

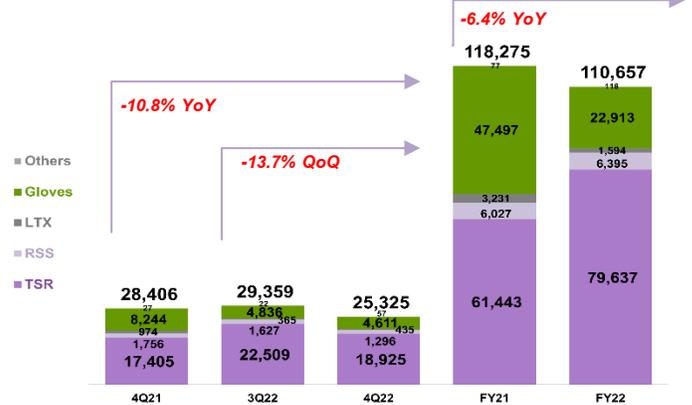
Financial Result Overview

In FY2022, we recorded THB 110,656.7 million in revenue, decreasing 6.3% YoY, and THB 15,805.7 in gross profit, declining 58.5%, with a gross profit margin of 14.3% and a net profit of THB 4,794.9 million, decreasing 69.7% YoY, or THB 3.12 per share, with 4.3% in net profit margin. The Board of Directors has approved a dividend payment for Y2022 at a rate of 2.00 baht per share. The remaining dividend of 1.00 baht per share in excess of the interim dividend paid earlier (1.00 baht per share) will be paid out upon approval at the 2023 annual general meeting of shareholders.

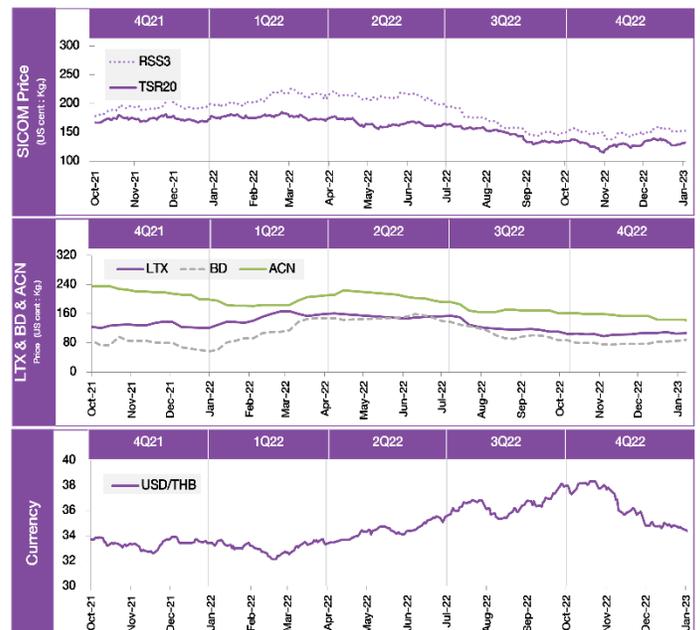
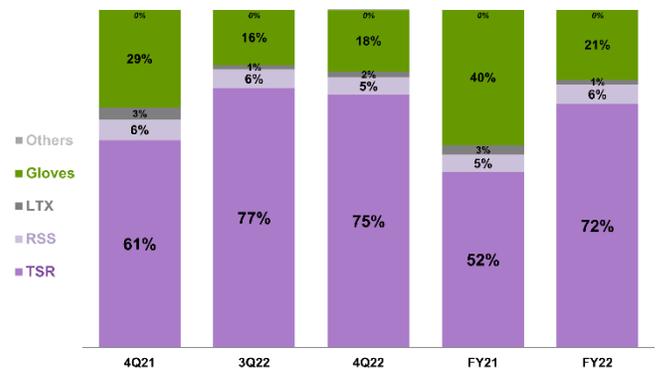
The Natural rubber (NR) business recorded THB 87,625.6 million, accounting for 79.2% of total revenue and growing 23.9% YoY on the back of a strong recovery in demand. Sales volume for TRS, RSS and LTX went up 14.9% YoY to 1,487,950 tons, an increase that was higher than the global growth in consumption of 3.3% and leading Sri Trang Group to a market share (including consumption by STGT) of 11% of global consumption, up from 10% in FY2021. Our ASP also increased 11.7% while the average price of TSR20 on SICOM in 2022 was 154.6 cent/kg, down from 167.8 cent/kg in 2021. With increased competitiveness and effective cost control, gross profit margin for the NR business was 12.9%.

The glove business recorded THB 22,912.9 million in revenue, accounting for 20.7% of total revenue and decreasing 51.8% YoY because of the ASP that dropped 54.1% YoY as Covid has been brought under control and global supply rapidly increased, leading to an ongoing oversupply situation, even though sales volume grow 5.5% as demand continued to grow.

Revenues by Product (THB million)



Revenues Breakdown by Product



ABBREVIATIONS:
RSS: Technical sheet
LTX: Concentrated latex
TSR: Technically specified natural rubber, which includes STR and STR
BD: Butadiene
ACN: Acrylonitrile



Extraordinary Event

In October 2022, we established a subsidiary in Côte d'Ivoire as part of an expansion plan to engage in the purchase and sales of natural rubber, cup lump, skim rubber or other natural rubber materials as well as the export of natural rubber and natural rubber products.

Key Financial Ratios

	FY22	FY21
Gross profit margin	14.3%	32.2%
Adjusted gross profit margin**	15.6%	31.1%
EBITDA margin	9.4%	27.4%
Net profit margin	4.3%	13.4%
Current ratio (times)	4.09	2.20
Net D/E ratio (times)	0.37	0.41
Fixed asset turnover (times)*	2.45	3.41
Inventory turnover (days)*	110	115
Collection period (days)*	25	26
Payment Period (days)*	5	7

Statements of Comprehensive Income

(Unit : THB million)	4Q22	4Q21	%YoY	3Q22	%QoQ	FY22	FY21	%YoY
Revenue from sales of goods and services	25,324.8	28,406.1	-10.8%	29,359.0	-13.7%	110,656.7	118,275.4	-6.4%
Cost of sales and services	(22,180.5)	(23,004.9)	-3.6%	(25,465.9)	-12.9%	(94,851.1)	(80,216.4)	18.2%
Gross profit (loss)	3,144.3	5,401.2	-41.8%	3,893.1	-19.2%	15,805.7	38,058.9	-58.5%
SG&A	(2,486.0)	(2,596.5)	-4.3%	(2,780.1)	-10.6%	(10,247.8)	(7,927.2)	29.3%
Other income and dividend income	27.4	56.3	-51.3%	131.3	-79.1%	299.1	422.0	-29.1%
Gains (loss) on exchange rate, net	114.8	(217.9)	-152.7%	256.5	-55.3%	506.1	474.37	6.7%
Other gains (loss)	346.1	97.0	256.9%	20.6	1578.9%	506.0	(1,835.52)	-127.6%
Operating profit (loss)	1,146.6	2,740.1	-58.2%	1,521.4	-24.6%	6,869.0	29,192.6	-76.5%
Share of profit (loss) from investments in JV	115.0	67.6	69.9%	85.4	34.6%	335.7	241.39	39.1%
EBITDA	2,109.4	3,609.9	-41.6%	2,419.2	-12.8%	10,390.8	32,439.4	-68.0%
EBIT	1,261.6	2,839.3	-55.6%	1,606.8	-21.5%	7,204.6	29,434.0	-75.5%
Finance income	89.2	30.6	191.9%	36.9	141.8%	184.8	113.21	63.3%
Finance cost	(358.5)	(228.9)	56.6%	(343.0)	4.5%	(1,222.1)	(828.7)	47.5%
Income tax (expense)	(9.3)	(189.8)	-95.1%	(154.0)	-94.0%	(649.6)	(2,541.6)	-74.4%
Net Profit (loss) for the periods	982.9	2,419.7	-59.4%	1,146.7	-14.3%	5,517.8	26,176.9	-78.9%
Attributed to owners of the parent	987.8	1,613.7	-38.8%	1,155.9	-14.5%	4,794.9	15,846.7	-69.7%
Attributed to non-controlling interests	(4.9)	806.0	-100.6%	(9.2)	-46.6%	723.0	10,330.2	-93.0%

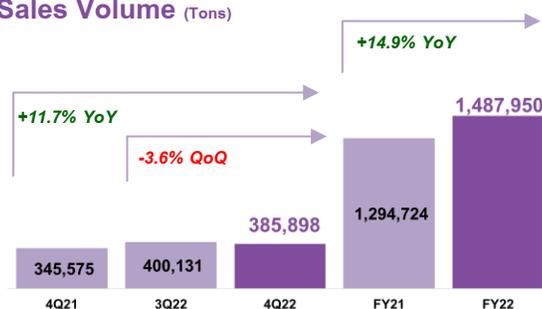


Total revenue from products and services in FY2022 was THB 110,656.7 million, decreasing 6.4% YoY. Revenue from NR products grew 23.9% YoY to THB 87,625.6 million as the ASP increased 11.7% YoY despite the drop in average price on the global market. Sales volume also grew 14.9% YoY, higher than the global growth on the back of higher market share. Revenue from gloves was THB 22,912.9 million, down 51.8% YoY, because of the ASP that dropped 54.1% YoY while sales volume grew 5.5% YoY as demand continued to grow. Revenue from other products and services came in at THB 118.3 million.

Sales volume for NR products increased 14.9% YoY to 1,487,950 tons, with sales volume for TSR growing 20.4% YoY following a capacity expansion and an increase in market share. In 2022, our production output increased from 32% to 33% of Thailand's production. Our utilization rate remained unchanged from 2021 at 70% as production capacity continued to increase throughout the year.

Geographically, China remained our largest market at 53.4% of total sales volume, followed by other countries in Asia at 17.9%. Thailand made up 13.4% of total sales volume, while Europe and the Americas accounted for 8.9% and 6.2% of total sales volume, respectively. Sales volume across all markets increased between 14-40%, with the exception of the domestic market that registered a decline of 10%.

NR Sales Volume (Tons)



Sales volume for gloves increased 5.5% YoY to 28,813 million pieces, increasing 5.5% YoY as demand continued to grow. Utilization rate in FY2022 was 63%, down from 87% in FY2021. The proportion of revenue by latex gloves and nitrile gloves was 77:23.

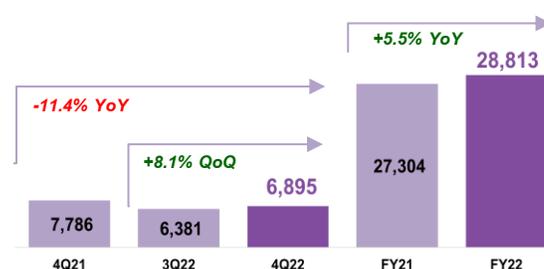
Geographically, Asia was our largest market with 41.5% of total sales volume, followed by North America and Europe at 20.1% and 16.3% respectively. South America accounted for 14.0% of total sales volume. Africa and the Middle East made up 4.1% and 3.4% of total sales volume, respectively. Other markets accounted for 0.7% of total sales volume.

Revenue by Product (THB million)

	FY22	FY21	% YoY	4Q22	4Q21	% YoY
TSR*	79,637.2	61,442.8	29.6%	18,925.4	17,405.4	8.7%
%	72.0%	51.9%		74.7%	61.3%	
Gloves	22,912.9	47,497.2	-51.8%	4,611.1	8,243.8	-44.1%
%	20.7%	40.2%		18.2%	29.0%	
RSS	6,394.6	6,027.4	6.1%	1,296.0	1,756.0	-26.2%
%	5.8%	5.1%		5.1%	6.2%	
LTX	1,593.8	3,230.8	-50.7%	434.9	973.9	-55.3%
%	1.4%	2.7%		1.7%	3.4%	
Other**	118.3	77.0	53.5%	57.4	27.0	112.7%
%	0.1%	0.1%		0.2%	0.1%	
Total	110,656.7	118,275.4	-6.4%	25,324.8	28,406.1	-10.8%

Note: *Revenue from TSR is net from hedge accounting.
 **Revenue from LTX between the Sritrang Group increased but this amount was deduct from the consolidated financial statement.
 **Comprised revenue from (i) the sale of rubber wood and wood packing product and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other third parties.

Glove Sales Volume (million pieces)

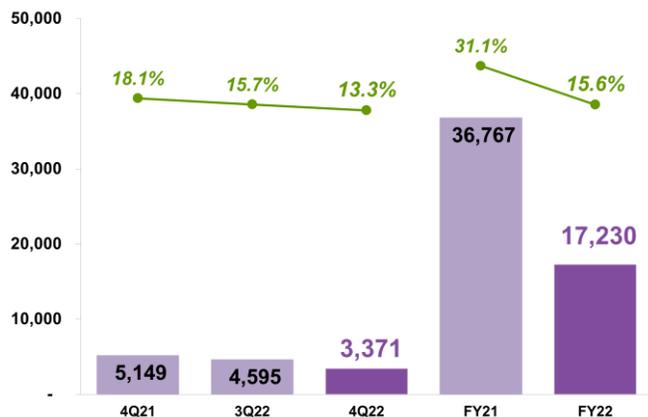


Gross profit in FY2022 was THB 15,805.7 million, decreasing 58.5% YoY from THB 38,058.9 million in FY2022. Gross profit margin was 14.3%, down from 32.2% in FY2022. Gross profit for the NR business increased 27.0% YoY as a result of growth in market share and effective cost control. Our ASP of THB 173.5 cent/kg was also higher than the average NR price on the global market in 2022. As a result, gross profit margin for the NR business continued to improve to a new high of 12.9%.

Gross profit margin in the glove business decreased significantly 84.5% as a result of the 54.1% drop in ASP as Covid has been brought under control and global supply has increased rapidly, leading to an oversupply. At the same time, the costs for both NR and NBR latex decreased to a lesser extent than the drop in ASP. As a result, gross profit margin for the glove business dropped from 61.4% in FY2021 to 19.8% in FY2022. Taking account of the reversal of inventory allowance in the amount of THB 296.4 million and realized profits from hedging transactions of THB 1,127.9 million, our adjusted gross profit margin in FY2022 would be 15.6%, down from 31.1% in FY2021.



Adjusted GP and GPM* (Unit: THB million)



Note: *Adjusting for (reversal) allowance of inventory cost and realized items from hedging activities

Operating profit in FY2022 was THB 6.869.0 million and operating profit margin was 6.2%, decreasing from THB 29,192.6 million in FY2021 as a result of the weak performance of our glove business while the NR business continued to see growth in both revenue and volume with consistent profitability.

Selling and administrative expenses (SG&A) were THB 10,247.8 million, increasing 29.3% YoY. Selling expenses increased 31.4% YoY to THB 7,819.8 million because of the substantially increase in freight and transportation costs during the first half of the year and the higher CESS that grew in tandem with higher export volume. Administrative expenses increased 23.0% YoY to THB 2,428.1 million because of depreciation and debt allowance by STGT as well as other tax expenses. Other income came in at THB 299.1 million, including the THB 92.0 million that STGT received from the Rubber Authority of Thailand as part of the interest rate subsidy program as well as THB 73.4 million in insurance claims and THB 39.8 million from the sale of production waste. At the end of FY2022 we had THB 221.3 million in gains from the net realizable value of inventory (NRV)*.

Note: *Inventory balance of the Company at net realizable value (NRV), for only RSS, LTX and TSR, is at lower of cost or net realizable value. Under the Thai Financial Reporting Standards, such surplus from inventories is not allowed to be recognized in the profit and loss until the inventories are actually sold. The amount of such difference changes over time depending on the actual price at the time of sale.

Share of profits from investments in associates and joint ventures

Share of profits from investments in associates and joint ventures in FY2022 was THB 335.7 million, up 39.1% YoY because of higher profits from both the NR and high-pressure hydraulic hose joint ventures.

Net Profit in FY2022 was THB 4,794.9 million, decreasing 69.7% YoY from THB 15,846.7 million in FY2021, with a net profit margin of 4.3%. This decline in net profit can be attributed to the significant drop in the ASP of gloves after Covid has been brought under control and the rapid global increase in production capacity led to an oversupply, even though sales volume continued to grow. Meanwhile, our NR business continued to grow in both sales volume and market share, both domestic and overseas. Our finance costs increased 47.5% YoY to THB 1,222.1 million because of the issuance of debenture to finance the purchase of raw materials, which increased in tandem with sales and the capacity expansion projects as well as the higher interest rates, which went up with the overall global trend.

In short, our glove business faced significant challenges from the steep drop in ASP and intense competition while our NR business continued to experience growth in both ASP and volume. We are confident that we will be able to further increase our market share as the ongoing scarcity of raw materials in Indonesia has led Non-China tire producers, who conventionally preferred NR from Indonesia, to switch to other NR sources, including Thailand, the world's largest NR-producing country. In anticipation of the growth in market share, we have implemented a capacity expansion for TSR and LTX production in 18 projects in the north, northeast and south, an undertaking that requires approximately THB 10,000 million and is expected to be completed in stages from 2022-2024. The sources of funds will be retained earnings and debenture, to which we have access at lower costs than the market rate. At the end of 2022, we completed the expansion at 5 TSR facilities in Pitsanulok, Sakon Nakorn, Bungkarn, Trang and Myanmar and the LTX facility in Bungkarn. As of the end of FY2022, our production capacity stood at 3.18 million tons per annum, with a target of 4.24 million tons per annum by the end of FY2024.



Business Segmentation Analysis



Technically Specified Rubber (TSR)

Revenue from TSR, which accounted for 72.0% of total revenue, increased 29.6% YoY on the back of the ASP that increased 11.9% YoY and sales volume that increased 20.4% YoY as we were able to increase our market share, particularly among Non-China tire producers, taking advantage of Indonesia's reduced supply.

With increased profitability and effective cost control, our gross profit margin for TSR increased to a new high.



Gloves

Revenue from gloves, which accounted for 20.7% of total revenue, declined 51.8% YoY as a result of the ASP that dropped 54.1% YoY even though sales volume increased 5.5% YoY. This can be attributed to intense industry competition that resulted from the oversupply situation that will require some time to resolve.

Prices of NRB latex went down 45.7% YoY while prices of NR latex decreased 10.4% YoY. However, the extent of the decrease in raw material prices was less by the decline in ASP. As a result, gross profit margin significantly declined from the previous year offset by the increase in ASP.



Ribbed Smoked Sheet (RSS)

Revenue from RSS, which accounted for 5.8% of total revenue, increased 6.1% YoY in on the back of sales volume that grew 7.5% YoY while the ASP, went down 1.4% YoY.

Gross profit margin for RSS was higher than the previous year.



Concentrated Latex (LTX)

Revenue from LTX, which accounted for 1.4% of total revenue, decreased 50.7% YoY because sales volume dropped 53.4% YoY as sales to STGT, which increased, are deemed connected transactions that cannot be stated in the financial statements. At the same time, the ASP went up 5.9% YoY.

Gross profit margin for LTX was lower than the previous year.



Natural Rubber Industry Outlook

In 2022, NR prices moved down on concerns about the global economy and the policy of higher interest rate to control inflation in many countries as well as the zero-COVID policy that limited economic activities in China for most of the year. In addition, the global container and shipping congestion in early 2022 led Non-China tire manufacturers to stock up on NR to avoid a possible shipment delay. In 3Q22, as the freight situation started to normalize and with signs of an economic slowdown, demand from these tire manufacturers started to soften as they and tire dealers were still left with a stock of 4-8 months. With signs of an impending recession, NR customers were focused on reducing their stock to the average 2-3 months level and delayed purchasing. This led NR prices to continue to trend downward in the second half of the year. The average price of TSR20 on SICOM in 4Q22 was 129.8 cent/kg, decreasing 11.5% QoQ and 24.9% YoY. The average price of TSR20 on SICOM for 2022 was 154.6 cent/kg, down 7.9% from 2021. That said, during period of downward trend, tire producers in China used the opportunity when non-China tire producers were delaying purchasing to stock up even though production still did not fully recover from the Zero-Covid policy in early 2022.

On the supply side, 3Q of every year normally coincides with a wintering period in Indonesia. However, Indonesia did not have a peak harvest season in 2022, a long-term impact from the fungal disease in late 2018. Supply from the country is also expected to go down even further in the future, On the contrary, the high level of rainfall in Thailand meant that the north and northeastern regions did not go through a wintering period at all while in the southern region the wintering period only lasted until mid-April. However, in 4Q22, the southern region experienced an unusually high level of rainfall which affected tapping activities. Additionally, NR supply from Côte d'Ivoire grew over 15% in 2022, an area with high growth potential as it currently is the fourth-largest NR-producing country after Thailand, Indonesia and Vietnam.

In early 2023, NR prices have shown small signs of recovery following the opening up of China and have moved in a limited range. We expect to see more a definite trend of NR prices in mid-2023 after tire producers have reduced their stock and the Covid outbreak in China has subsided and tire producers can fully resume production. We will continue to closely monitor the situation following the opening up of China, which is expected to lead to macroeconomic growth, as well as the behavior of non-China tire producers. In addition, rainfall level is another factor that will affect NR supply because while rubber trees yield good supply with sufficient rainfall, excessive rainfall would prevent rubber farmers from being able to tap the trees.

