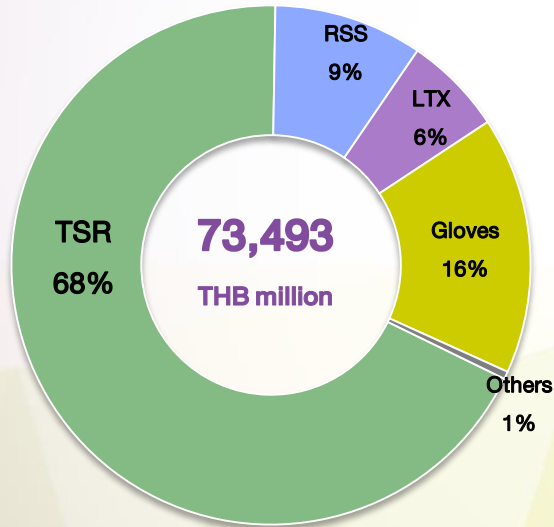
The Company regularly discloses MD&A through the SET system after the release of financial statements.

Agenda 2

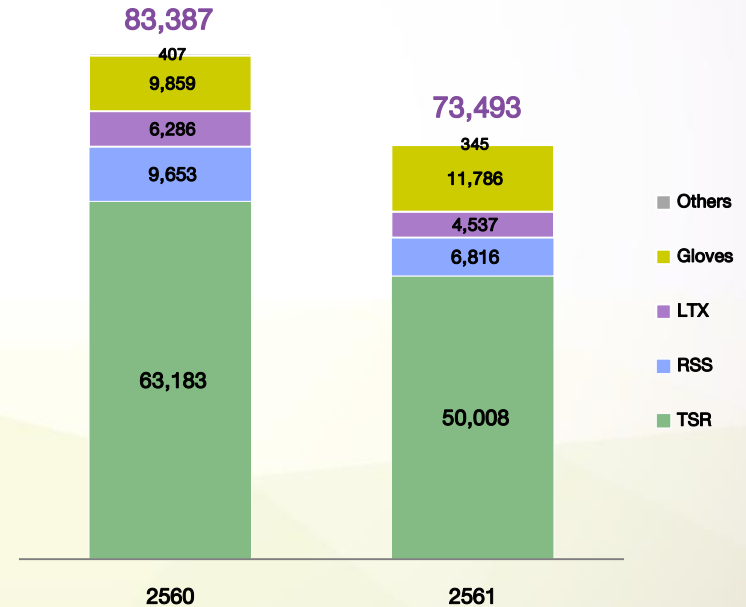


Agenda 2

2018 Sales Revenue by Product



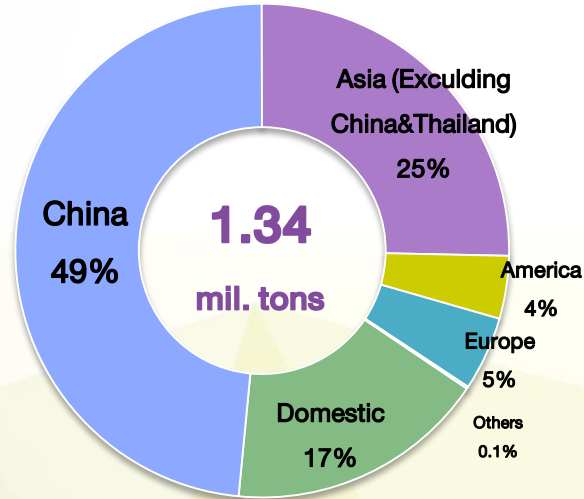
2018 Sales Revenue Portion by Product (THB million)



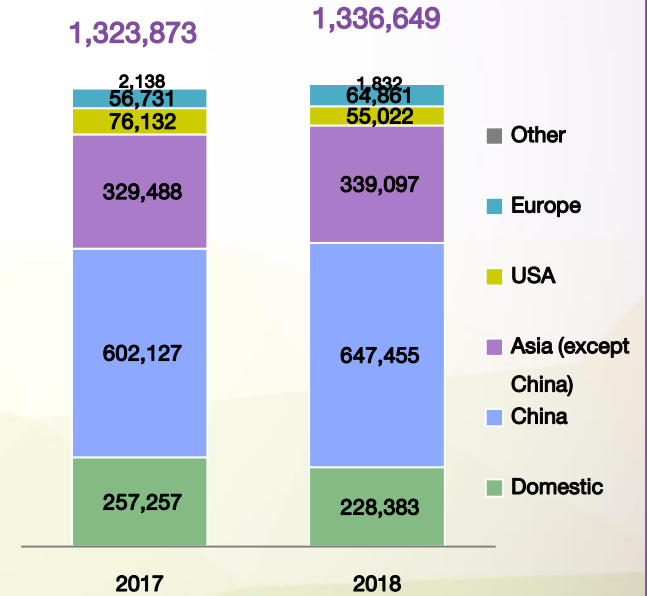
Agenda 2



2018 NR Sales Volume by Region



Sales Volume by Region (Tons)



Agenda 2



Latex Powder Examination Glove

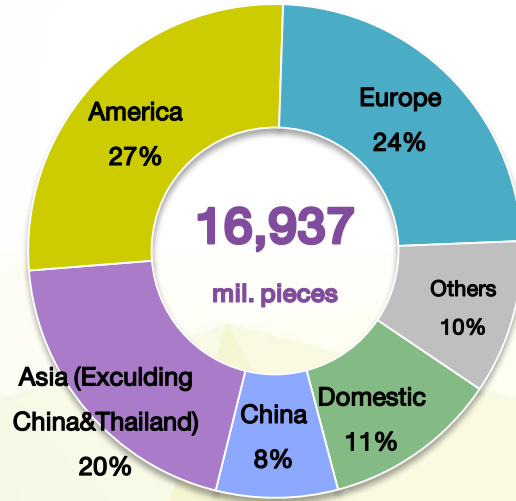


Latex Powder-Free Examination Glove

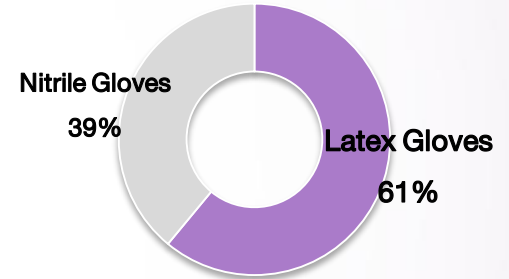


Nitrile Powder-Free Examination Glove

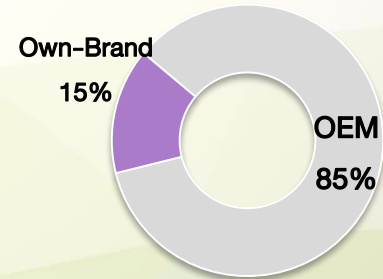
2018 Gloves Sales Volume by Region



Sales Volume of Latex Gloves & Nitrile Gloves Portion

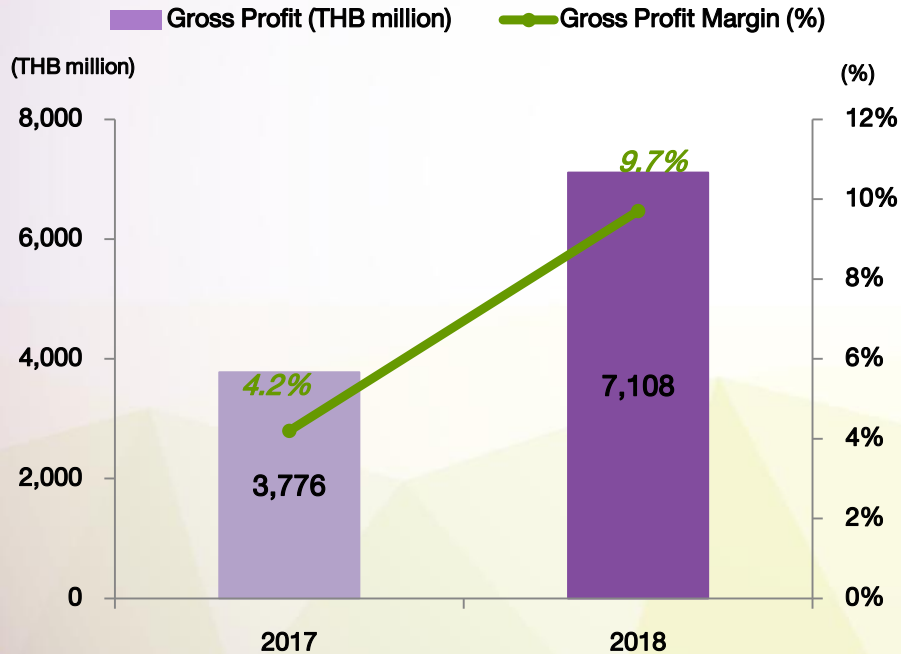


Sales Volume of OEM & Own-Brand Portion



Agenda 2

Gross Profit and Gross Profit Margin



Gross profit and gross profit margin in 2018 decreased due to:

- a change in strategy with regard to NR products and effective raw material cost management
- an improve in profitability of Gloves business after the demerger

Agenda 2

Key Factors Affecting the Company's Operation



1. Volatility of Natural Rubber Price



2. Foreign Exchange Rate



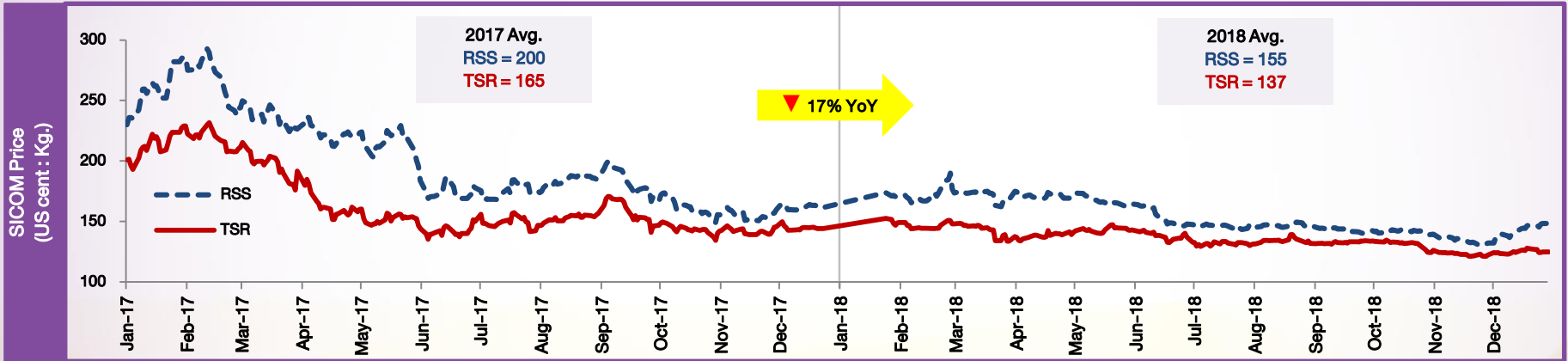
3. Financial Costs



4. Government Policy

Agenda 2

Factor 1 : Volatility of Natural Rubber Price



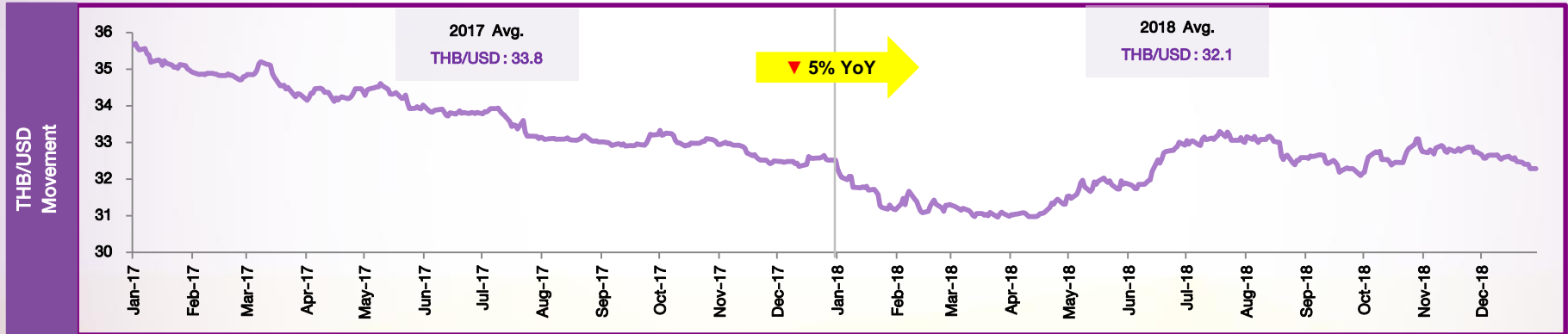
- In 2018, the Natural Rubber (NR) industry still had to contend with an oversupply stemmed from the planting of rubber trees during a period of high NR prices from 2010 to 2012 and the rubber trees planted during this period started to provide yield from 2017 onwards.

- According to IRSG report, the global NR demand in 2018 was 13.87 tons, up 4.9% from 2017. Meanwhile, the global NR supply went up 2.5% to 13.90 tons in 2018. The supply growth mainly came from Thailand, PRC, Vietnam, and the CAMAL* countries.
- The average price of TSR20 on SICOM for 2018 was 136.5 cent/kg, down 17.1% from 2017.

*Note: *the CAMAL countries include Cambodia, Myanmar and Lao PDR.*

Agenda 2

Factor 2 : Foreign Exchange Rate



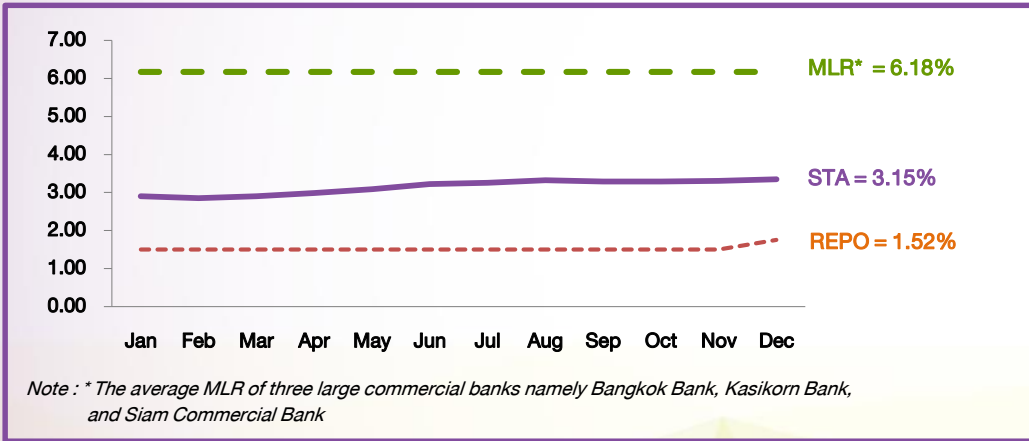
- With the stability of Thailand's economy together with capital flows and the looming of interest rate increase by the US Federal Reserve and uncertainty of geopolitical situation, these caused Thai Baht strengthen 4.8% against US dollar from an average in the previous year with high volatility from quarter to quarter.
- In 2018, the Company recorded Baht 252.2 million in foreign exchange loss in 2018, a reversal of Baht 522.1 million in gains on foreign exchange in 2017.

(THB million)	2017	2018
Realised gain/(loss) on exchange rate	388	(152)
Unrealised gain/(loss) on exchange rate	134	(100)
Gain/(loss) on exchange rate	522	(252)

Agenda 2



Factor 3 : Financial Costs



	2560	2561
RP	1.5%	1.52%
MLR	6.20%	6.18%
STA	3.0%	3.15%

(ล้านบาท)	2560	2561
ต้นทุนทางการเงิน	(1,206)	(915.7)

Factor affected decrease in financial costs:

- 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 600 million in February 2018.
- In 2018, interest expenses dropped from Baht 1,156.4 million last year to Baht 887.0 million, down 23.3%.

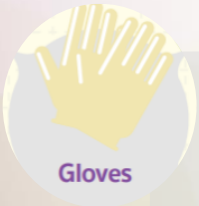
Factor 4 : Government Policy



Natural Rubber

2018:

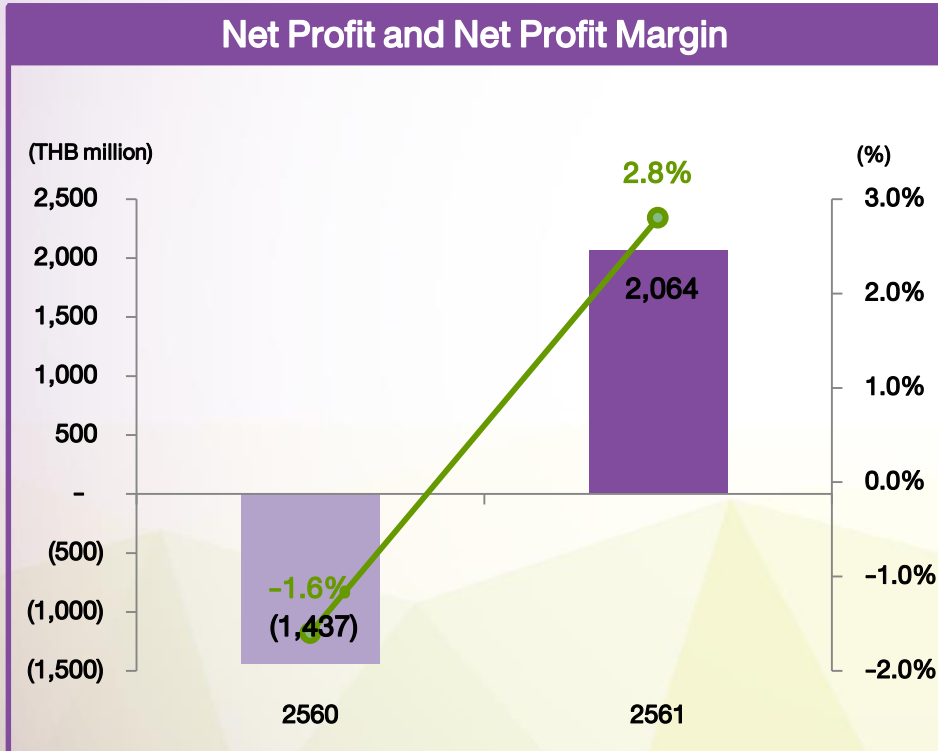
- The Thai Cabinet approved the inclusion of natural rubber as a restricted product under the Ministry of Commerce.
(Currently, there is no further measurement and trading of natural rubber remain the same.)
- The governments of three major natural rubber-producing countries, Thailand, Indonesia, and Malaysia, **imposed a quota of 350,000 tons of rubber export reduction during January to March 2018.**



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

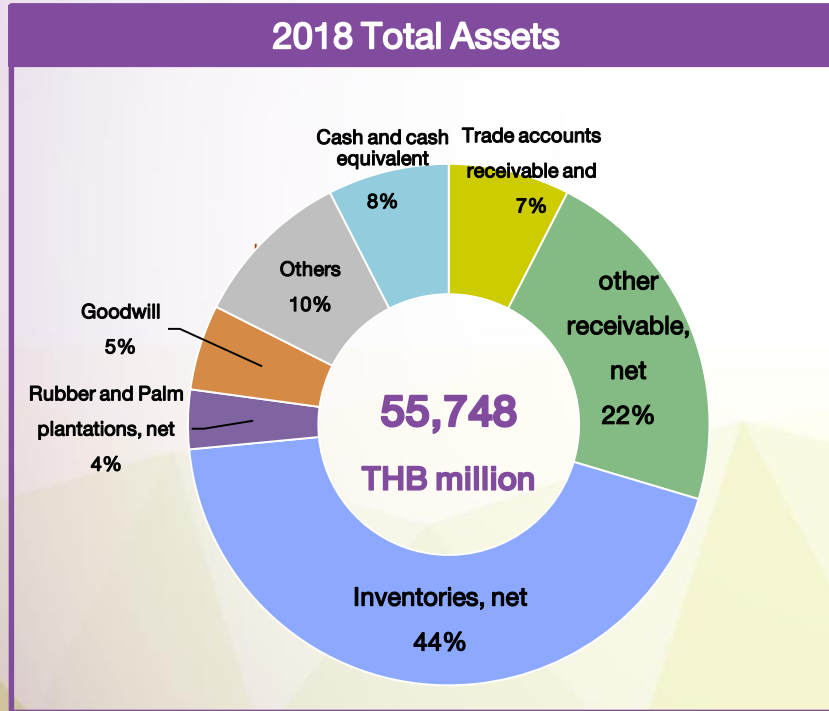


Net profit increased mainly resulted from:

- The selective selling strategy
- Effective raw material cost management in our NR operations
- Fully recognized revenue from our glove operations in 2018, in comparison with 2017 when the demerger was completed
- Drop in administrative expenses
- Drop in financial cost (net)

Agenda 2

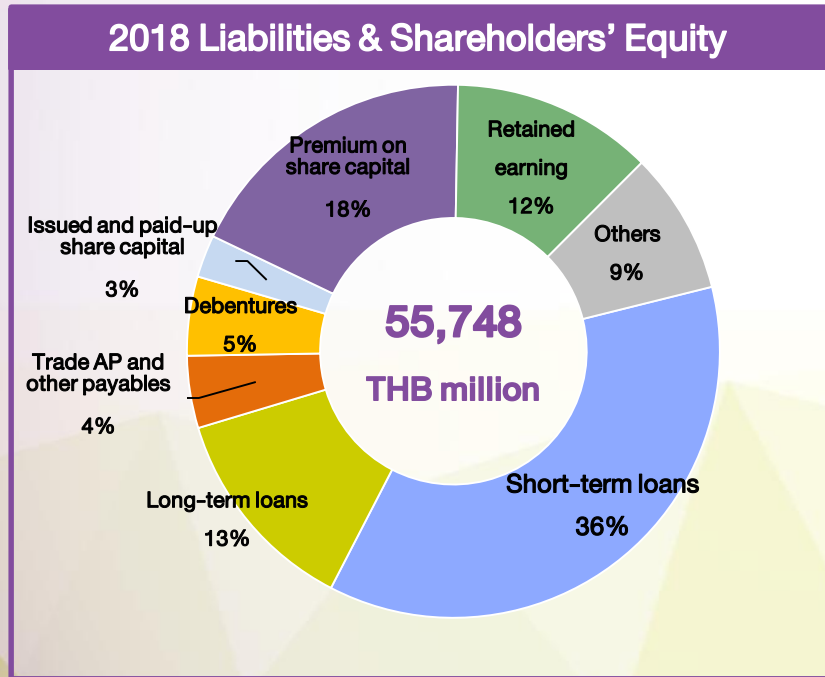
Financial Structure – Total Assets



Consolidated (THB million)	31 Dec 17	31 Dec 18	% Chg.
Cash and cash equivalent	2,242	4,197	87.2%
Trade accounts receivable and other receivable, net	8,023	6,668	-16.9%
Inventories, net	17,123	12,311	-28.1%
Other current assets	962	663	-31.1%
Total current assets	28,349	23,839	-15.9%
Investments in associates and JVs	730	801	9.8%
Property, plant and equipment, net	24,190	24,456	1.1%
Rubber and Palm plantations, net	1,832	2,052	12.0%
Goodwill	2,954	2954	0.0%
Other non-current assets	1,652	1,645	-0.4%
Total non-current assets	31,358	31,909	1.8%
Total Assets	59,708	55,748	-6.6%

Agenda 2

Financial Structure – Total Liabilities and Shareholders' Equity



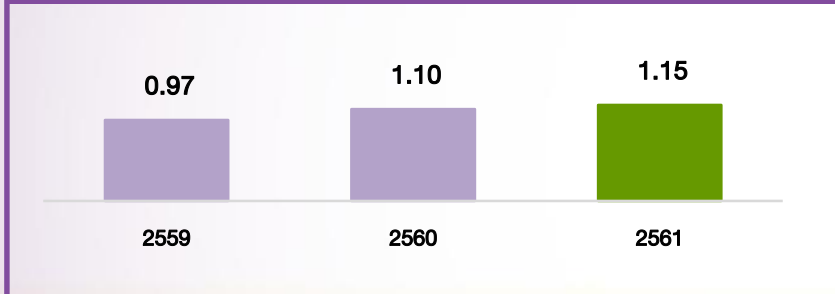
Consolidated (THB million)	31 Dec 17	31 Dec 18	% Chg.
Short-term loans	21,786	15,616	-28.3%
Long-term loans*	7,614	8,604	13.0%
Trade AP and other payables	2,615	2,674	2.3%
Debentures*	2,865	2,265	-20.9%
Derivative financial instruments	231	171	-25.9%
Other liabilities	1,319	1,317	-0.2%
Total Liabilities	36,431	30,648	-15.9%
Issued and paid-up share capital	1,536	1,536	0.0%
Premium on share capital	10,852	10,852	0.0%
Retained earning	7,293	9,173	25.8%
Other shareholders' equity	3,596	3,539	-1.6%
Total Shareholders' Equity	23,277	25,100	7.8%

Note : *Including the current portion

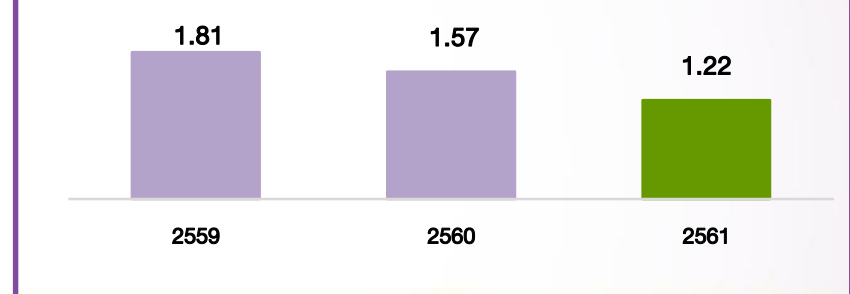
Agenda 2

Financial Ratios

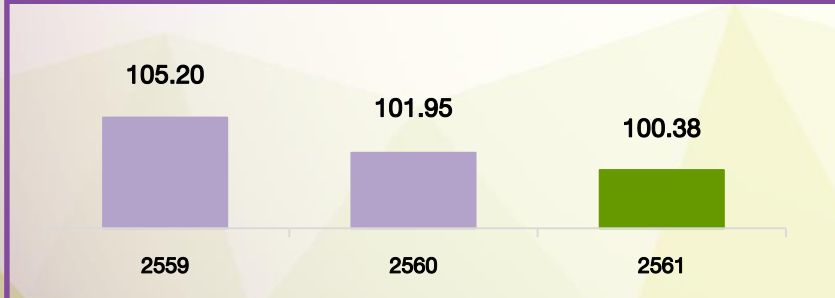
Current Ratio (times)



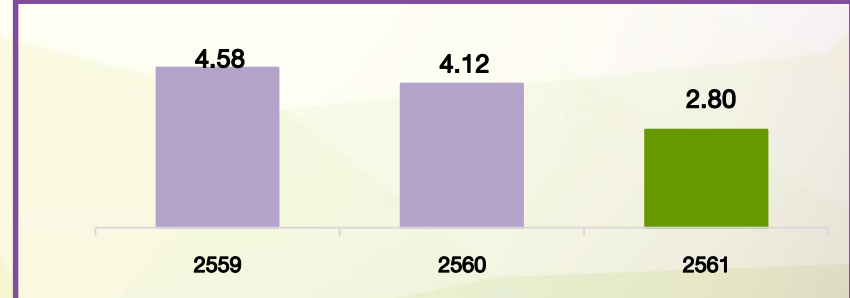
Debt to Equity Ratio (times)



Cash Cycle (days)

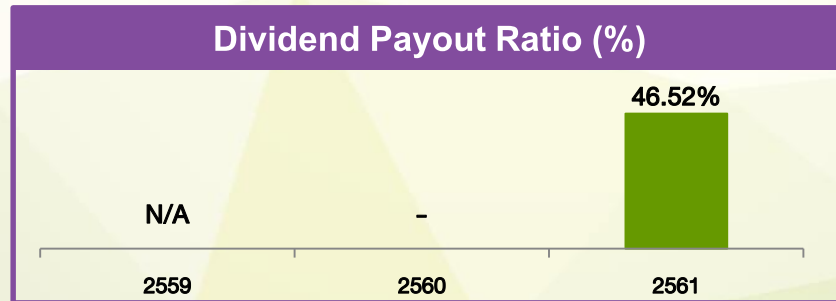
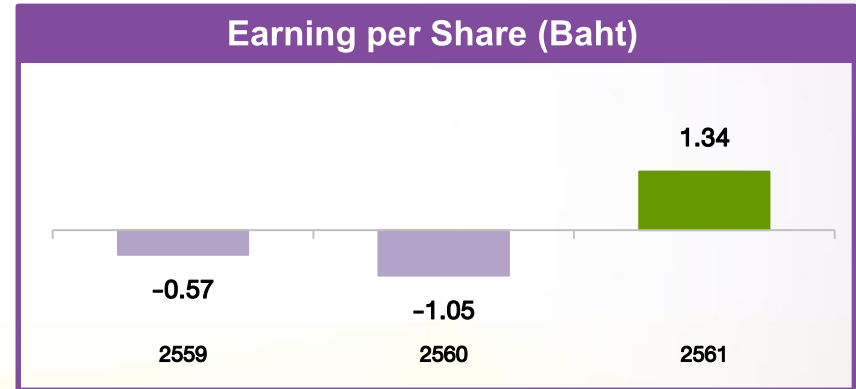
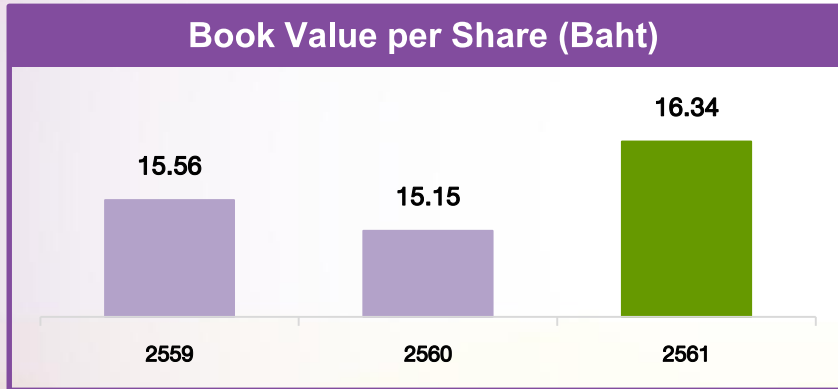


Fixed Asset Turnover (times)



Agenda 2

Financial Ratios



Agenda 2



Sustainability Performance

Economic and Corporate Governance



SDGs Goal



Selected in SET THSI index and received SET Sustainability Award category rising star



CG score : Very Good



PM's Best Export Award



CAC Certification



Customer satisfaction grade A and B 99%

Agenda 2

Sustainability Performance

Social

**GREEN PROCUREMENT
and
GREEN PRODUCT**

“Create more happiness for internal and external society”



SDGs Goal

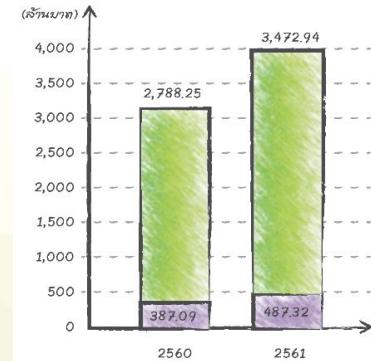


The Outstanding Organization for the Promotion of the Disabled Person



40 companies

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



Support the purchasing of local products & services

Agenda 2

Sustainability Performance

Social



Agenda 2

Sustainability Performance

Environment

GREEN PROCESS



“Focus on the effective environmental management system”



SDGs Goal



Bun-Took-Yang Tid-Rang Srang-Roi-Yim 2nd year



The odor treatment project Bio-filter at Loei factory



Anaerobic method for waste water treatment at Mukdahan factory

Agenda 2

Sustainability Performance

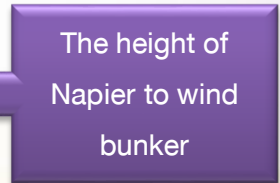
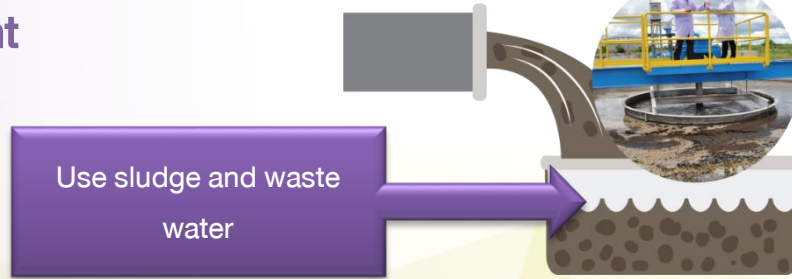
Social and Environmental Innovation

Energy

- Napier grass, aged 6 months or more, is used as an alternative energy
- The ratio of using renewable energy at 5-10% per month



Environment



Community

- Providing knowledge for planting Napier grass to be an animal food.
- Villagers gain revenue about 1,800 baht per day .



Agenda 3



To consider and approve the dividend payment of the Company for the year 2018 and acknowledge the interim dividend payment

Objective and Reasons as shown in
invitation agenda item 3

Agenda 3

	Year 2018	Year 2017	Year 2016
Net profit (million Baht)	2,146	(1,418)	(758)
Earnings per share (Baht)	1.34	(1.05)	(0.59)
Dividend per share (Baht)	*0.65	-	0.40
Interim dividend (Baht/share)	**0.25	-	-
Year-End dividend (Baht/share)	0.40	-	0.40
Number of shares (shares)	1,536	1,536	1,280
Total dividend payment (million Baht)	998	-	512
Payout ratio (%)	46.52	-	N/A

Agenda 3



In addition, the shareholders should acknowledge the interim dividend payment in 2018 as follows:

The Company paid an interim dividend from the financial results during the period from 1 January 2018 to 30 June 2018 in accordance with the resolution of the Meeting of the Board of Directors No.8/2018, held on 30 August 2018, which resolved to approve the interim dividend payment at Baht 0.25 per share, totaling Baht 384 million which was paid from the portion of net profit after deduction of net loss carried forward for five years up to the present accounting period whereby individual shareholders shall not be entitled to a tax credit. The interim dividend was paid on 28 September 2018.

Agenda 3



Based on various conditions and the current cash flow ability, the Board of Directors recommends the shareholders to approve the dividend payment from the performance results of the Company to the shareholders of Baht 0.65 per share, totaling Baht 998.40 million representing 46.52% of the net profit of the consolidated financial statements, which is in line with the current dividend policy of the Company.

The Company already paid an interim dividend at the rate of Baht 0.25 per share, totaling Baht 384 million on 28 September 2018. Therefore, the remaining dividend to be paid is Baht 0.40 per share, totaling Baht 614.40 million which will be paid from the portion of net profit after deduction of net loss carried forward for five years up to the present accounting period whereby individual shareholders shall not be entitled to a tax credit.

Agenda 3

Process	Date
The Record Date for determining the shareholders entitled to receive a dividend (TSD)	10 May 2019
The Record Date for determining the shareholders entitled to receive a dividend (CDP)	10 May 2019
The Dividend Payment Date	29 May 2019

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. Ms. Anusra Chittmittrapap | Director / Independent Director |
| 2. Mr. Chalernpop Khanjan | Director |
| 3. Mr. Kriang Yanyongdilok | Director / Independent Director |
| 4. Mr. Chaiyos Sincharoenkul | Director |

Agenda 4

4.1 To consider and approve the election of Ms. Anusra Chittmitrapap to be directors of the Company for another term.



Proposed to be appointed as a Director /
Independent Director of the Company

Profile

Agenda 4

4.2 To consider and approve the election of Mr. Chalernpop Khanjan to be directors of the Company for another term.



Proposed to be appointed as a Director
of the Company

[Profile](#)

Agenda 4

4.3 To consider and approve the election of Mr. Kriang Yanyongdilok to be directors of the Company for another term.



Proposed to be appointed as a Director /
Independent Director of the Company

Profile

Agenda 4

4.4 To consider and approve the election of Mr. Chaiyos Sincharoenkul to be directors 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 2019

Agenda 5



The directors' remuneration for the year 2019, in a total of not exceeding Baht 8,028,000 which equal to last year with the details as follows;

Annual Remuneration of Board of Directors

- | | |
|----------------------------|------------------------------|
| - Chairman of the Board | Baht 804,000 / person/ annum |
| - Directors of the Company | Baht 600,000 / person/ annum |

Annual Remuneration of Audit Committee

- | | |
|-----------------------------------|------------------------------|
| - Chairman of the Audit Committee | Baht 936,000 / person/ annum |
| - Audit Committee member | Baht 744,000 / person/ annum |

Agenda 5

	Remuneration of Directors (Baht)		
Year	2019	2018	2017
Board of Directors	5,604,000	5,604,000	5,569,000
Audit Committee	2,424,000	2,424,000	2,424,000
Total	8,028,000	8,028,000	7,993,000

Agenda 5

Name	Position	Remuneration of Directors (Baht/year)		
		2019	2018	2017
1. Mr. Viyavood Sincharoenkul	Chairman	804,000.-	804,000.-	804,000.-
2. Mr. Prakob Visitkitjakarn	Vice Chairman, Independent Director and Chairman of Audit Committee	936,000.-	936,000.-	936,000.-
3. Mr. Chaiyos Sincharoenkul	Director	600,000.-	600,000.-	600,000.-
4. Mr. Kitichai Sincharoenkul	Director	600,000.-	600,000.-	600,000.-
5. Mr. Veerasith Sinchareonkul	Director	600,000.-	600,000.-	600,000.-
6. Mr. Lee Paul Sumade	Director	600,000.-	600,000.-	600,000.-
7. Mr. Patrawut Panitkul	Director	600,000.-	600,000.-	600,000.-
8. Mr. Li Shiqiang	Director	600,000.-	600,000.-	600,000.-
9. Mr. Chalernpop Khanjan	Director	600,000.-	600,000.-	600,000.-
10. Mr. Neo Ah Chap	Independent Director	-	-	400,000.-
11. Mr. Kriang Yanyongdilok	Independent Director and Audit Committee	744,000.-	744,000.-	744,000.-
12. Mr. Samacha Potavorn	Independent Director and Audit Committee	744,000.-	744,000.-	744,000.-
13. Miss Anusra Chittmittrapap	Independent Director	600,000.-	600,000.-	165,000.-

Agenda 6



To consider and approve the appointment of the auditor and determination of auditing fee for the year 2019

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 2019 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	2561
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

	2019	2018
Auditing fee (year end)	4,944,000	4,249,000
Reviewing fee (quarterly)	4,680,000	4,680,000
Total auditing fee	9,624,000	8,929,000

For the year 2019, EY Office Limited proposed the auditing fee of the Company and 9 subsidiaries, aggregately in an amount of Baht 9,624,000, 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 3,524,000, which is increased from the previous year of 7.8%.

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

