



SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

The 2017 Annual General Meeting of Shareholders

25 April 2017

WORLD'S LARGEST
GREEN RUBBER COMPANY




The Voting Card's Example




ក្រុមប្រឹក្សាភិបាលសហគ្រាស
 The 2017 Annual General Meeting of Shareholders
 សហគ្រាសកម្មវិស័យកសិកម្មសាងសង់ផ្លែឈើ (កម្ពុជា)
 S4 Trang Agro-Industry Public Company Limited
 ឈ្មោះភ្នាក់ងារ/Name of Shareholder ឈ្មោះ ភ្នាក់ងារ/ អត្តសញ្ញាណប័ណ្ណ
 តម្រូវការឡូតិ៍/Amount 1,000,000 ភ្នាក់ (share) តម្រូវការឡូតិ៍/Amount 1,000,000 ឡូតិ៍ (vote)
 លេខសម្របសម្រួល/លេខសម្របសម្រួល លេខបញ្ជី តំណែងភ្នាក់ងារ/លេខបញ្ជី តំណែងភ្នាក់ងារលេខបញ្ជីភ្នាក់ងារ/លេខបញ្ជី តំណែងភ្នាក់ងារលេខបញ្ជីភ្នាក់ងារ
 No.


Agenda 1 To consider and certify the minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 held on 14/11 March 2017


កិច្ចការ 1



4 03 1777 218


 អនុញ្ញាត (Approve)


 បដិសេធនៃ (Disapprove)



 ទម្រង់ដទៃ (Abstain)

ហត្ថលេខា / Signed _____ ភ្នាក់ងារ/ ភ្នាក់ងារ/ ភ្នាក់ងារ/ shareholder or proxy


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 No.


Agenda 2 To acknowledge the performance results of the Board of Directors of the Company for the year 2016 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2016


កិច្ចការ 2



4 03 1777 218


 អនុញ្ញាត (Approve)


 បដិសេធនៃ (Disapprove)



 ទម្រង់ដទៃ (Abstain)

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 No.


Agenda 3 To consider and approve the dividend payment of the Company for the year 2016


កិច្ចការ 3



4 03 1777 218


 អនុញ្ញាត (Approve)


 បដិសេធនៃ (Disapprove)


 ទម្រង់ដទៃ (Abstain)

ហត្ថលេខា / Signed _____ ភ្នាក់ងារ/ ភ្នាក់ងារ/ ភ្នាក់ងារ/ shareholder or proxy

The Voting Card's Example

การประชุมสามัญผู้ถือหุ้น ประจำปี 2560

The 2017 Annual General Meeting of Shareholders

บริษัท ศรีตรังแอกโรอินดัสทรี จำกัด (มหาชน)

Sri Trang Agro-Industry Public Company Limited

ชื่อผู้ถือหุ้น/Name of Shareholder

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

ขอใช้สิทธิออกเสียงในวาระที่ 1 พิจารณารับรองรายงานการประชุมวิสามัญผู้ถือหุ้นครั้งที่ 1/2560 ซึ่งประชุมเมื่อวันที่ 14 มีนาคม 2560

Agenda 1 To consider and certify the minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 held on 14 March 2017



เห็นด้วย (Approve)



ไม่เห็นด้วย (Disapprove)



งดออกเสียง (Abstain)



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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 and sign.

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.

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. 1/2017 held on 14 March 2017
2. To acknowledge the performance results of the Board of Directors of the Company for the year 2016 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2016
3. To consider and approve the dividend payment of the Company for the year 2016
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 2017
6. To consider and approve the appointment of the auditor and determination of auditing fee for the year 2017
7. To consider and approve an amendment to the Objectives of the Company and the amendment to Clause 3 of the Memorandum of Association of the Company to be in line with the amendment to the Objectives of the Company
8. Other matters (if any)

Agenda item 1

To consider and certify the minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 held on 14 March 2017

A copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 is enclosed with Invitation to the 2017 Annual General Meeting of Shareholders and disseminated on the Company's website www.sritranggroup.com

Agenda item 2

To acknowledge the performance results of the Board of Directors of the Company for the year 2016 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2016

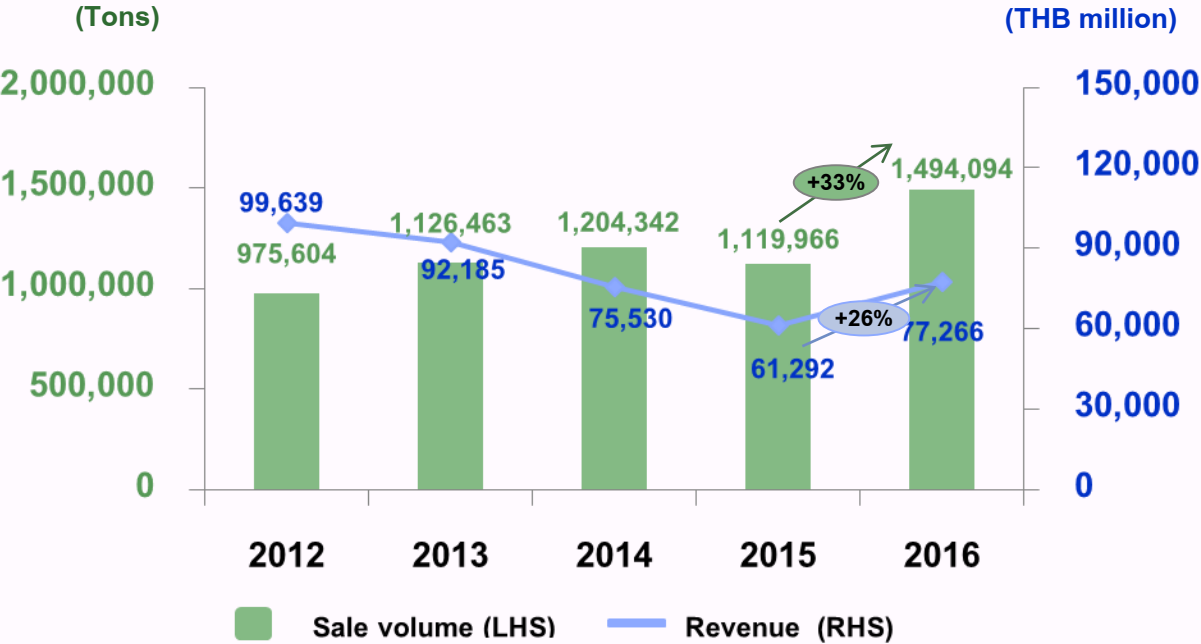
The Company regularly discloses MD&A through the SET system after the release of financial statements.

Agenda item 2



Revenue and Sale Volume

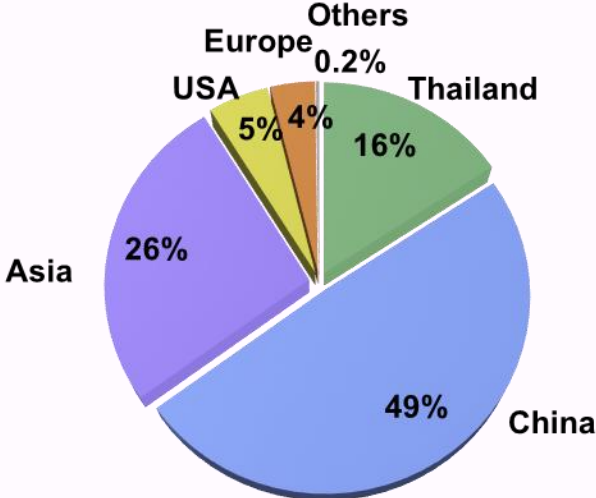
Year of Historical Record



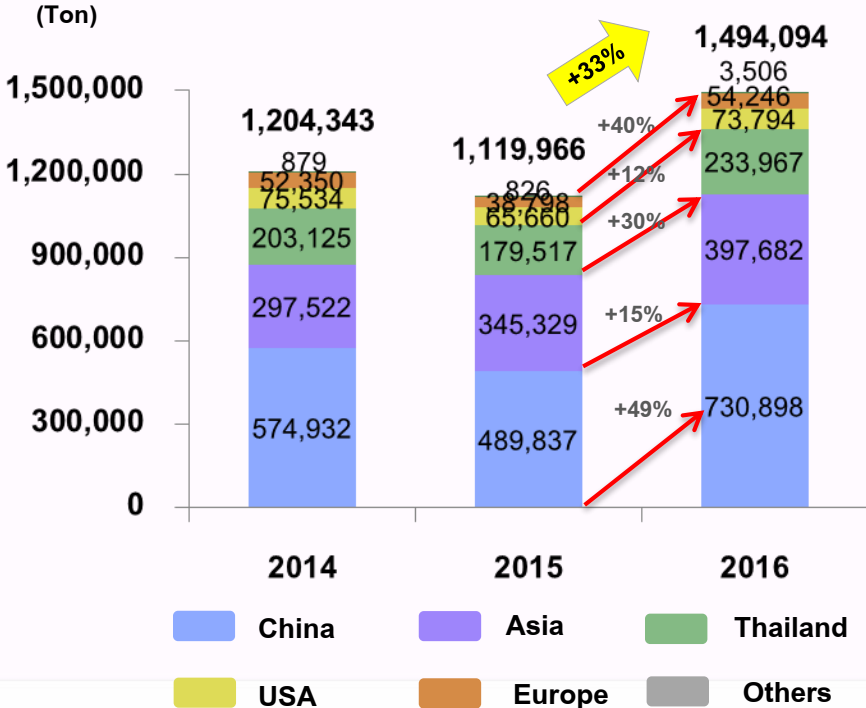
- Highest sale volume of 1.49 million tons
- Largest global market share of 12%
- 33% volume increase while world demand grew only 3%

Agenda item 2

2016 Sale Volume by Region

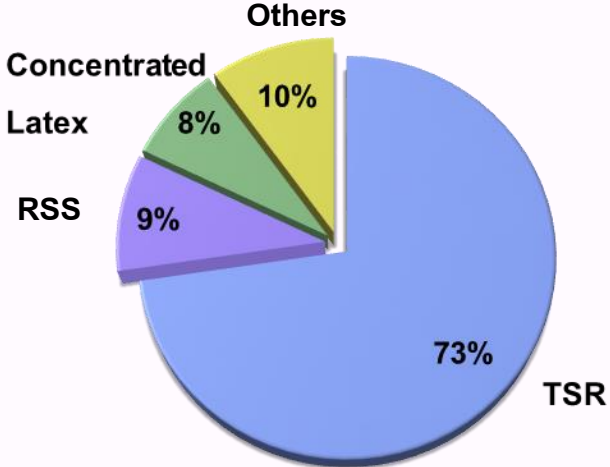


Sales Volume Trend by Region

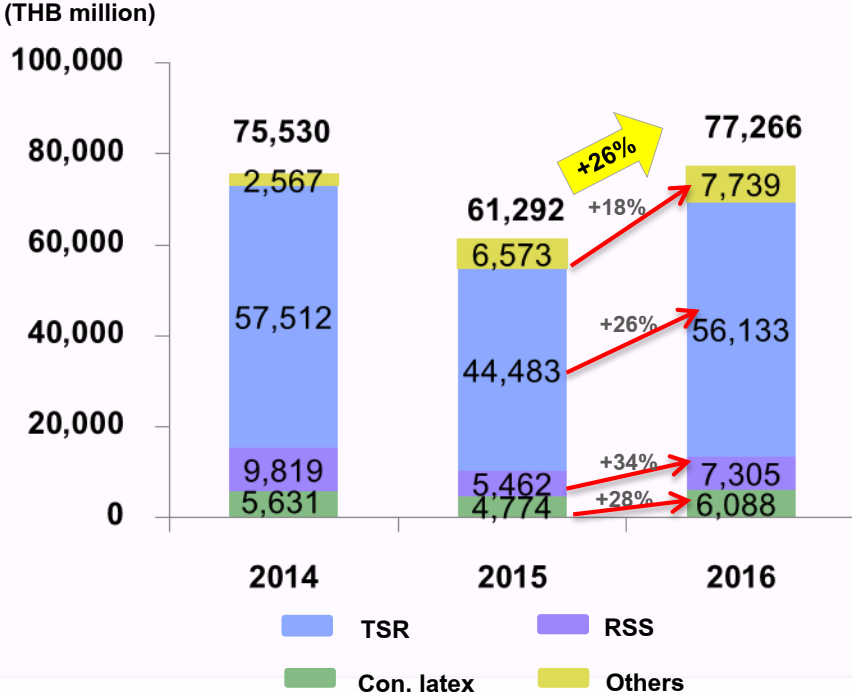


Agenda item 2

2016 Revenue by Product

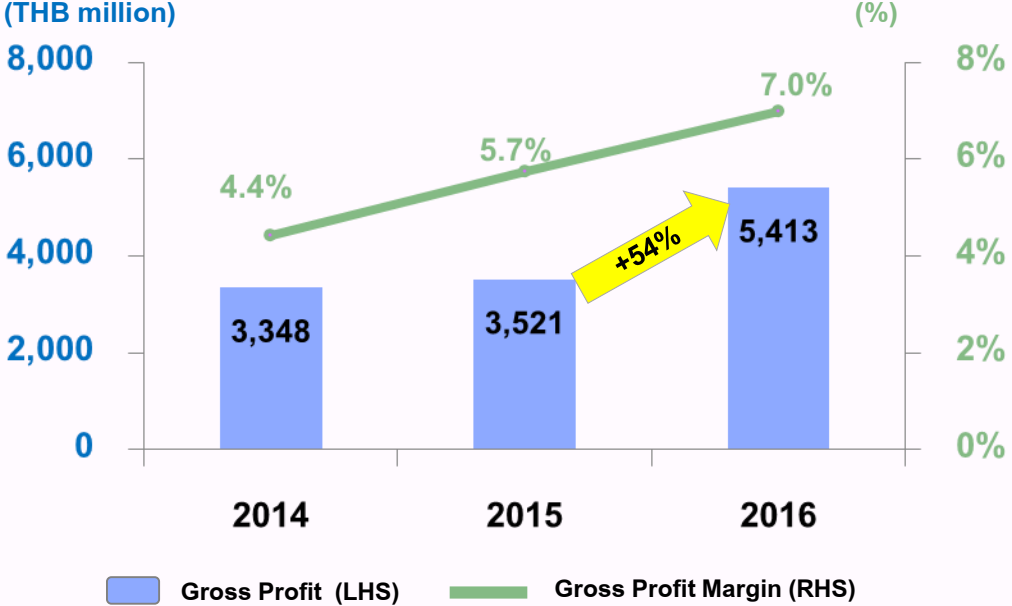


Revenue Trend by Product



Agenda item 2

Gross Profit and Gross Profit Margin



Our gross profit margin in 2016 improved thanks to our world's largest position and our fully-integrated business model that enabled us to lead the market and capture the rising demand from better market sentiment

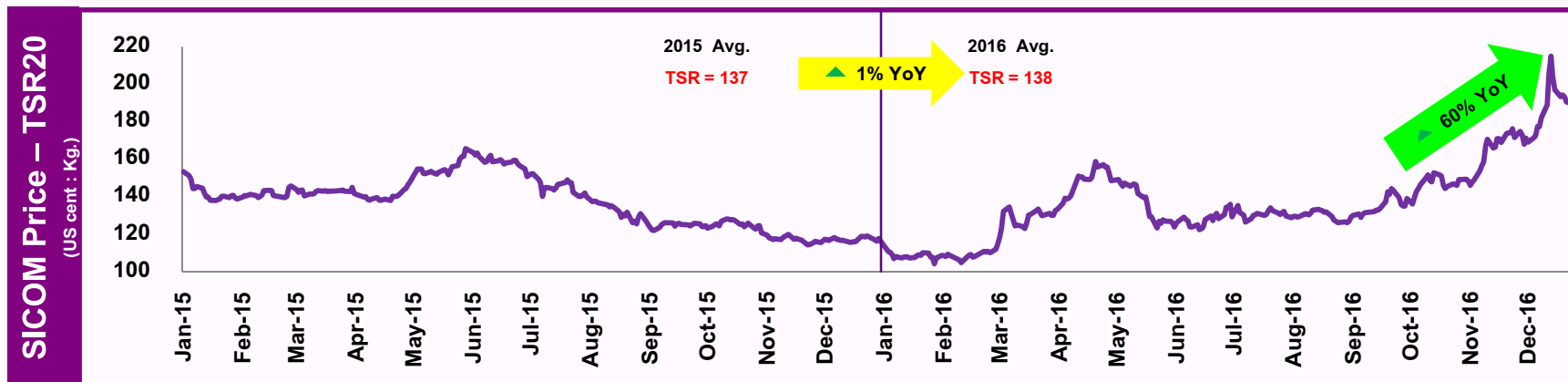
Agenda item 2

Key Factors Affecting the Company's Operation

- 1 Volatility of Natural Rubber Price
- 2 Foreign exchange rate
- 3 Finance costs
- 4 Share of Profits from Investment in Affiliates
- 5 Government Policy
- 6 Tax Policy of the Countries in our areas of operation

Agenda item 2

Factor 1 : Volatility of Natural Rubber Price

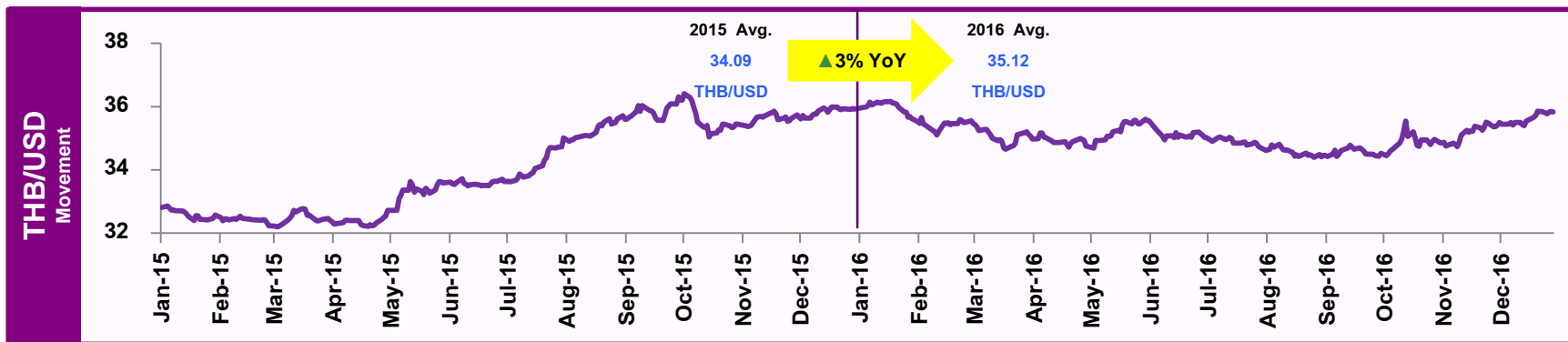


- In 2016, NR price bottomed out in Q1 2016
- Afterwards, the suppressed NR supply coupled with the imposition of an export quota by Thailand, Malaysia and Indonesia triggered positive NR price adjustment
- Accordingly, we recognised **a reversal of inventory allowance** amounted Baht 454 million

- 60% NR price shoot up during the final quarter of 2016 boosted by the policy of the President Donald Trump to stimulate the US economy brought about the **loss from rubber derivative financial instruments** of Baht 985 million
- With its progressive rate, cess rate (part of SG&A) also increased according to the positive NR price adjustment.

Agenda item 2

Factor 2 : Foreign Exchange Rate

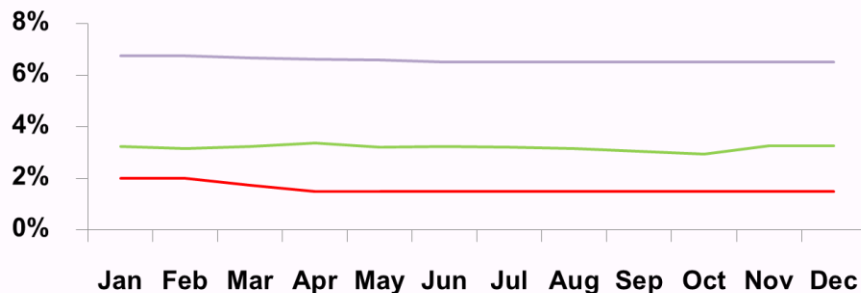


- The looming policy interest rate increase of the US Federal Reserve led to capital flow and high volatility in foreign exchange market
- Consequently, our gains on exchange rate for the year 2016 shrank from Baht 214 million in 2015 to Baht 6 million.

| (THB million) | 2016 | 2015 |
|---|-------|------|
| Realised gain on exchange rate | 150 | 248 |
| Unrealised gain/(loss) on exchange rate | (144) | (34) |
| Gains on exchange rate | 6 | 214 |

Agenda item 2

Factor 3 : Finance Cost



- Interest expenses for the year 2016 increased from 2015 from the rising short-term and long-term borrowings from financial institutions to support higher NR prices, a record sale volume, and business expansion.
- However, overall finance cost decreased due to more favourable movement of IDR against USD compared with the year 2015 when we had unrealised loss on exchange rate of USD denominated loans owing to a depreciation of IDR against USD.

| | 2016 | 2015 |
|-----|------|------|
| RP | 1.5% | 1.6% |
| MLR | 6.3% | 6.6% |
| STA | 3.1% | 3.2% |

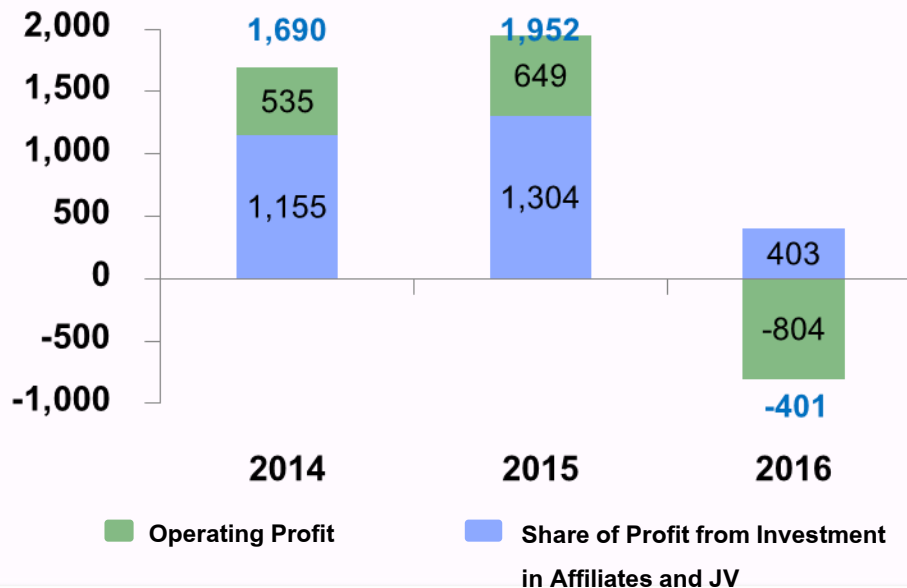
| (THB million) | 2016 | 2015 |
|--|------|------|
| Interest expenses | 733 | 588 |
| unrealised (gain) loss on exchange rate of USD denominated loans | (26) | 269 |
| Finance cost | 707 | 857 |

Agenda item 2

Factor 4 : Share of Profit from Investment in Affiliates and JVs

Earning before Interest and Tax (EBIT)

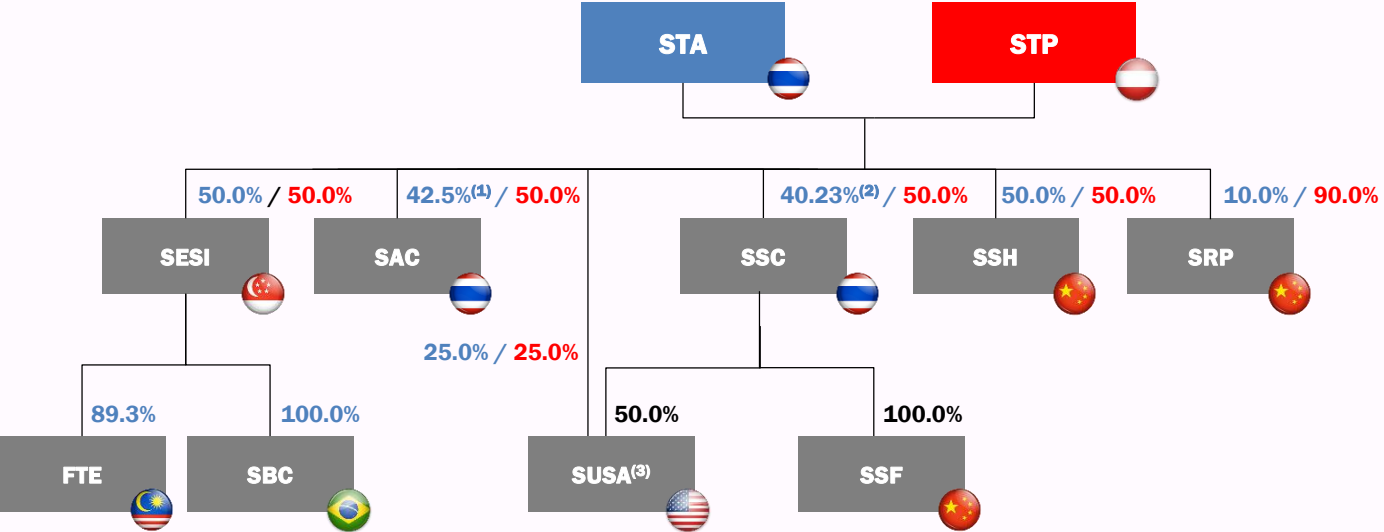
(THB million)



- The decreasing share of profit from JV was driven primarily by lower net profit of glove business caused by the intense competition in the industry.
- Operating loss mainly due to;
 1. Higher selling expenses
 2. Higher administrative expenses
 3. Lower gain on exchange rate
 4. Loss from rubber derivative financial instruments

Agenda item 2

Pre-Demerger: Joint Venture Structure



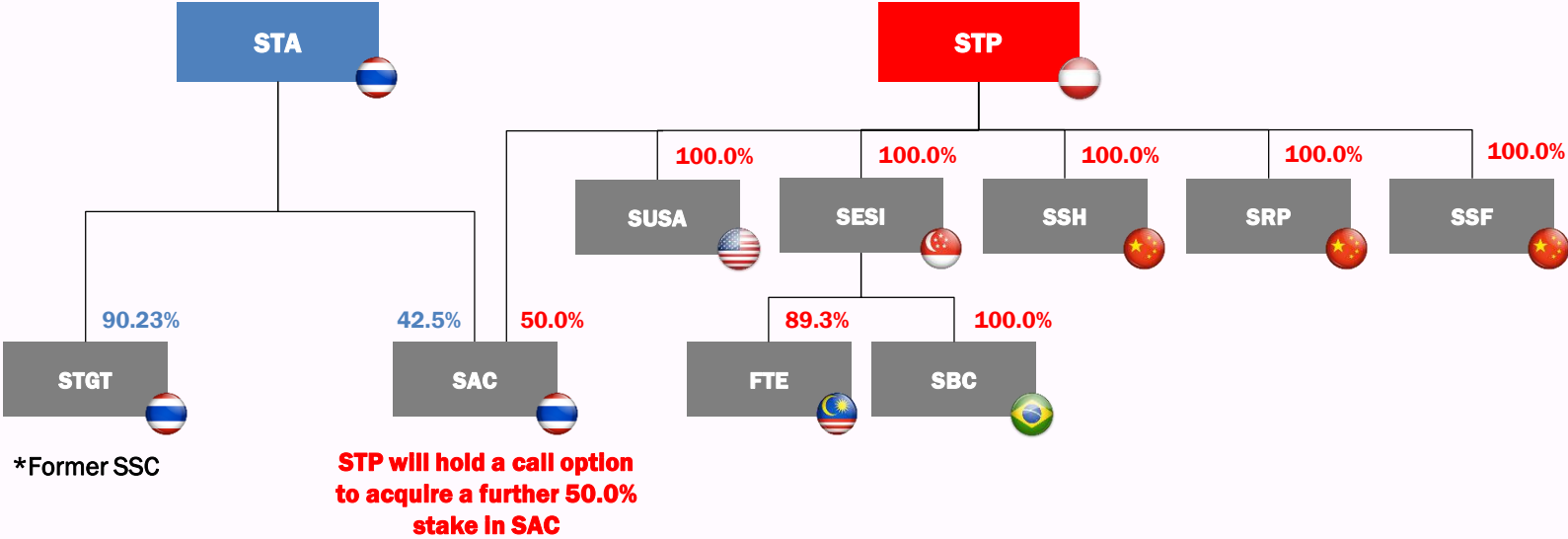
Legend

- Red – STP % ownership
- Blue – STA % ownership
- SSC - Siam Sempermed Co. Ltd.
- SAC - Semperflex Asia
- SESI - Sempermed Singapore
- FTE - Formtech Engineering (M) Sdn. Bhd.
- SBC - Sempermed Brasil
- SSH - Semperflex Shanghai
- SRP - Shanghai Semperit
- SSF - Shanghai Sempermed
- SUSA - Sempermed USA, Inc.

(1) STA owns a 42.5% stake in SAC through a direct 37.5% holding via STA and a 5.0% holding via Rubberland Products Company Ltd.
 (2) STA owns a 40.23% stake in SSC through a direct 31.5% holding via STA and a 8.73% holding via Rubberland Products Company Ltd.
 (3) STA holds a total 50.0% stake in SUSA through a direct 25.0% holding via STA and an indirect 25.0% holding through SSC's (50.0% owned by STA) 50.0% ownership in SUSA.

Agenda item 2

Immediate Post-Demerger: Joint Venture Structure



Agenda item 2

Benefits of the Demerger to STA

- 1 Provides a clean resolution to the lengthy dispute between STA and STP that has been ongoing for the past 6 years**
- 2 STA achieves sole ownership and control in SSC (STGT) which would allow STA to have sole discretion and flexibility over the operations and potential expansion of its the glove business in the future**
- 3 Creates a fully integrated natural rubber company that has full ownership over its complimentary downstream business of rubber glove manufacturing and and distributing medical grade rubber gloves, which uses concentrated latex, one of the products of the Company's group, as raw material will add value to overall business**
- 4 Releases up to US\$132 m of dividends at the JV entities of which STA will be entitled to receive US\$60.4 m that can be used to fund the net consideration paid by STA for the Demerger**
- 5 Unlocks any non-competition conditions under existing joint venture agreements which arguably prohibit STA and its affiliates from distributing SSC's products in certain countries and from entering into any businesses that may compete with SSC and other associates and joint venture companies worldwide**
- 6 Saves management time and resources as well as potential further legal expenses from the continued litigation and arbitration processes with STP. STA will be able to dedicate more time to the development and management of the businesses of the Company and its group companies**

Agenda item 2

Factor 5 &6 : Government & Country Policy

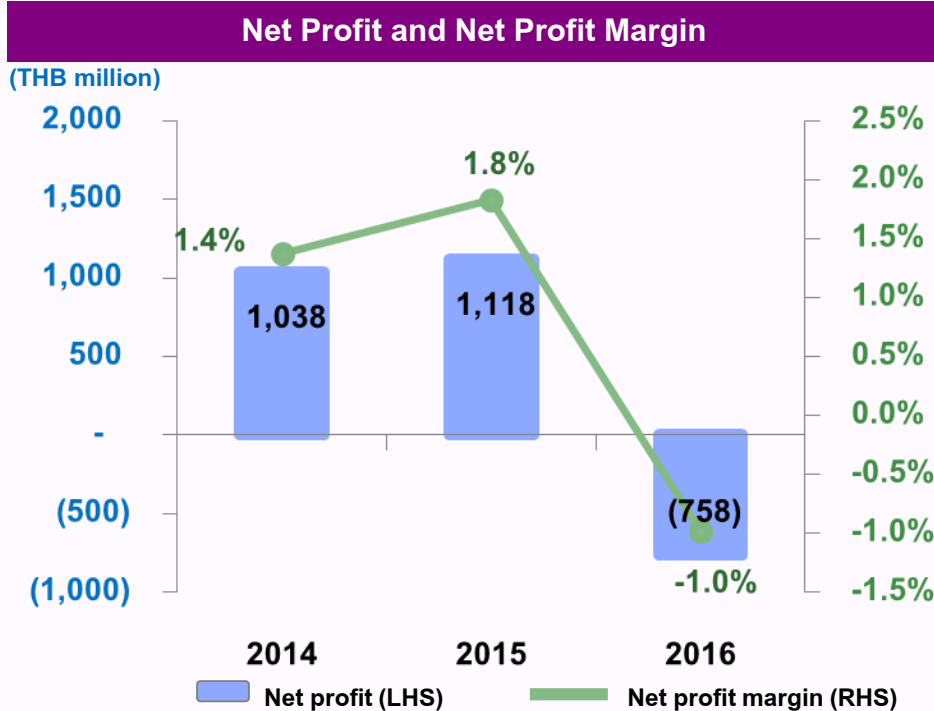
Government Policy

- The cooperative agreement among Thailand, Indonesia, and Malaysia (International Tripartite Rubber Council : ITRC) to **withdraw Natural Rubber exports of 615,000 tons** during March – August 2016 has limited our export volume to some certain extent.

Tax Policy of Important Countries

- **China purchase tax reduction of small car** took effect on October 2015 through the end of 2016 and **the regulations on the truck's weight limit** took effect on September 2016 could stimulate local demand and bolster automobile and tire industry.

Agenda item 2



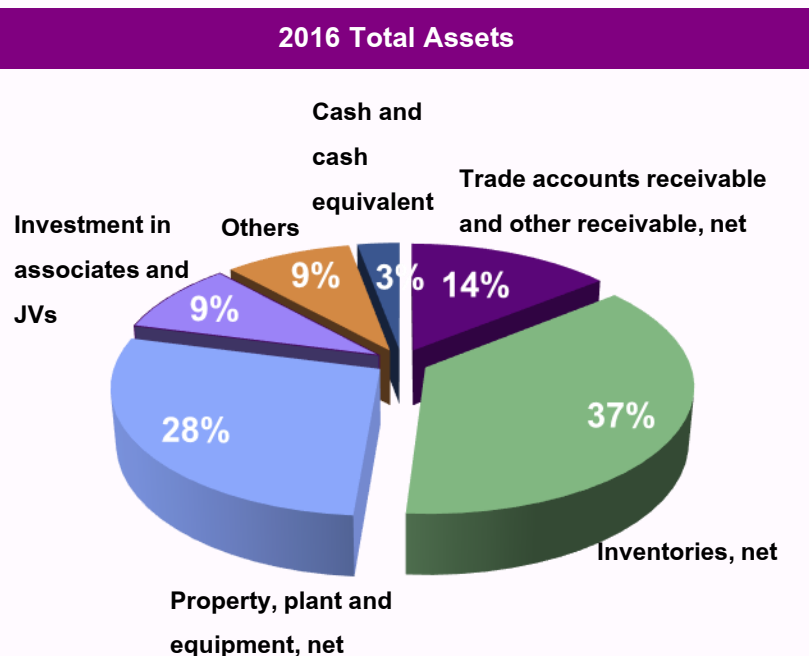
Net profit and net profit margin decrease due to:

- **Non-recurring expenses of Baht 734 million including;**
 1. Losses from fire at our factory in Indonesia
 2. Related tax expenses,
 3. Related litigation expenses and legal fees
- Higher selling and administrative expenses
- Lower profit sharing from gloves business
- Lower gain from exchange rate
- Loss from rubber hedging activities

In 2016, we had **Baht 2,910 million** unrecognised/unrealised surplus from inventory revaluation which was the difference in inventory value between the net realisable value and lower of cost or net realisable value

Agenda item 2

Financial Structure – Total Assets



| Consolidated (THB million) | 31 Dec 16 | 31 Dec 15 | % Chg. |
|---|-----------------|-----------------|--------------|
| Cash and cash equivalent | 1,674.6 | 2,197.2 | -23.8% |
| Trade accounts receivable and other receivable, net | 8,093.3 | 3,854.2 | 110.0% |
| Inventories, net | 20,931.0 | 13,959.8 | 49.9% |
| Other current assets | 1,113.0 | 1,519.4 | -26.7% |
| Total Current Assets | 31,811.9 | 21,530.6 | 47.8% |
| Investments in associates and JVs | 5,189.1 | 4,736.7 | 9.6% |
| Property, plant and equipment, net | 15,765.5 | 15,185.5 | 3.8% |
| Rubber and Palm plantations, net | 1,573.4 | 1,221.2 | 28.84% |
| Other non-current assets | 1,618.7 | 1,204.5 | 34.4% |
| Total non-current assets | 24,146.7 | 22,348.0 | 8.0% |
| Total Assets | 55,958.6 | 43,878.6 | 27.5% |

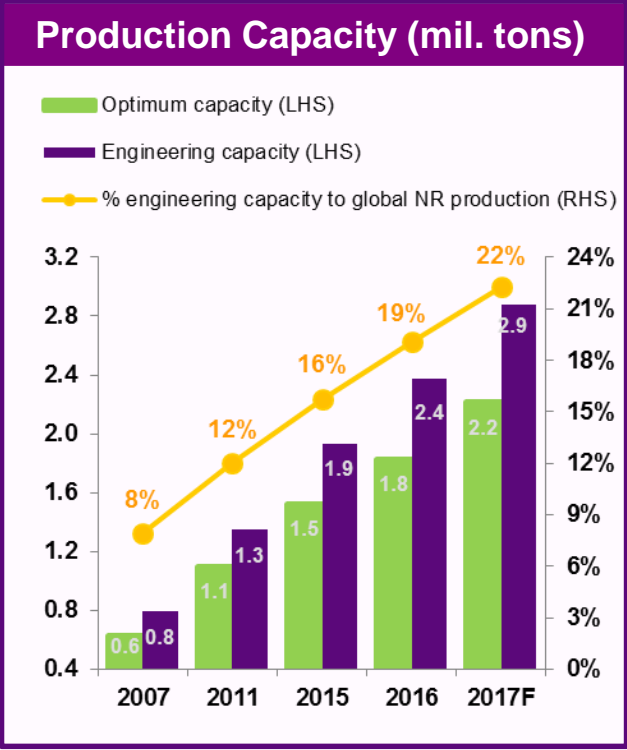
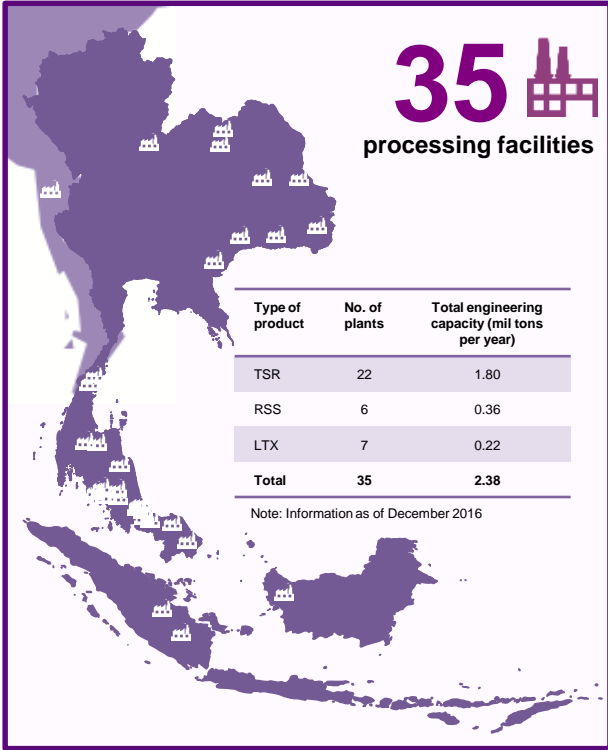
New Processing Plant in 2016

Loei, Thailand

- TSR processing facility
- Maximum capacity of 61,000 tons per year
- Started production in July 2016



Midstream Operations – NR Processing

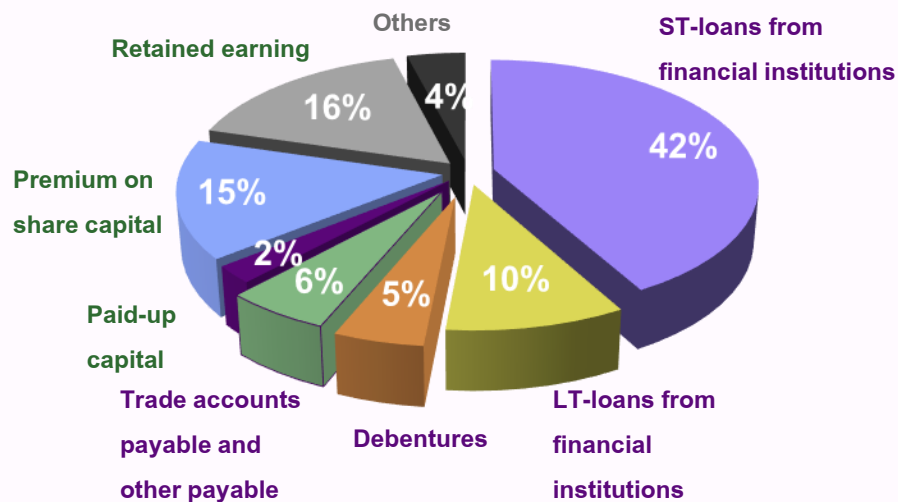


Note: Engineering capacity in 2016 included capacity of Thaitech Rubber Co., Ltd. of 315,360 tons. (Optimum capacity = 254,016 tons)

Agenda item 2

Financial Structure – Total Liabilities and Shareholders' Equity

2016 Liabilities & Shareholders' Equity



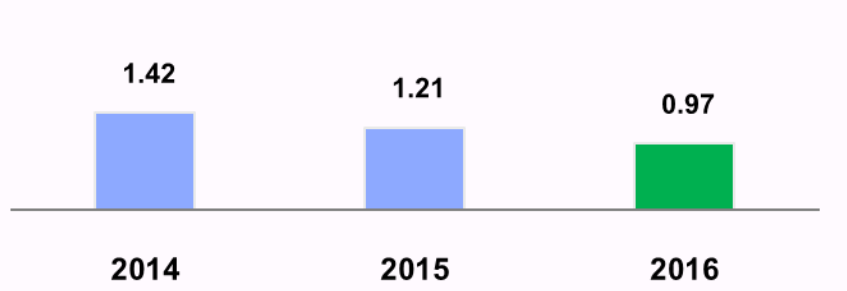
Note*: including the current portion

| Consolidated (THB million) | 31 Dec 16 | 31 Dec 15 | % Chg. |
|-----------------------------------|-----------------|-----------------|---------------|
| Short-term loans | 23,433.8 | 13,446.2 | 74.3% |
| Long-term loans* | 5,398.4 | 4,193.6 | 28.7% |
| Trade AP and other payables | 3,167.8 | 2,687.4 | 17.9% |
| Debentures* | 2,865.0 | 1,450.0 | 97.6% |
| Derivative financial instruments | 654.9 | 271.6 | 141.1% |
| Other liabilities | 526.7 | 495.9 | 6.2% |
| Total Liabilities | 36,046.6 | 22,544.7 | 59.9% |
| Issued and paid-up share capital | 1,280.0 | 1,280.0 | 0.0% |
| Premium on share capital | 8,551.0 | 8,551.0 | 0.0% |
| Retained earning | 9,164.1 | 10,415.7 | -12.0% |
| Other shareholders' equity | 916.8 | 1,087.2 | -15.7% |
| Total Shareholders' Equity | 19,911.9 | 21,333.9 | -6.7% |

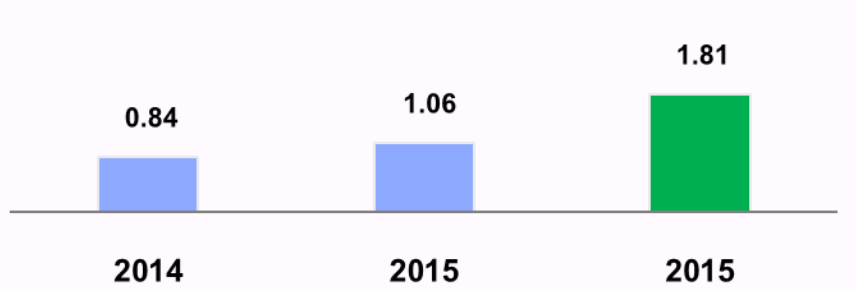
Agenda item 2

Financial Ratios

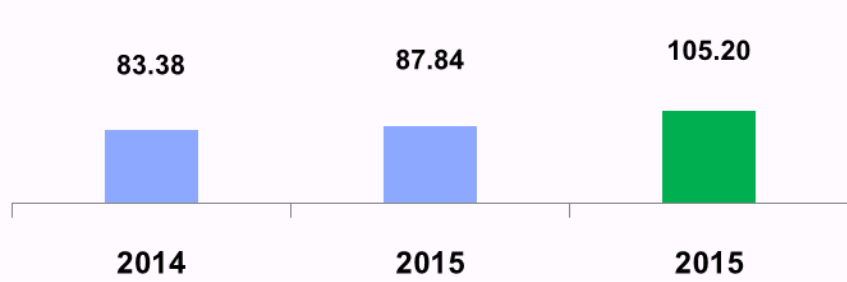
Current Ratio (times)



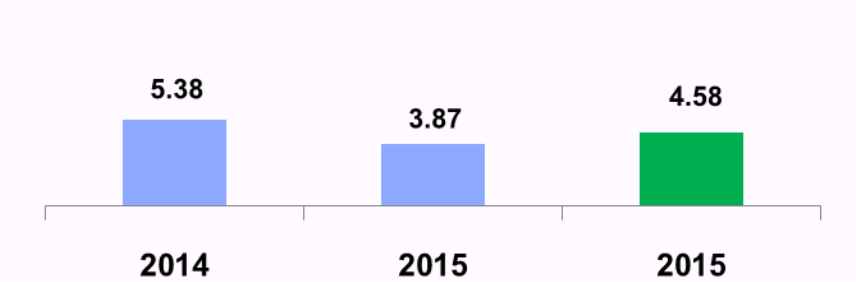
Debt to Equity Ratio (times)



Cash Cycle (days)



Fixed Asset Turnover (times)

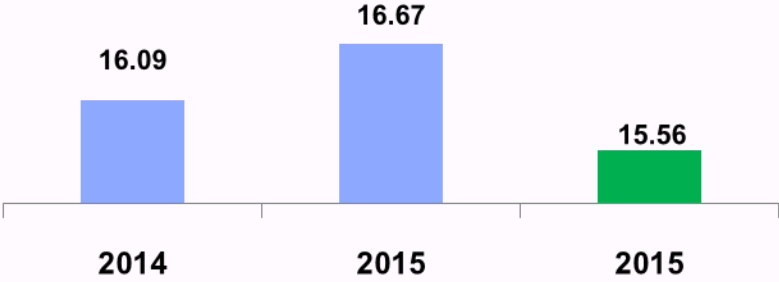


Agenda item 2

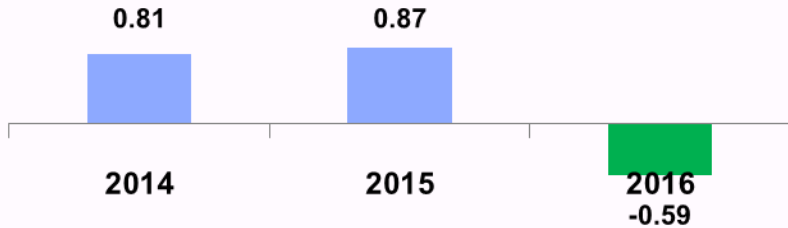


Financial Information

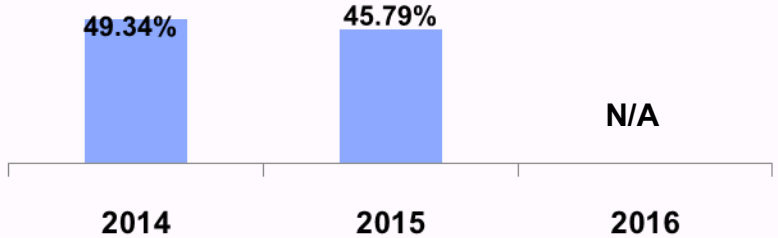
Book Value per Share (THB)



Earning per Share (THB)



Dividend Payout Ratio (%)



Agenda item 3



To consider and approve the dividend payment of the Company for the year 2016

Agenda item 3

Information of dividend payment for the years 2014 – 2016

| | 2016 | 2015 | 2014 |
|---------------------------------------|---------------|---------------|---------------|
| Net profit (million Baht) | (757.99) | 1,118.03 | 1,037.76 |
| Earnings per share (Baht) | (0.59) | 0.87 | 0.81 |
| Dividend per share (Baht) | 0.40 | 0.40 | 0.40 |
| Number of shares (shares) | 1,280,000,000 | 1,280,000,000 | 1,280,000,000 |
| Total dividend payment (million Baht) | 512 | 512 | 512 |
| Payout ratio (%) | N/A | 45.79% | 49.34% |

Agenda item 3

Since the Company still has the retained earnings as well as having received the dividend payment from the subsidiary company, the Board of Directors recommends the shareholders to approve the annual dividend payment from the performance results of the Company for the year 2016 to the shareholders of Baht 0.40 per share, totaling Baht 512 million. The dividend is paid from the Company's retained earnings less 5 years net loss carry forward which is unable to use as tax credit. Such dividend payment shall not affect the investment plan and operation of the Company.

Agenda item 3

| Process | Date |
|---|-------------|
| The Record Date for determining the shareholders entitled to receive a dividend (TSD) | 8 May 2017 |
| The Record Date for determining the shareholders entitled to receive a dividend (CDP) | 8 May 2017 |
| The share register Book Closing Date for compiling the list of shareholders | 9 May 2017 |
| The Dividend Payment Date | 24 May 2017 |

Agenda item 4

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

One-third of the directors of the Company shall vacate office in the 2017 Annual General Meeting of Shareholders:

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

Agenda item 4

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



Proposed to be appointed as a Director
of the Company

Agenda item 4

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



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

Agenda item 4

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



Proposed to be appointed as a
Director of the Company

Agenda item 4

4.4 To consider and approve the election of Mr. Li Shiqiang to be directors of the Company for another term.



Proposed to be appointed as a Director
of the Company

Agenda item 5

To consider and approve the determination of remuneration of directors for the year 2017

Agenda item 5

The directors' remuneration for the year 2017, in a total of not exceeding Baht 8,028,000, which is increased to be in line with the Company's industry 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 item 5

Information of the remuneration payment of directors compared with the year 2015 -2017:

| | Remuneration of Directors (Baht) | | |
|--------------------|----------------------------------|-----------|-----------|
| | 2017 | 2016 | 2015 |
| Board of Directors | 5,604,000 | 4,435,200 | 4,435,200 |
| Audit Committee | 2,424,000 | 2,059,200 | 2,059,200 |
| Total | 8,028,000 | 6,494,400 | 6,494,400 |

Agenda item 6

To consider and approve the appointment of the auditor and determination of auditing fee for the year 2017

Agenda item 6

Nominated auditors for shareholder's approval this year

| Name of Auditor | Certified Public Accountant (Thailand) No. | Year for Auditing the Company in past 5 years |
|---------------------------|--|---|
| 1. Mr. Paiboon Tunkoon | 4298 | 2015, 2016 |
| 2. Miss Sakuna Yamsakul | 4906 | - |
| 3. Mr. Pisit Thangtanagul | 4095 | - |

Of PricewaterhouseCoopers ABAS Limited. (“PWC”)

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 are available, PWC can delegate another one of its Certified Public Accountants to conduct the audit.

Agenda item 6

Auditing fee of the Company and its subsidiaries

Unit: Baht

| | 2017 | 2016 |
|---------------------------|-------------------|------------------|
| Auditing fee (year end) | 5,925,000 | 4,298,000 |
| Reviewing fee (quarterly) | 4,800,000 | 4,221,000 |
| Total auditing fee | 10,725,000 | 8,519,000 |

For the year 2017, PWC proposed the auditing fee of the Company and 9 subsidiaries, aggregately in an amount of Baht 10,725,000, divided into the auditing fee of the Company in an amount of Baht 6,750,000 and the auditing fee of the subsidiaries in an amount of Baht 3,975,000, which is increased to support the audit of 1 additional subsidiary company. In addition, the Company uses the audit services for the foreign subsidiaries from the same audit firm specified herein and other audit firms.

Agenda item 7

To consider and approve an amendment to the Objectives of the Company and the amendment to Clause 3 of the Memorandum of Association of the Company to be in line with the amendment to the Objectives of the Company

Agenda item 7

As the Company has a STR laboratory for the analysis and quality testing of rubber pursuant to the Rubber Control Act B.E. 1999, it is therefore necessary for the Company to amend its objectives of the Company by adding one objective which is item 37 to be read as follows:

“Item 37. To operate a service business on scientific analysis, research and test including calibration.”

Agenda item 7

In this regard, to be in line with the amendment to the objectives of the Company from 36 objectives to 37 objectives, the Company must also amend clause 3 of the Memorandum of Association of the Company to be read as follows:

“Item 3. The Company has 37 objectives, details of which appear in the BOJ. 002 form attached”

Agenda item 8



Other matters (if any)



THANK YOU

member of
SRI TRANG
GROUP

