



THE WORLD'S LEADING FULLY
INTEGRATED NATURAL RUBBER COMPANY.



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See online report to learn simple usage in your device.
<https://investor-th.sritranggroup.com/ar.html>



VISION

Passionately, we drive possibilities

>>*the green rubber company*>>



We are committed to delivering to our shareholders, having regard to sustainable growth and reasonable, consistent returns to shareholders, the highest level of satisfaction.



We are committed to an environmentally sound approach to production, through which we strive to inspire satisfaction and confidence in our customers and suppliers.



We are committed to the practices of good corporate governance and to operating with fairness and transparency with a view to improving the living and working conditions of our stakeholders.



We are committed to providing our employees with a pleasant work environment, fair compensation and career advancement opportunities.



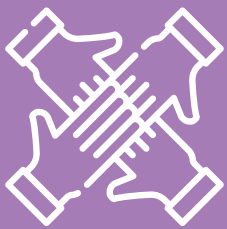
We are committed to minimizing the social and environmental impact of our operations and to the sustainable consumption of natural resources.

CORE VALUES



S*pecialist*

We are the best in what we do.



T*eamwork*

We work with tireless determination together as a team.



A*ccountability*

We value honesty and have a strong sense of responsibility.



MISSION 2020

A Changing World

Trade war continues to escalate between China and US. This has caused serious damage across the globe. NR suffers due to demand disruption and many mid-stream suppliers went bankrupt and thus rubber price collapses.

Fortunately, Sri Trang came out from this global crisis unscratched due to our strong fundamental. In fact, we are growing stronger and more powerful and highly motivated.

Still, we have to stay vigilant and keep close watch on potential external pressure such as strong Thai baht, potential wage increase, Hong Kong crisis and demand stays slow and low.

While we will protect as many jobs as possible, we will continue to innovate and invest in more automations, more AI, sensors, digitalization, smarter factories and upgrade and more training in our HR forces.

It is, therefore, extremely important to realize the world today is different from the past. Either we adapt, improve, innovate, accept new technologies or we become irrelevant.

“The world has changed!”





GREEN RUBBER COMPANY

Taking a Step Forward as the Green Rubber Company

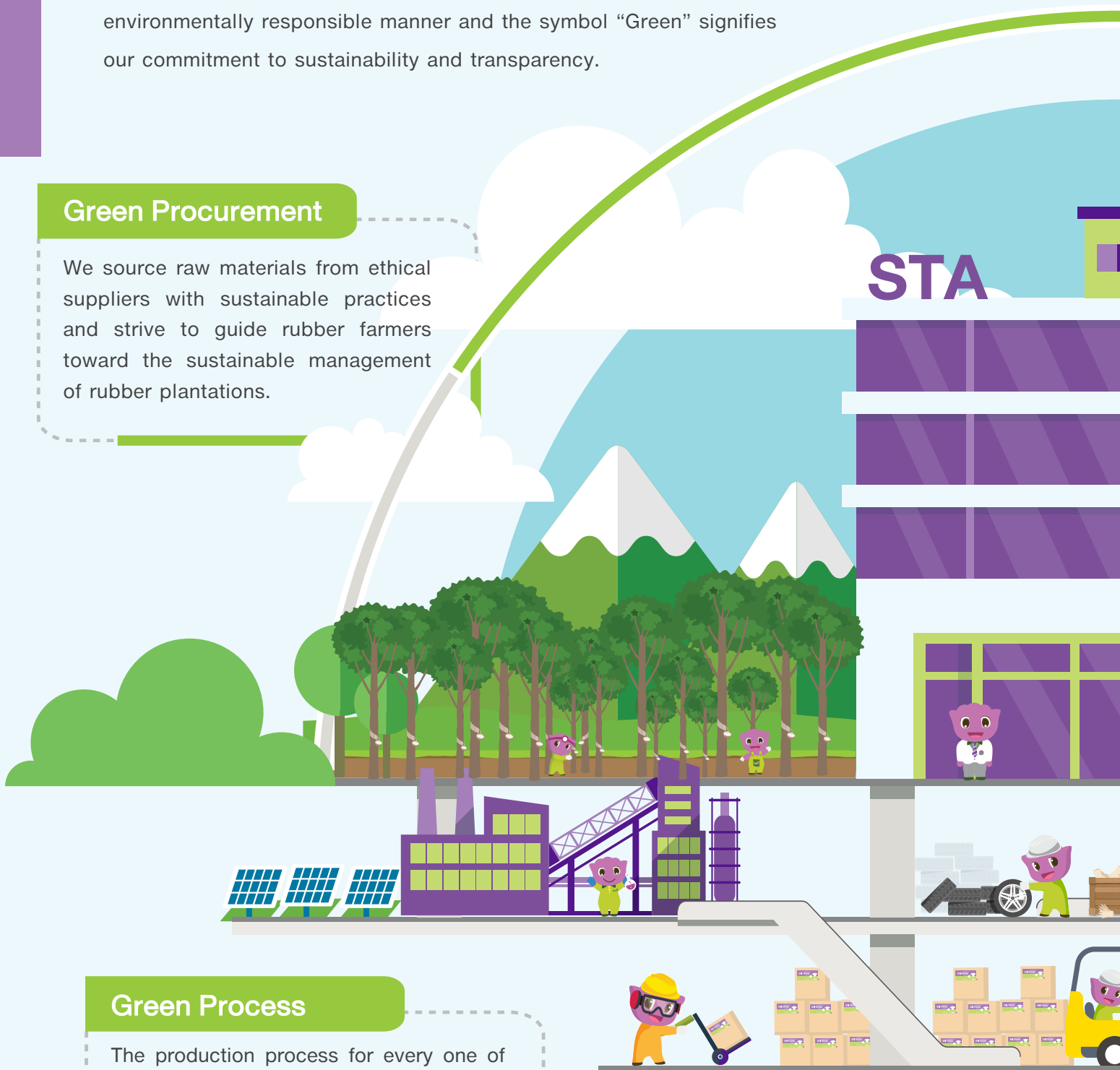
For over 30 years, Sri Trang Group has been operating in a socially and environmentally responsible manner and the symbol “Green” signifies our commitment to sustainability and transparency.

Green Procurement

We source raw materials from ethical suppliers with sustainable practices and strive to guide rubber farmers toward the sustainable management of rubber plantations.

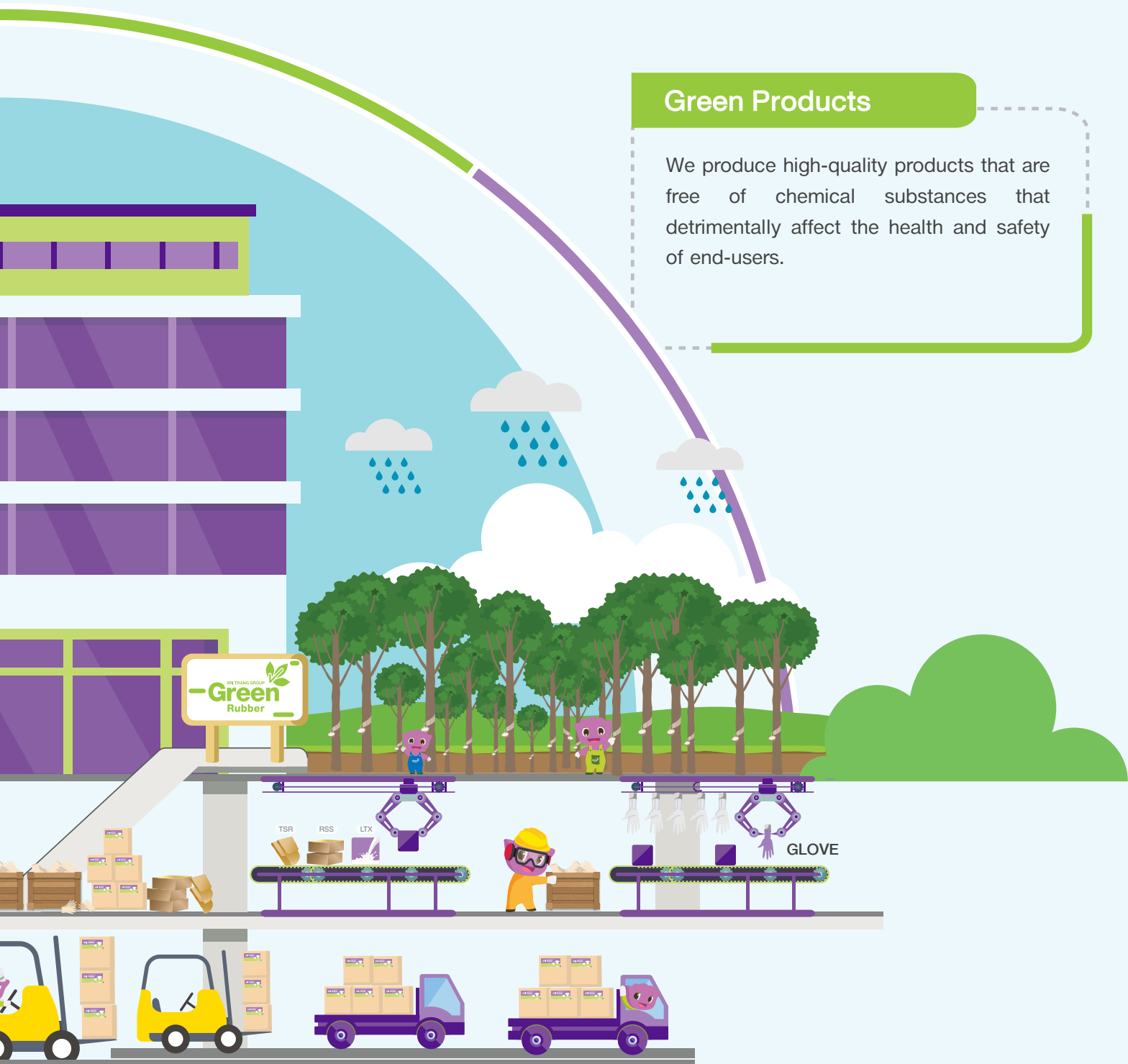
Green Process

The production process for every one of our products is based on the concept of sustainability and energy efficiency. Our production facilities do not generate hazardous substances that cause adverse impact on the environment and the neighboring communities.



Green Products

We produce high-quality products that are free of chemical substances that detrimentally affect the health and safety of end-users.



Green Company

In every aspect of our operations, we are guided by the belief that transparency is key to building trust and achieving long-term success. We also seek to make a positive difference to the local communities and foster long-lasting relationships through various forms of community engagement.

MESSAGE FROM CHAIRMAN

For Sri Trang Group, 2020 was one for the history books.

Our subsidiary Sri Trang Gloves (Thailand) PLC (STGT) completed the listing on the Stock Exchange of Thailand.

STGT has been producing and distributing gloves worldwide for more than 30 years. The completion of an initial public offering on 2 July 2020 was the culmination of over 30 years of steady growth, demonstrating the true value of our operations and strengthening STGT's position as the world's third largest glove producer.

STA has maintained its position as the world's leading natural rubber company amid the challenges throughout the years. 2020 was the year many industries, including natural rubber, felt the impact of COVID-19. The suspension of operations by tire manufacturers in early 2020 led to a sharp slowdown, with demand for the whole year estimated to be at the lowest level in 5 years. The drop in demand also caused natural rubber prices to sink to the lowest level since 2013.

But there exist opportunities in any crisis. We have demonstrated to customers, suppliers and financial institutions the strength of our operations and finances. Our expertise and experience have seen us through many a crisis. Despite the impact from COVID-19 and the slowdown in the natural rubber industry, our operations have remained profitable. This is why STA has remained for so many years at the top of the natural rubber industry in the eyes of customers and suppliers. We intend to strengthen our operations even further and are committed, as a leader, to steering Thailand's natural rubber industry toward sustainable growth.



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STA posted a record profit. The outbreak of COVID-19 has ushered in the "New Normal," that has brought with it challenges and opportunities. Our glove operations have seen significant growth, with consumer base expanding beyond the healthcare industry to encompass new users with high growth potential. Our natural rubber operations, meanwhile, have seen continuous improvement in production and productivity, with being "flexible and agile" having been firmly established in the mindset. Driven by the strength of our 2 businesses, we were able to post a record profit in every quarter of the year. For the whole of 2020, we recorded Baht 9,531 million in net profit, the highest since our founding 33 years ago.



Sri Trang Group remains committed to our practices in community engagement and development.

In this coming year, we expect sales in our natural rubber operations to increase in concert with the recovery of the global economy. For our glove operations, we are committed to our capacity expansion plan to serve the global demand that keeps growing. We also view our expansion plan as a community development project that helps create jobs and income, strengthening the local economy. In the long run, we want to see the province of Trang become the “Glove City” of the world, a development that will benefit the whole natural rubber supply chain in Thailand.

Lastly, I would like to thank our shareholders, business partners, customers, all employees and stakeholders who have trusted in and supported Sri Trang Group throughout the years. I can assure that Sri Trang Group will keep growing, will keep strengthening our operations to reinforce **our status as a leader in the natural rubber industry.**

Mr. Viyavood Sincharoenkul

Chairman and Managing Director

FINANCIAL HIGHLIGHTS



Revenue from sale of goods and services

75,479 MB.



Total assets

93,117 MB.



Total equities

53,397 MB.

STATEMENT OF COMPREHENSIVE INCOME

(UNIT : BAHT MILLION)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
REVENUE FROM SALE OF GOODS AND SERVICES	77,266	89,387	73,136	60,286	75,479
EBITDA	794	1,611	5,716	3,274	20,505
PROFIT (LOSS) BEFORE TAX	(1,073)	(1,398)	2,406	(68)	17,704
PROFIT (LOSS) ATTRIBUTE TO OWNERS OF THE COMPANY	(758)	(1,437)	2,064	(149)	9,531

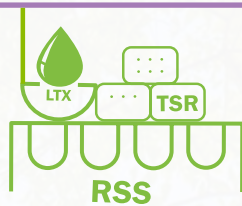
STATEMENT OF FINANCIAL POSITION

(UNIT : BAHT MILLION)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
TOTAL ASSETS	55,959	59,708	58,414	58,331	93,117
TOTAL LIABILITIES	36,047	36,431	32,003	32,842	39,720
TOTAL EQUITIES	19,912	23,277	26,411	25,488	53,397

FINANCIAL RATIOS

(UNIT : BAHT MILLION)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
GROSS PROFIT MARGIN (%)	7.0	4.2	9.8	8.1	28.9
NET PROFIT MARGIN (%)	(1.0)	(1.6)	2.8	(0.3)	12.6
CURRENT RATIO (TIMES)	1.0	1.1	1.1	1.0	1.77
NET DEBT TO EQUITY RATIO (TIMES)	1.7	1.5	1.1	1.2	0.25

Note: The financial ratio is calculated referred to the guideline of Form 56-1 preparation.



Sales Volume of
Natural Rubber Products

1.1 Million Tons

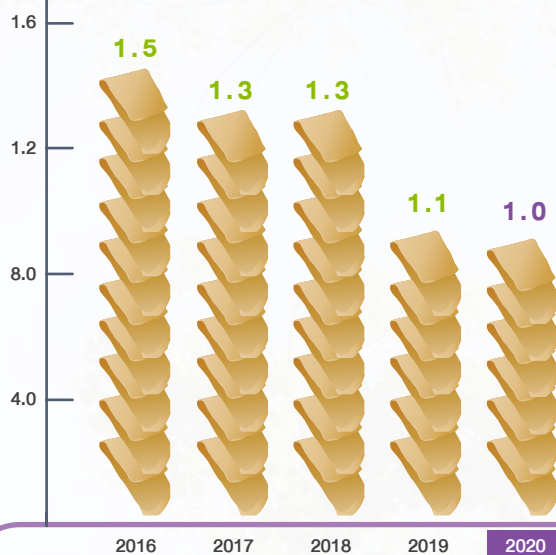


Sales Volume of Gloves

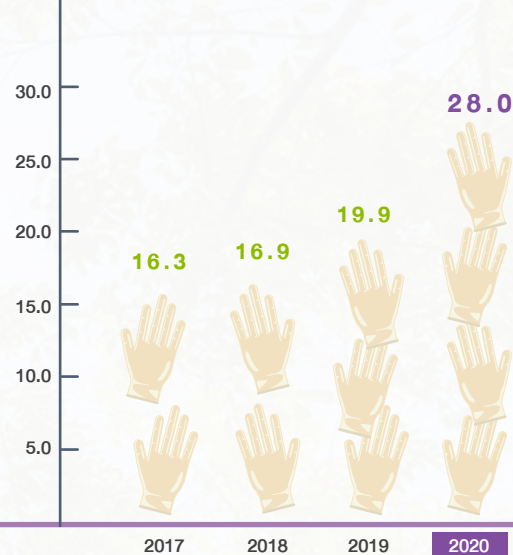
28,043 Million Pieces



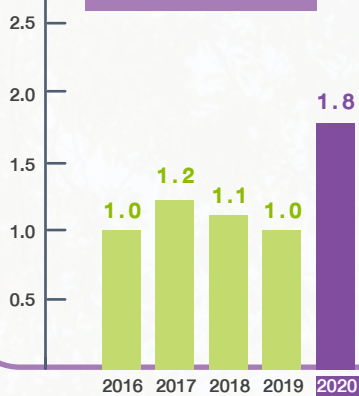
SALE VOLUME OF NATURAL RUBBER
PRODUCTS [MILLION TONS]



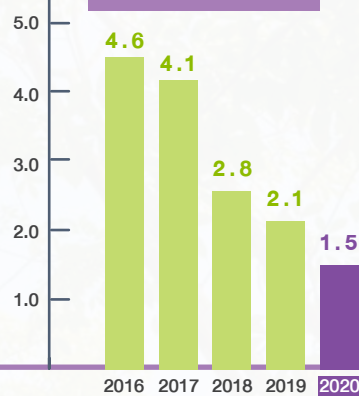
SALE VOLUME OF GLOVES
[BILLION PIECES]



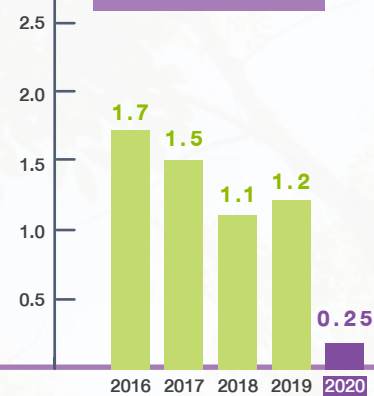
CURRENT RATIO
(TIMES)



FIXED ASSET
TURNOVER (TIMES)



NET DEBT TO EQUITY
(TIMES)





THE WORLD'S LEADING FULLY INTEGRATED NATURAL RUBBER COMPANY

Sri Trang Agro-Industry Public Company Limited ("STA") is the world's leading fully integrated natural rubber company with a market share of 8% of global natural rubber consumption. STA produces a full range of natural rubber products, from Technically Specified Rubber (TSR) and Ribbed Smoked Sheets (RSS) to Concentrated Latex with a total production capacity of 2.84 million tons per annum. STA is also Thailand's largest and the world's leading glove producer. Our main glove products are Natural Latex Gloves and Nitrile Gloves with a total installed capacity of 33 billion pieces of gloves per annum. Moreover, we have also established a joint venture that is Thailand's largest manufacturer of high-pressure hydraulic hoses.

UPSTREAM



Our approximately 7,200 hectares of rubber plantations in 19 provinces of Thailand

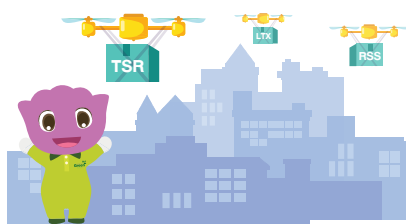
**Approximately
7,200 hectares**
of rubber plantations

2.84 million tons per annum
in natural rubber
processing capacity

33 billion pieces
per annum in glove
installed capacity

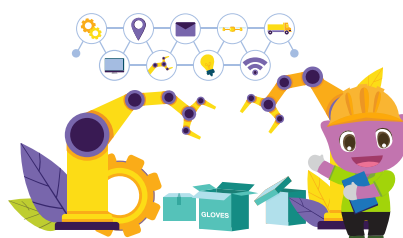


MIDSTREAM



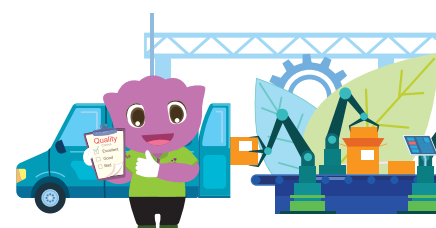
Our 36 natural rubber processing facilities in Thailand, Indonesia and Myanmar provide a total of 2.84 million tons per annum in production capacity.

DOWNSTREAM



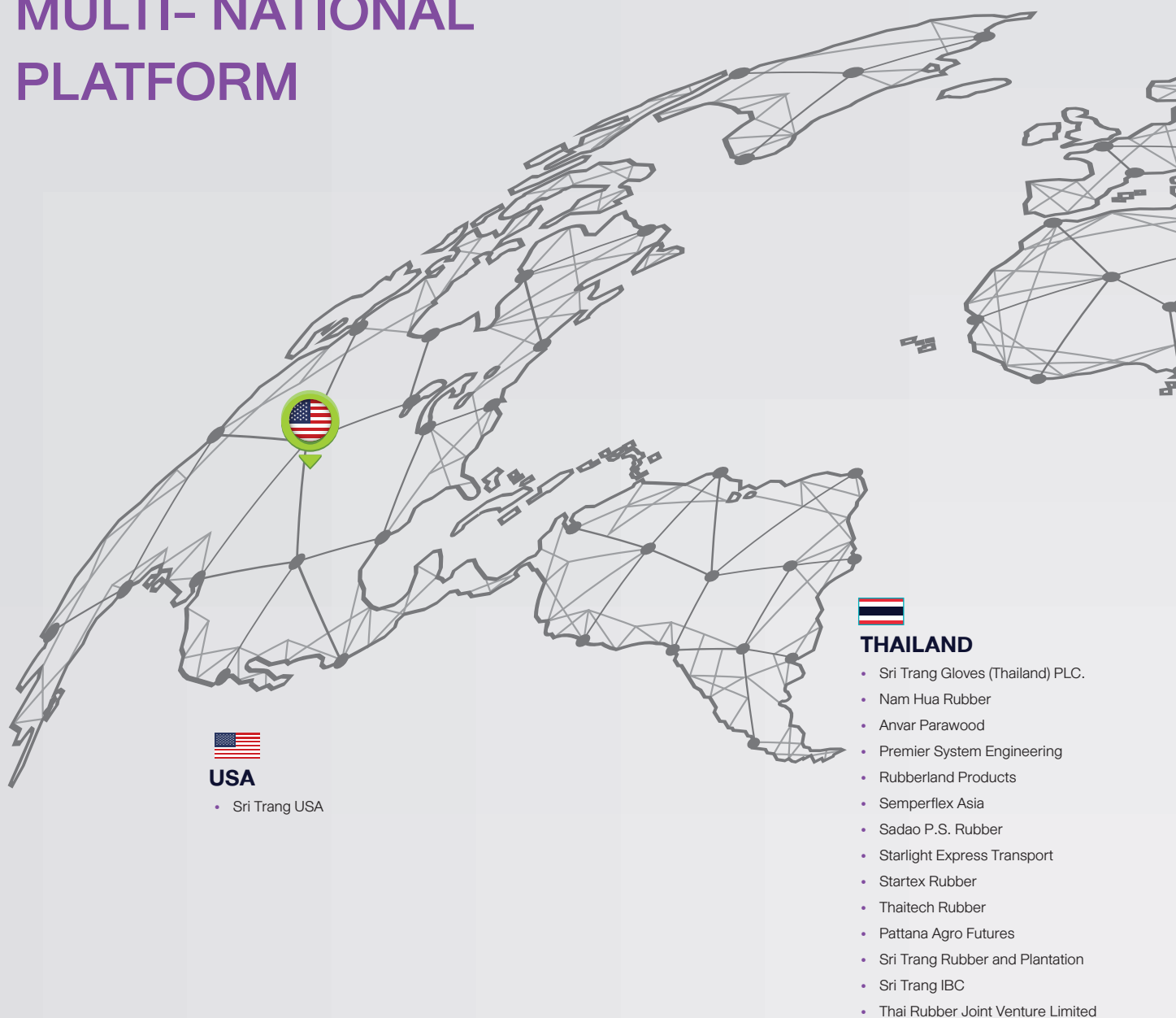
Our state of the art technology production facilities in Thailand in Songkhla, Surat Thani, and Trang provinces produce medical and general purpose gloves from both latex and nitrile and have a total of 33 billion pieces per annum in installed capacity.

SALES AND DISTRIBUTION



Our 6 sales offices are located in strategic locations, namely Thailand, Indonesia, Singapore, China, Vietnam, and USA.

MULTI- NATIONAL PLATFORM



NATURAL RUBBER PRODUCTS



59%

OF REVENUES FROM SALES OF
GOODS AND SERVICES IN 2020

1.0 Million tons

OF NATURAL RUBBER
PRODUCTS SOLD IN 2020

2.84 Million tons

PER ANNUM IN NATURAL
RUBBER PROCESSING CAPACITY
AS OF DECEMBER 2020



8%

MARKET SHARE OF
GLOBAL NATURAL RUBBER
CONSUMPTION IN 2020

26%

OF THAILAND NATURAL
RUBBER PRODUCTION
VOLUME IN 2020

36 Processing facilities

OF NATURAL RUBBERS IN
THAILAND, INDONESIA, AND
MYANMAR



GLOVES

41%

OF REVENUES FROM
SALES OF GOODS AND
SERVICES IN 2020

3 Factory locations

IN THAILAND, THE WORLD
LARGEST SOURCE OF
CONCENTRATED LATEX

33 Billion pieces

INSTALLED CAPACITY PER
ANNUM AS OF DECEMBER 2020

28,043 Billion pieces

OF GLOVES SOLD IN 2020



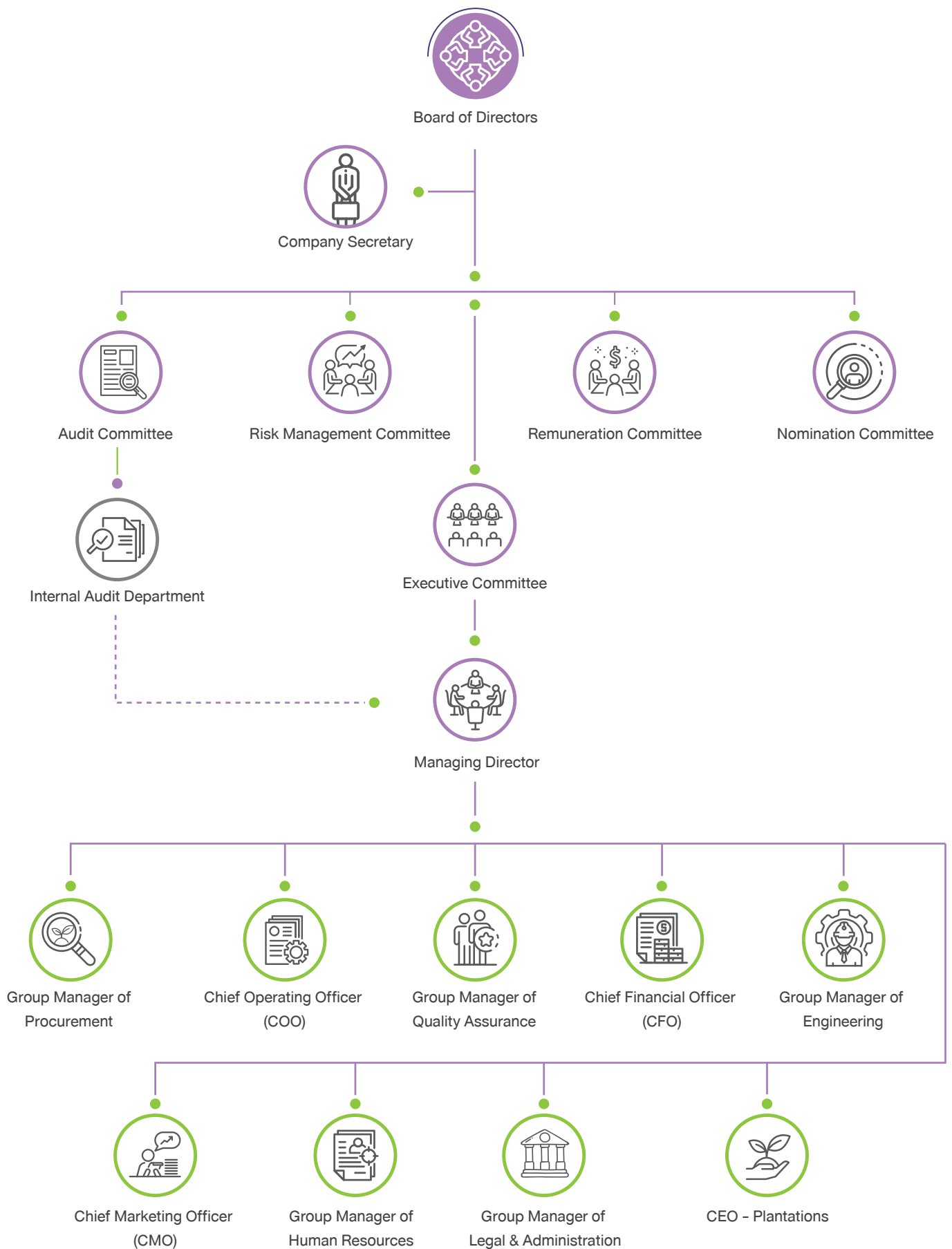
Exporting to

140

countries worldwide



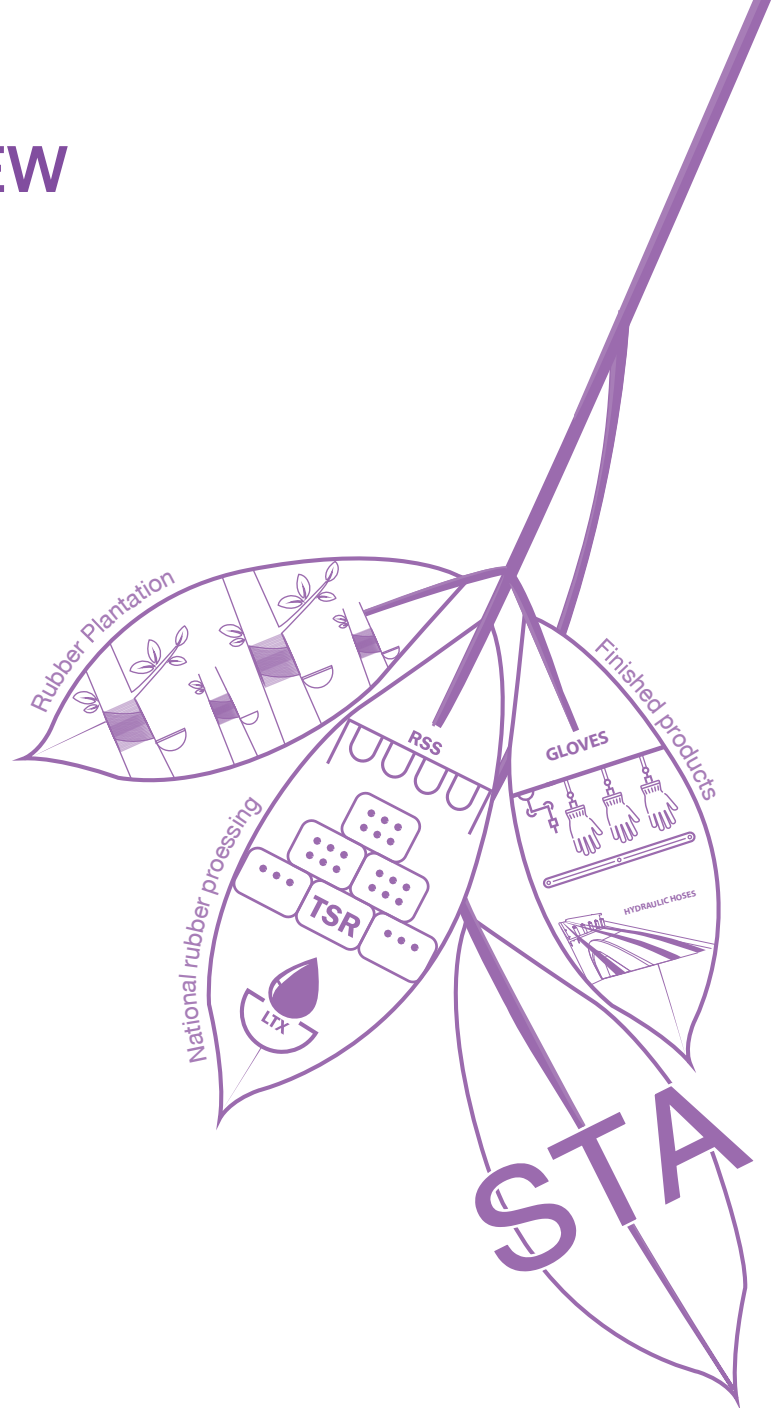
CORPORATE STRUCTURE



BUSINESS OVERVIEW

Established in 1987, **Sri Trang Agro-Industry Public Company Limited (“STA”)** is the world’s leading fully integrated natural rubber company with a market share of 8% of global natural rubber consumption in 2020. STA’s operations span all sectors of the natural rubber industry, from rubber plantations and rubber processing to glove production. In the upstream, we own approximately 7,200 hectares of rubber plantations that are located in 19 provinces of Thailand. In the midstream, our 36 processing facilities are located in Thailand and Indonesia, the world’s second largest natural rubber-producing countries, as well as in Myanmar, a country with strong potential for rubber production. Together they produce a complete range of natural rubber products, from Technically Specified Rubber (TSR) and Ribbed Smoked Sheets (RSS) to Concentrated Latex and have a total production capacity of 2.84 million tons per annum.

In the downstream, **Sri Trang Gloves (Thailand) Public Company Limited (“STGT”), one of Sri Trang Group’s flagship companies**, engages in the production and distribution of latex and nitrile examination and industrial gloves to customers in over 140 countries around the world. STGT has offices in Thailand, China and USA. With cutting-edge production facilities located in Songkhla, Suratthani and Trang and a total installed capacity of 33 billion pieces of gloves per annum at the end of December 2020, we are the largest glove producer in Thailand and is ranked among the world’s leading glove producers. In addition to glove production and distribution, we are also part of a joint venture that is Thailand’s largest manufacturer of high-pressure hydraulic hoses for industrial purposes.



Additionally, we have various subsidiaries that provide operational support for our core businesses, from research and development to logistics to rubberwood processing.

STA is the first and the only Thai rubber company that is dually listed on both the Stock Exchange of Thailand (SET) and the Singapore Exchange (SGX).

COMPANY MILESTONES

AUGUST 1991

- Filed for an initial public offering (IPO) of shares in Thailand and listed the shares on the Stock Exchange of Thailand (SET).

MARCH 1990

- Jointly established Thai Tech Rubber with Southland Rubber Co., Ltd and Itochu Corporation Limited to produce TSR block rubber.

JANUARY 1989

- Jointly established SSC (Presently called Sri Trang Gloves (Thailand) PLC.) with an Austria-based company to produce latex examination gloves.

1987–1991

MARCH 1988

- Established Rubberland Products to produce concentrated latex, the Group's first production facility for concentrated latex.

OCTOBER 1987

- Established Anvar Parawood to produce rubberwood used for making furniture, and to produce pallets to be used within Sri Trang Group.

APRIL 1987

- Commenced operation as producer of ribbed smoked sheets in Hat Yai, Thailand with Baht 31 million in registered capital.

MARCH 2004

- Established Sri Trang USA to manage distribution of the Group's natural rubber products in USA and Canada.

APRIL 2002

- Established Sri Trang International in Singapore, the natural rubber purchasing hub, to manage global distribution of the Group's natural rubber products.

MARCH 1996

- Jointly established Semperflex Asia with an Austria-based company to produce high-pressure hydraulic hoses.

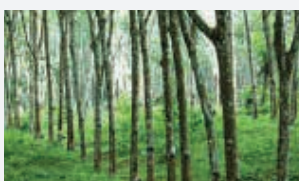
JANUARY 1996

- Acquired Premier System Engineering to provide support for research and development and to provide engineering services to the Group.

1994–2004

SEPTEMBER 1995

- Established Startex Rubber to hold ownership of and manage rubber plantations in the southern region of Thailand.



JANUARY 1994

- Established Starlight Express Transport to provide logistics support for the Group.

JANUARY 2011

- Filed for a public offering of newly issued shares in Singapore and listed the shares on the SGX-ST, becoming the first dually listed rubber company in Thailand.



AUGUST 2010

- Expanded operations in the PRC by establishing Shi Dong Shanghai, the Group's first subsidiary in the PRC.

2004–2011

AUGUST 2009

- Acquired PT Star Rubber, the Group's second production facility for TSR block rubber in Indonesia.



DECEMBER 2007

- Established Sri Trang Rubber & Plantation to hold ownership of and manage rubber plantations.

OCTOBER 2004

- Established PT Sri Trang Lingga, the Group's first natural rubber procurement center and production facility outside of Thailand.



NOTICE:

* with the exception of Semperflex Asia, which will continue to operate as a joint venture company until Semperit Technische Produkte exercises the call option to buy the shares from STA and other shareholders between 2019 and 2021.



JUNE 2017

- Sri Trang USA increased its registered capital from USD 2,000,000 to USD 3,000,000 to expand the distribution of gloves and medical equipment in USA and Canada.



MARCH 2017

- Startex Rubber established a subsidiary, Shi Dong Medical Equipment, in the PRC with USD 1,650,000 in registered capital to manage the sales and distribution of gloves in the PRC.

MARCH 2017

- STA and the Austria-based company completed the demerger of the joint venture and associate companies*. The demerger resulted in STA increasing its shares in Siam Sempermed Corporation which was subsequently renamed Sri Trang Gloves (Thailand) Co., Ltd to 90.2% of the total shares.

APRIL 2019

The Amalgamation between Sri Trang Gloves (Thailand) Co., Ltd. and ThaiKong Public Company Limited, which runs the rubber gloves manufacturing business in Thailand, completed and transformed to be Sri Trang Gloves (Thailand) PLC.

DECEMBER 2018

- Sri Trang USA paid the remaining of increase in its registered capital from USD 3,000,000 to USD 5,000,000 for support the expansion of glove business in USA and other countries.

AUGUST 2018

- STA's Board of Directors Meeting resolved to approve the investment in ThaiKong Public Company Limited ("TK"), which runs the rubber gloves manufacturing business in Thailand, by the amalgamation of TK and Sri Trang Gloves (Thailand) Co., Ltd.

AUGUST 2018

- Startex Rubber increased its registered capital from Baht 2,114,898,000 to Baht 2,635,000,000 for the purpose of increasing the registered share capital of Shi Dong Shanghai Medical Equipment to expand glove distribution business in China.

DECEMBER 2020

The restructuring of Premier System Engineering and Sadao P.S. Rubber, by selling all shares owned by the Company to Sri Trang Gloves (Thailand) PLC. to support the expansion of glove business.

JULY 2020

Sri Trang Gloves (Thailand) PLC filed for an initial public offering (IPO) of shares in Thailand and listed the shares on the Stock Exchange of Thailand (SET).

JUNE 2020

The disposal of the investment in Pattana Agro Futures Co., Ltd. to a shareholder of that company with a gain from the sale amounting to Baht 0.2 million

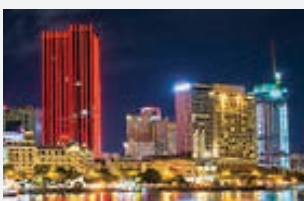
2013 – 2020

APRIL 2016

- STA increased its investment in Thai Tech Rubber from 33.5% to 42.5% via share purchase from Itochu Corporation.

DECEMBER 2013

- Established Sri Trang Indochina in Ho Chi Minh, the Group's first subsidiary in Vietnam, to manage sales and exports of natural rubber products in Vietnam.



OCTOBER 2013

- Jointly established Sri Trang Ayeyar with Ayeyar Hinthar Holdings Company Limited to expand the Group's natural rubber processing operations into Myanmar.

MARCH 2018

- Sri Trang Rubber & Plantation increased its registered capital from Baht 6,227,500,000 to Baht 6,555,000,000 to invest in its rubber plantation.

OCTOBER 2017

- STA offered the allotment of newly-issued ordinary shares to existing shareholders in proportion to their respective shareholding (Rights Offering), with the ratio of 5 existing ordinary shares for 1 newly-issued ordinary share at the offering price Baht 10 per share. As the result of this, the paid-up capital was increased from Baht 1,280,000,000 to Baht 1,535,999,998.

JULY 2017

- STA jointly established Thai Rubber Joint Venture Limited with the Rubber Authority of Thailand (RAOT) and four other natural rubber producers and exporters following the government policy to engage in the domestic and international trade of rubber with Baht 1,200,000,000 in registered capital, with STA investing in the portion of 16.67%.

JUNE AND SEPTEMBER 2019

- The restructuring of Shi Dong Shanghai Medical Equipment and Sri Trang USA, located in the PRC and the USA respectively, by selling all shares to Sri Trang Gloves (Thailand) PLC. to exclusively operate the glove business.

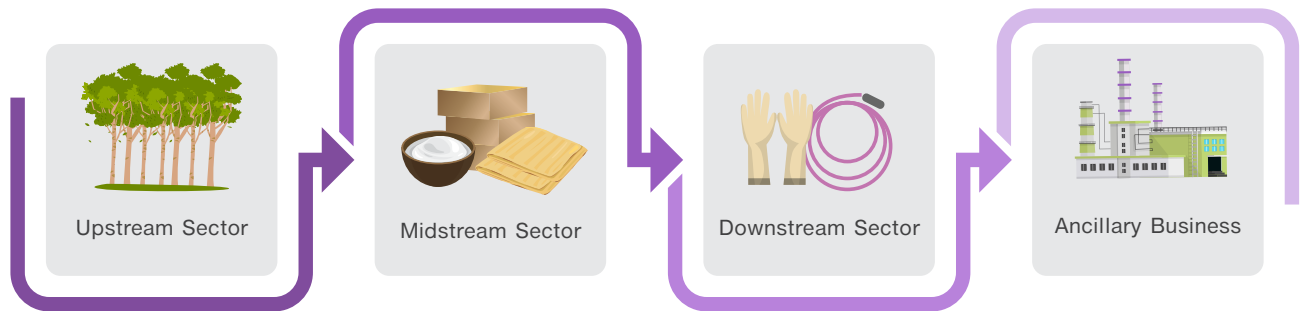
JUNE 2019

- Established Sri Trang IBC with Baht 10,000,000 in registered capital to operate in the provision of technical, innovation, information, and advisory services.

APRIL 2019

- Sri Trang Rubber & Plantation increased its registered capital from Baht 6,555,000,000 to Baht 6,755,000,000 to invest in its rubber plantation.

PRODUCTS AND SERVICES



Upstream Sector (Rubber Plantations)



As of 31 December 2020, we had approximately 45,000 hectares of rubber plantations in 19 provinces of Thailand, with the majority located in the north and northeast. Some of the rubber trees on our plantations have been providing yields since 2015, facilitating the raw material sourcing in our core midstream operations. We estimate that in 2020, the rubber trees that can be tapped will make up around 25% of total rubber trees.

Moreover, since July 2019, STA group received the certification from FSCTM (Forest Stewardship Council™) on FSC-FM (Forest Management Certification) and FSC-COC (Chain-of-Custody Certification) which makes us become **the World's First FSC-Certified Fully Integrated Natural Rubber Company.**

Midstream Sector (Natural Rubber Processing)

As of 31 December 2020, Sri Trang Group had a total of 36 production facilities, of which 32 are located in Thailand, three in Indonesia, and one is in Myanmar. Altogether, the facilities provided a total production capacity of approximately 2.84 million tons per annum. In 2020, our utilization rate was at approximately 55% of total production capacity. We have introduced more automation to our production process in order to improve efficiency, reduce energy consumption and become more environmentally friendly. In the long run, we are focused on maintaining relationships with our existing customers as well as increasing market share amid industry volatility.

Natural rubber processing is the core business of Sri Trang Group, accounting for about 59% of the Group's total revenues in 2020. We produce a complete range of natural rubber products, namely, Technically Specified Rubber (TSR), Ribbed Smoked Sheets (RSS) and Concentrated Latex (LTX) to serve demand from all types of customers including tire manufacturers and glove producers from all over the world.



Technically Specified Rubber (TSR)

Product Type

- | | | |
|--|--|--|
| Produced in Thailand: | Produced in Indonesia: | Produced in Myanmar: |
| <ul style="list-style-type: none"> • STR • STR CV • STR Mixture | <ul style="list-style-type: none"> • SIR • SIR Mixture | <ul style="list-style-type: none"> • Myanmar Block Rubber |

Use

Raw material for the manufacture of automotive tires.



Ribbed Smoked Sheets (RSS)

Product Type

- 5 grades of RSS: RSS1, RSS2, RSS3, RSS4 and RSS5
- ADS (Air-Dried Sheets)
- RSS 1XL

Use

Raw material for the manufacture of automotive tires and automotive parts, belts, pipes and shoes, etc.



Concentrated Latex (LTX)

Product Type

- 60% Concentrated Latex
- HA – High Ammonia Latex
 - MA – Medium Ammonia Latex
 - LA – Low Ammonia Latex
 - Double Centrifuge Latex

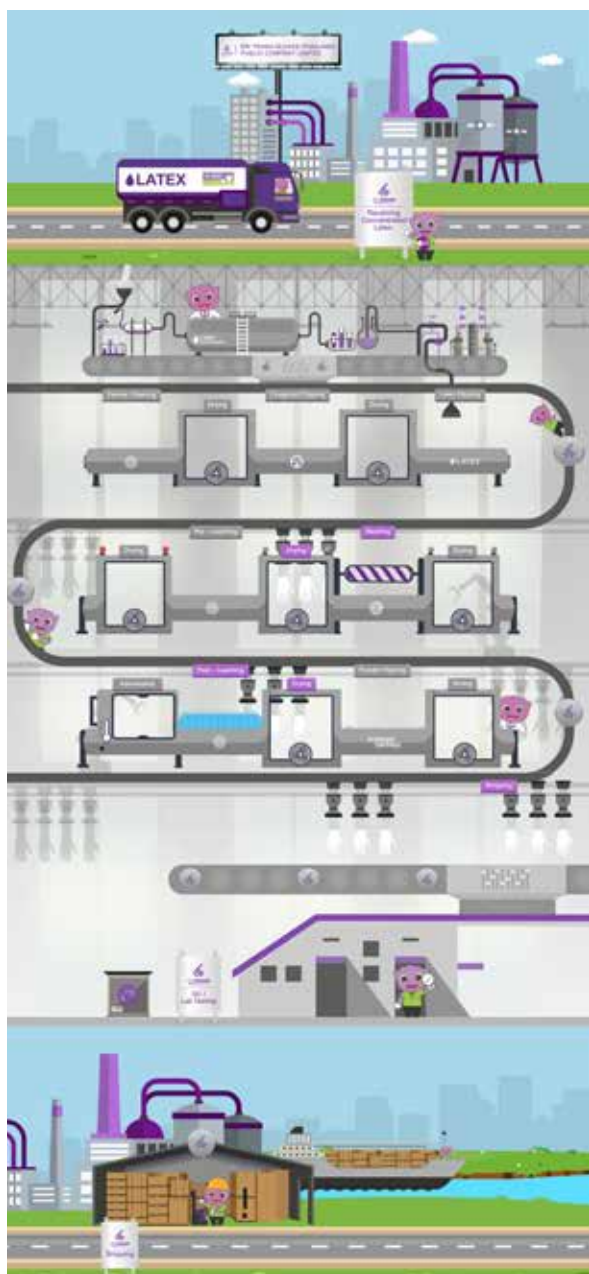
Use

Raw material for the manufacture of examination gloves, condoms, elastic and adhesives, etc.

The raw materials that are used in the production of TSR, RSS and Concentrated Latex are cup lump, unsmoked rubber sheets and field latex, respectively. Because raw materials accounted over 90% of our production costs, we have established procurement centres in the vicinity of raw material sources. Moreover, we have launched the application called “SRITRANG FRIENDS” for buying raw materials from rubber farmers in Thailand. This application helps facilitate and create a new experience for all rubber suppliers to sell rubber anywhere and anytime which considered as a disruptor in rubber trading business for the sustainable rubber industry in Thailand.



Downstream Sector



Sri Trang Group produces two finished products, namely examination gloves and high-pressure hydraulic hoses.

Examination Gloves

Sri Trang Gloves (Thailand) Public Company Limited (“STGT”), one of Sri Trang Group’s flagship companies, engages in the production and distribution a wide variety of medical examination gloves, industrial gloves, and general purpose gloves from both latex and nitrile rubber. The gloves are available powdered or powder-free to suit various uses and user preferences. In addition to supplying products as an OEM (Original Equipment Manufacturer), we also market and distribute our products under our own **“Sri Trang Gloves”** brand, both in the domestic and overseas markets.

In 2020, we achieved our installed capacity target of 33 billion pieces of gloves per annum which produced latex and nitrile gloves in the proportion of 71 and 29, respectively.

We are widely regarded as Thailand’s largest and the world’s leading glove producers. Our glove product is one of the key products driving the Group’s revenue and net profit, accounting for about 41% of the Group’s total revenues in 2020.



With an annual installed production capacity of 33 billion pieces as of ended 2020, as Thailand's biggest glove producer. We will keep expanding our installed capacity with an intention to achieve an annual production capacity of 50 billion pieces by 2022, 80 billion pieces by 2024, and 100 billion pieces by 2026 to keep up with the steadily growing demand for gloves.



High-pressure Hydraulic Hoses

Semperflex Asia, jointly established by STA and an Austria-based company, is Thailand's largest producer of high-pressure hydraulic hoses, which are widely used in the heavy industry.

Ancillary Business

Our subsidiaries within this division provide operational support to our primary operations.



Sales and Distribution

We have established four trading and distribution centres for natural rubber and gloves in Singapore, PRC, US and Vietnam namely Sri Trang International, Shi Dong Shanghai, Shi Dong Shanghai Medical Equipment, Sri Trang USA, and Sri Trang Indochina.



Logistics

Starlight Express Transport provides transportation and logistical services in Thailand and also handles export/import customs and documentation.



Parawood Processing

Anvar Parawood produces rubberwood as well as other types of wood, which are assembled into pallets for use within Sri Trang Group.

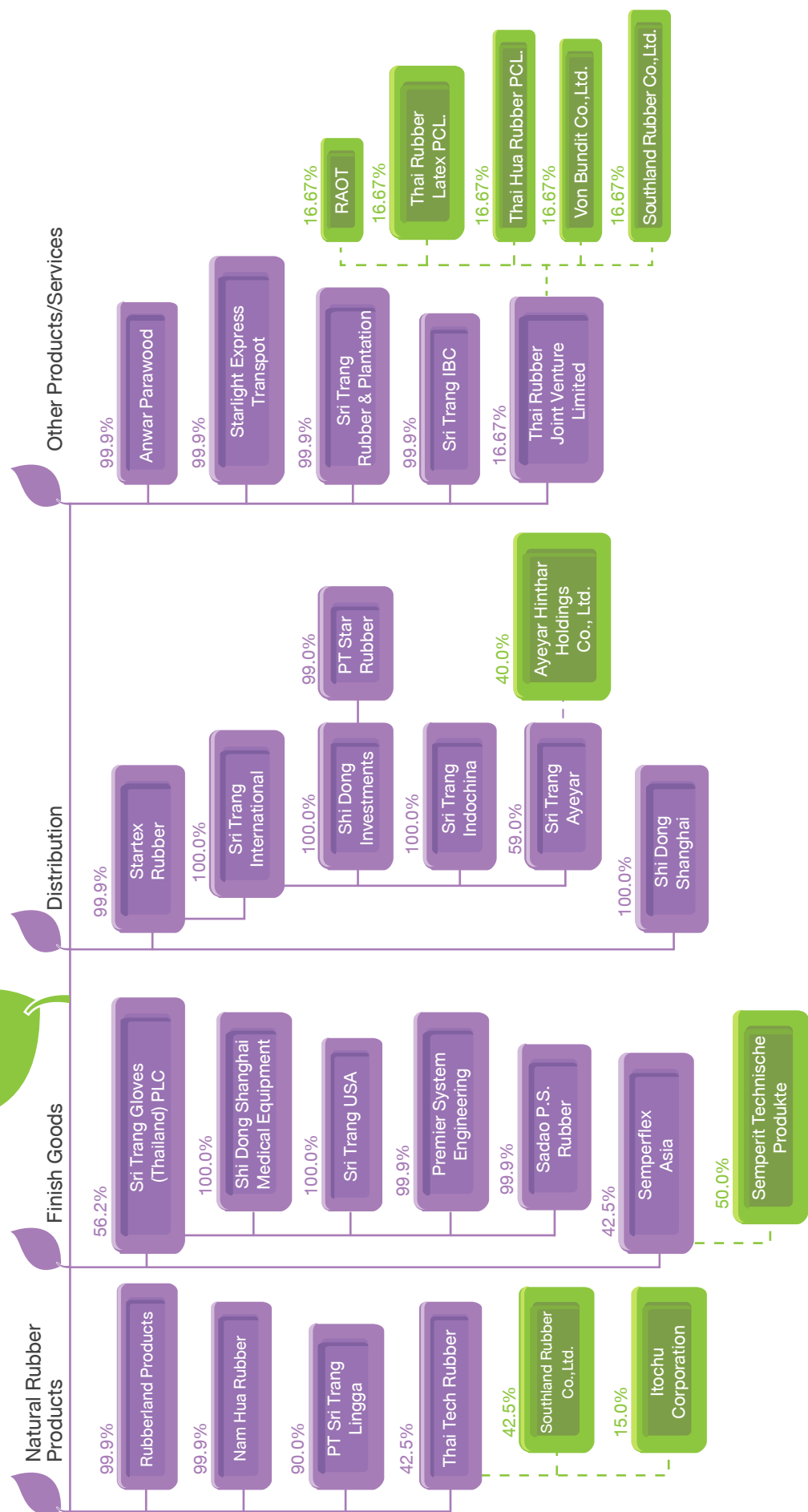
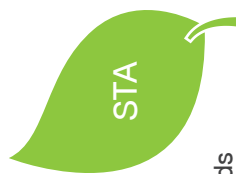


Engineering and Research & Development

Premier System Engineering provides machinery and equipment maintenance services and also conducts research and development activities including devising new technologies and customising products to customers' specifications.

GROUP STRUCTURE

of 31 January 2021



REVENUE STRUCTURE OF SRI TRANG GROUP

Revenue structure

Our key products are Natural Rubber and Gloves Products which their sale revenue can be categorized as follows:

Type of Business / Operated by	% Share holding by STA	Year ended 31 December					
		2018		2019		2020	
		Baht million	(%)	Baht million	(%)	Baht million	(%)
Revenue from TSR products		50,008.1	68.2	39,019.7	64.4	37,657.8	49.7
STA							
Sri Trang International	99.99						
Rubberland Products	99.99						
Nam Hua Rubber	99.99						
PT Sri Trang Lingga	90.00						
Shi Dong Shanghai	100.00						
PT Star Rubber	98.99						
Sri Trang Ayeyar	58.99						
Revenue from Examination Glove products		11,788.0	16.0	12,194.8	20.1	30,750.4	40.6
STA							
Sri Trang Gloves (Thailand)	56.18						
- <i>Shi Dong Shanghai Medical Equipment</i>	100.00						
- <i>Sri Trang USA, Inc.</i>	100.00						
Sri Trang International	99.99						
Sri Trang Indochina	99.99						
Revenue from RSS products		6,816.0	9.3	6,117.3	10.1	4,336.0	5.7
STA							
Sri Trang International	99.99						
Nam Hua Rubber	99.99						
Shi Dong Shanghai	100.00						
Sadao P.S. Rubber	99.99						

Type of Business / Operated by	% Share holding by STA	Year ended 31 December					
		2018		2019		2020	
		Baht million	(%)	Baht million	(%)	Baht million	(%)
Revenue from Concentrated Latex products		4,366.7	6.0	2,906.6	4.8	2,684.2	3.5
STA							
Sri Trang International	99.99						
Shi Dong Shanghai	100.00						
Rubberland Products	99.99						
Nam Hua Rubber	99.99						
Revenue from other products and services¹		157.2	0.2	48.0	0.1	50.3	0.1
STA							
Anvar Parawood	99.94						
Sri Trang International	99.99						
Premier System Engineering	99.99						
Starlight Express Transport	99.99						
Startex Rubber	99.99						
Rubberland Products	99.99						
Shi Dong Shanghai	100.00						
Sri Trang Rubber & Plantation	99.99						
Sri Trang IBC	99.99						
Other income		232.6	0.3	279.2	0.5	347.3	0.5
Total revenue		73,368.6	100.0	60,565.6	100.0	75,826.0	100
Share of profit from investments in associates and joint ventures		223.7		132.3		168.6	

Note:

¹ Comprises (i) the sale of rubber wood and wood packing products 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 external third parties.

BUSINESS STRATEGY AND FUTURE GROWTH PLAN

STA will continue to build on our strengths as an industry leader with the world's largest natural rubber production capacity and procurement centers, processing facilities and sales offices that are located in strategic locations all over the world. Our strategy to expand production to the northeast of Thailand, a region with high growth potential, plentiful natural rubber supply and less competition in raw material sourcing, has served us well. We intend to capitalize on the fact that some of the midstream producers have had to suspend or cease operation as a result of low natural rubber prices and high volatility. Our sales, research and development, quality control and sustainability teams are dedicatedly working to ensure customer satisfaction and foster customer relations. We believe that we are well positioned to increase our sales volume and market share and will continue to focus on maintaining profitability amid market volatility. Our market share in 2020 was 8% of global NR consumption.

With an annual installed production capacity of 33 billion pieces as of ended 2020, STGT is Thailand's biggest glove producer and is ranked among the world's leading producers. We will keep expanding our installed capacity with an intention to achieve an annual production capacity of 50 billion pieces by 2022, 80 billion pieces by 2024, and 100 billion pieces by 2026 to keep up with the steadily growing demand for gloves.



In the glove business, we remain committed to building on our competitive advantage over competitors in the production of latex gloves, which is our ready access to quality concentrated latex. We are focused on increasing our production capacity for latex gloves while also continuing to produce nitrile gloves to satisfy the demands from customers all over the world. The adjustability of our production lines for latex powder-free and nitrile gloves enables us to readily respond to market demand. With an annual installed production capacity of 33 billion pieces as of ended 2020, STGT is Thailand's biggest glove producer and is ranked among the world's leading producers. We will keep expanding our installed capacity with an intention to achieve an annual production capacity of 50 billion pieces by 2022, 80 billion pieces by 2024, and 100 billion pieces by 2026 to keep up with the steadily growing demand for gloves.

STA will continue to focus on effective management and the use of automation and technologies such as sensors and artificial intelligence to turn our production facilities into "the Smart Factories." This will help to reinforce our position as the world's leading fully integrated natural rubber company and help bring us closer to "STA 20" or having a market share of 20% of global NR and global glove consumption.

INDUSTRY OVERVIEW AND COMPETITION

Natural Rubber Industry

In 2020, the natural rubber (NR) industry felt the full impact of COVID-19, from the slowing demand to the sharp drop in prices from late March through July, a period when China, the world's largest NR consumer, was still reeling from the outbreak, which originated in the country. It was also during this period that tire manufacturers in many countries had to suspend their operations for 4-10 weeks as part of government lockdown measures. The average price of TSR20 on SICOM during the period was 112.2 cent/kg. Demand for TSR and RSS picked up when the outbreak started to subside in Asia and tire manufacturers could resume their operations. The strong demand for LTX from glove producers throughout the year also pushed NR prices higher. The average price of TSR20 on SICOM during September-December was 154.5 cent/kg, up 37.7% from the low. According to the latest report by the IRSG*, global NR demand in 2020 was 12.5 million tons, down by 8.1% from 2019. The average SICOM price of TSR20, which accounted for the highest proportion of overall NR consumption, in 2020 was 131.5 cent/kg, down 6.5% from 2019.

*Source: *The World Rubber Industry Outlook, Review and Prospects to 2030, December 2020, by International Rubber Study Group (IRSG)*

Natural Rubber Demand and Supply in 2020

According to the World Rubber Industry Outlook, Review and Prospects to 2030, published by the International Rubber Study Group (IRSG) in December 2020, global NR demand in 2020 was 12.5 million tons, down 8.1% from 2019, because demand from tire manufacturers, who accounted for about 70% of total NR consumption, dropped by 9.5% from 2019. The COVID-19 lockdown in many countries and the sluggish demand prompted many tire manufacturers to suspend their operations for 4-10 weeks, directly impacting TSR and RSS consumption. At the same time, demand from non-tire consumers decreased by only 4.5% from 2019, buoyed by demand for LTX from glove producers in Thailand and Malaysia, which rose in tandem with demand for gloves following the outbreak of COVID-19.

Global NR supply in 2020 was 12.9 million tons, down 5.9% from 2019 mainly because of demand that slowed as a result of the COVID-19 pandemic. During the height of the outbreak, the price of TSR20 on SICOM dropped to 103.8 cent/kg, the lowest since 2004. The lockdown measures also forced some migrant workers to go back to their countries, leading to a shortage of labor for rubber tapping. The decrease in NR supply mainly came from the Asia-Pacific countries, which accounted for 87.8% of total NR production in 2020.

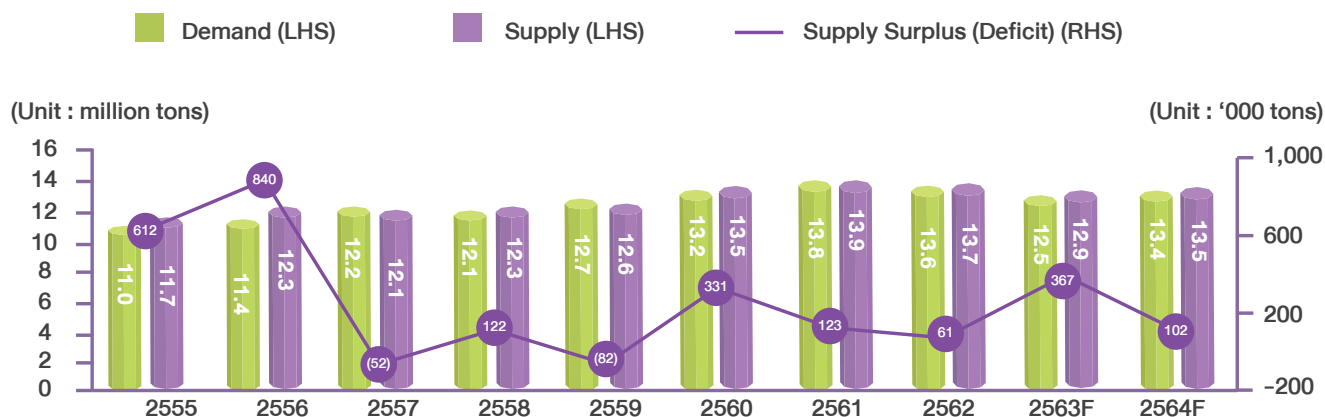


Natural Rubber Demand and Supply in 2021

According to the IRSG, global NR demand is projected to increase by 7.0% to 13.4 million tons in 2021, with China remaining the world's largest consumer, followed by the European countries, India, the US and Thailand. Demand growth in India and the US is expected to be higher than the overall growth rate because of increased consumption. Malaysia and Thailand also are expected to see a higher growth in demand, driven by increased demand from glove producers.

Meanwhile, the IRSG forecasts that global NR supply will increase by 4.7% to 13.5 million tons in 2021, as supply from Thailand and Indonesia is expected to go back to normal levels once tapping resumes.

Diagram exhibits Demand and Supply of Natural Rubber during 2012 – 2021



Source: IRSG

Balance of Natural Rubber Demand and Supply

The IRSG expects another year of NR oversupply in 2021, a result of the rubber trees planted during a period of high NR prices from 2010 to 2012 (the average price TSR20 on SICOM during the period was 368 cent/kg), which saw the area of rubber plantations in the Asia-Pacific region expand by 18.9%. The trees planted during this period have started to provide yield since 2017, leading to a constant oversupply that intensified in 2020, with a surplus of 367,000 tons, as a result of a significant slowdown in consumption following the outbreak of COVID-19 and the suspension of operations by tire manufacturers in many countries. The IRSG anticipates that NR demand will start to pick up in 2021 and the supply surplus will lower to 102,000 tons.

Rubber Glove Industry

Gloves are products that help to effectively protect against germs, chemicals and other contaminants. As such, they are widely used in industries as diverse as healthcare, food, electronics and cosmetics. Gloves that are being consumed nowadays can be broadly categorized by their raw material into three types, namely, powdered and powder-free latex gloves, nitrile gloves and vinyl gloves.

Demand for gloves from all industries, especially the healthcare industry, has been growing steadily. The Malaysian Rubber Glove Manufacturers Association (MARGMA) estimated that demand for gloves in 2017, 2018, 2019 was 233 billion pieces, 268 billion pieces and 300 billion pieces, respectively, reflecting an annual growth of 10-12%.

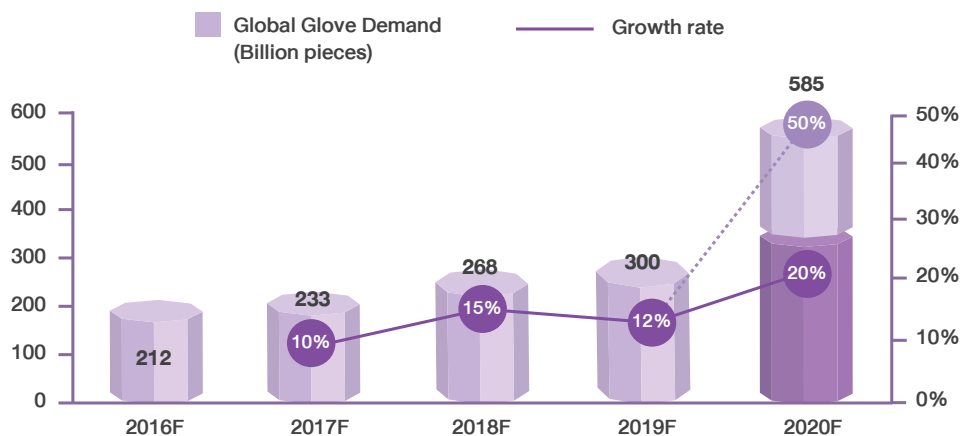


Rubber Glove Demand and Supply in 2020

In 2020, the COVID-19 outbreak, which originated in China before becoming a global pandemic, led to a paradigm shift in glove consumption. Gloves, which constitute an essential personal protective equipment (PPE), have become a mainstay in daily life and in various different industries.

Prior to the outbreak of COVID-19, the Malaysian Rubber Glove Manufacturers Association (MARGMA) anticipated demand for gloves to grow by 10% to 330 billion pieces in 2020, a figure that has yet to be revised. There was an estimation that, in 2020, demand could grow by as much as 20%-50% to 360-585* billion pieces as a result of the protracted nature of the outbreak, which is still ongoing. While gloves are widely consumed in countries around the world, glove production is still concentrated in Southeast Asia and China. MARGMA estimated that in 2019, 63% of the global glove supply came from Malaysia and 18% came from Thailand, while China and Indonesia accounted for 10% and 3% of global production, respectively.

Diagram exhibits Demand of Global Rubber Gloves Consumption during 2016 – 2020



Source: * Malaysian Rubber Glove Manufacturers Association "MARGMA" and 2020 Market Report, HIDA Research & Analytics

Competition

“It has been a decade that the natural rubber industry has had to contend with numerous challenges, from the slowdown of the global economy and the slowing economic growth in China to fluctuations of the US Dollar and the volatility of commodity prices. Many of our competitors were unable to withstand this inhospitable industry climate and had to cease operation. Therefore, STA is able to expand market share and the factors that enable us to maintain our competitive edge amid the challenging industry landscape are the quality of our products, the scale of our production, excellent customer service, the geographic diversification of our operations, our experienced management and effective risk management strategy.”

With a market share of 8%¹ of global NR consumption in 2020, we are widely regarded as the world's largest fully integrated natural rubber company. We have operations in the three largest NR-producing and exporting countries, namely Thailand, Indonesia and Vietnam. Our main competitors in the NR industry are Von Bundit Company Limited, Southland Group, and Thai Hua Rubber Public Company Limited, which are based in Thailand, and the Kirana Group, Halcyon Agri Corporation (Sinochem Group), and China Hainan Rubber Industry Group, which are based in other countries. In the glove business, our subsidiary, Sri Trang Gloves (Thailand) (“STGT”), is Thailand's largest glove producer with an installed production capacity of 33 billion pieces per annum as of 31 December 2020. Its main competitors are the major glove producers in Malaysia, namely Top Glove, Hartalega, Supermax, and Kossan.

The scale of our production has allowed us to benefit from the economies of scale, afforded us bargaining power with both suppliers and customers, facilitated research and development, and increased access to sources of funds.

As a midstream producer in the NR industry, it is crucial that we are able to effectively coordinate our upstream and downstream operations. We have, therefore, strategically set up production bases in Thailand and Indonesia, the world's two largest NR-producing countries, which collectively account for more than 60% of global NR production, as well as in Myanmar, where there is a strong growth potential. In addition, we have established an extensive raw material procurement network that covers important strategic areas. We have also launched the application “SRITRANG FRIENDS” for buying raw materials from rubber farmers in Thailand to reinforce being the leading rubber producers in Thailand. For sales and distribution, we have established subsidiaries in China, Singapore, Vietnam and USA to carry out sales and marketing activities. With products that satisfy international standards, we are able to distribute our products to tire manufacturers and glove consumers all over the world.

Having operations in various strategic locations and having experienced sales and marketing teams enable us to provide superior services to customers as we can promptly respond to customer demands from all over the world. We strive to achieve zero customer complaints and have set up a systematic complaint channel that deals with all complaints without delay.

¹ Based on our sales volume of natural rubber products of approximately 1,032,284 tons for the financial year ending 31 December 2020 and the total global demand for natural rubber products of approximately 13,754,000 tons in 2020. (Source: International Rubber Study Group (IRSG), *The World Rubber Industry Outlook, Review and Prospects to 2030*, December 2020)



**AT SRI TRANG GROUP, WE ARE
COMMITTED TO OPERATING AS
A GREEN RUBBER COMPANY**

which means we are a fully integrated
rubber company that conducts business with
transparency and fairness to produce quality
and environmentally friendly products and that
cares about all stakeholders in the
supply chain, from upstream
to downstream.

KEY STRENGTHS



WORLD'S LARGEST
GREEN RUBBER COMPANY

1. The world's largest natural rubber processing company

With an engineering capacity of 2.84 million tons per annum (as of 31 December 2020), we can produce a complete range of natural rubber products that satisfy the demands of all types of customers from all over the world, enabling us to capture a market share of 8% of global natural rubber consumption. We are also able to achieve economies of scale and afforded bargaining power with both suppliers and customers thanks to our large production capacity.

2. Fully integrated supply chain business model

Having operations in every sector of the natural rubber industry, from rubber cultivation and rubber processing to the manufacture of finished products examination gloves provides us with synergy and insights that enable us to effectively manage our operations and readily respond to changes in market conditions, resulting in competitive edge. Moreover, we are able to manage risks related to economic volatility that may impact the Group financial performance thanks to our value creation on concentrated latex which is our mid-stream products to become rubber gloves which is one of our core businesses. This strengthens our aim to become “a fully integrated natural rubber company and emphasize our position as a leading player in the natural rubber business globally”.

3. Extensive network of sales and distribution

We have an extensive network of sales and distribution that provides us with direct access to customers from all over the world and allows us to gauge demand flow and market sentiment as well as promptly respond to customers need in each country with appropriate strategies.

4. Production bases in strategic locations

With production facilities in the Northeast and South of Thailand, in Indonesia, and in Myanmar, we are not hindered by the seasonality of rubber tapping and are able to have year-round production. Locating our production facilities in Thailand and Indonesia also provides us with ample access to raw materials, as the two countries are the world's top natural rubber producers, collectively accounting for around 60% of global production volume. Myanmar is also regarded as high growth potential of natural rubber production.

5. Cutting-edge technology and strong R&D capabilities

Our research and development team is constantly working on new technologies that enable us to continually improve our efficiency and productivity. The team can also work directly with customers to tailor our products to their specifications.

6. Commitment to sustainability and community engagement

Our strong relationships with the local communities, cultivated over the years through community improvement initiatives, help to strengthen brand awareness and contribute to the growth of our business.



7. Dual-listing on the Stock Exchange of Thailand (SET) and the Singapore Exchange Ltd (SGX)

Being dually listed on both the SET and the SGX provides us with access to different sources of funds and financial instruments to support our operations and is testament to our transparency and good corporate governance.

8. Highly experienced management

Over three decades of industry experience, our management is well versed in the minutiae of the natural rubber industry and is able to skillfully navigate any challenges facing our operations and steer the business to success.



BOARD OF DIRECTORS



Sri Trang Group

As of 31 January 2021

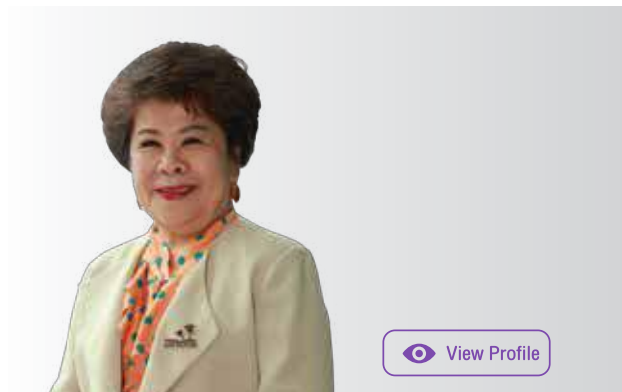


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Dr. Viyavoord Sincharoenkul

Chairman / Managing Director /
Member of Executive Committee

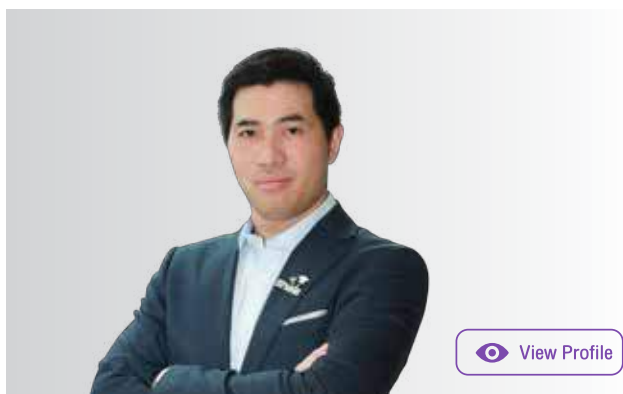


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Miss Anusra Chittmittrapap

Vice Chairman / Independent Director /
Member of the Audit Committee /
Member of the Remuneration Committee

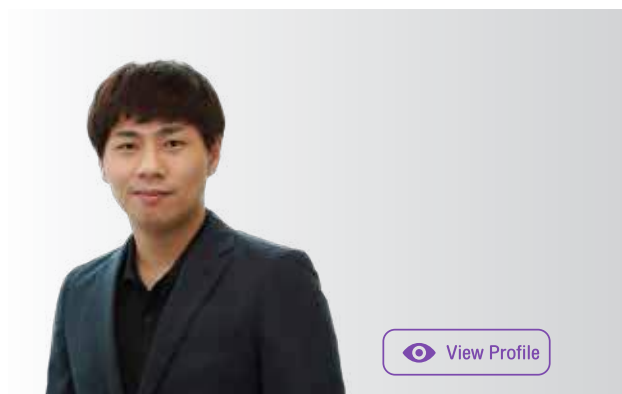


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Mr. Veerasith Sinchareonkul

Director / Member of the Executive Committee /
Chairman of the Risk Management Committee



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Mr. Vitchaphol Sincharoenkul

Director / Member of the Executive Committee

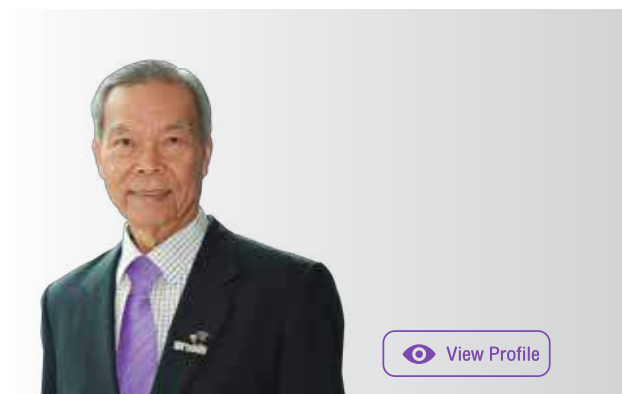


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Mr. Chalernpop Khanjan

Director / Member of the Executive Committee /
Member of the Risk Management Committee



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Mr. Kriang Yanyongdilok

Independent Director /
Chairman of the Audit Committee /
Chairman of Nomination Committee /
Chairman of Remuneration Committee

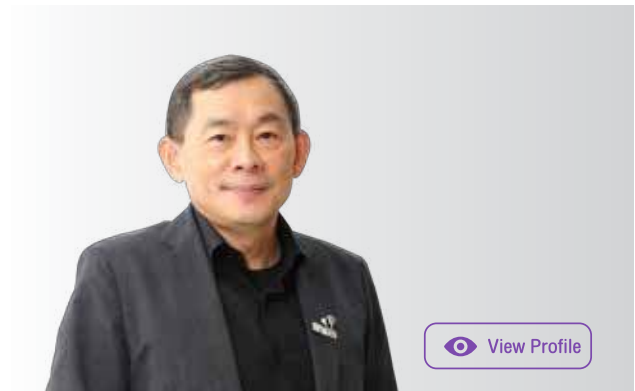


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Mr. Chaiyos Sincharoenkul

Director / Member of Executive Committee



View Profile



Mr. Kitichai Sincharoenkul

Director /
Member of the Executive Committee /
Member of the Nomination Committee

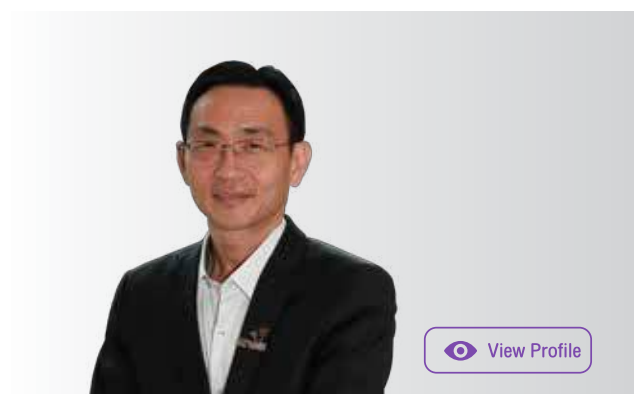


View Profile



Mr. Paul Sumade Lee

Director / Member of the Executive Committee

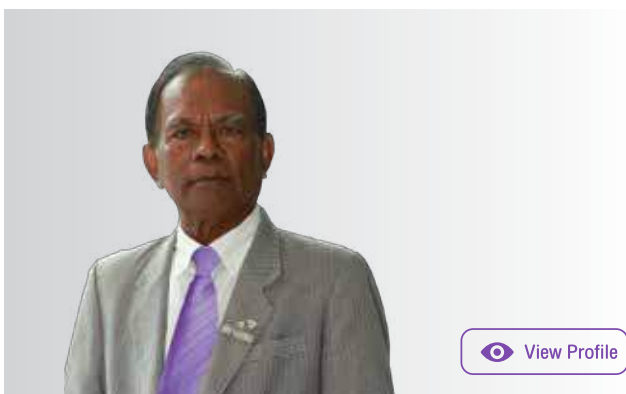


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Mr. Patrawut Panitkul

Director / Member of the Executive Committee /
Member of the Risk Management Committee / CFO



View Profile



Mr. Samacha Potavorn

Independent Director /
Member of the Audit Committee /
Member of the Nomination Committee /
Member of the Remuneration Committee



View Profile



Gen Thanasorn Pongarna

Independent Director



Dr. Viyavoord Sincharoenkul

Chairman / Managing Director /
Member of the Executive Committee



Post

About

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About

Age 65 years

Date of Appointment 27 December 1993

Academic Background

Ph.D. in Chemistry,
Queen Elizabeth's College, University of London

Bachelor's Degree in Chemistry (First Class),
Queen Elizabeth's College, University of London

Training Program

None

Present Position

Chairman, STA

Managing Director, STA

Member of the Executive Committee

Positions in Non-Listed Companies in Thailand

- Director, Thai Tech Rubber
- Director, Semperflex Asia
- Director, STH
- Director, Sri Trang IBC

Positions in Non-Listed Companies in foreign countries

- Director, Sri Trang International
- Director, Shi Dong Investments
- Director, Shi Dong Shanghai
- Director, Shi Dong Shanghai Medical Equipment
- Director, Planet Earth Capital Pte., Ltd.

Positions in Other Listed Companies

- Director, Sri Trang Gloves (Thailand) PLC.



Dr. Viyavood Work Experience

2010 – Present

- Chairman, STA

1993 – Present

- Managing Director, STA

2019 – Present

- Director, Sri Trang Gloves (Thailand) PLC.
- Chairman of Executive Committee, Sri Trang Gloves (Thailand) PLC.
- Director, Sri Trang IBC

2017 – Present

- Director, Shi Dong Shanghai Medical Equipment
- Director, Planet Earth Capital Pte., Ltd.

2010 – Present

- Director, Shi Dong Shanghai

2009 – Present

- Director, Shi Dong Investments

2002 – Present

- Director, Sri Trang International

1996 – Present

- Director, Semperflex Asia

1990 – Present

- Director, STH
- Director, Thai Tech Rubber

2004 – 2020

- Director, Pattana Agro Futures

1989 – 2019

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

2013 – 2017

- Director, Sri Trang Ayeyar

2010 – 2012

- Director, Tai Yang Investment Pte. Ltd.

1999 – 2017

- Director, T.R.I Global Co., Ltd.

1987 – 1993

- Managing Director, Sri Trang Agro-Industry Co., Ltd.

1985 – 1987

- General Manager, Yang Thai Paktai Co., Ltd.





Miss Anusra Chittmittrapap

Vice Chairman / Independent Director /
Member of the Audit Committee /
Member of the Remuneration Committee

Post

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About

Age 66 years

Date of Appointment 21 September 2017

Academic Background

Bachelor of Communication Arts (Honors),
Chulalongkorn University

Certified Degree,
King Prajadhipok's Institute (2005)

Training Program

- **Thai Institute of Directors Association**
Chartered Director Class 2014, Thai Institute of Directors Association
Role of the Compensation Committee (RCC) 2014, Thai Institute of Directors Association
Director Certification Program (DCP) 2011, Thai Institute of Directors Association

Present Position

Independent Director, STA

Vice-Chairman, STA

Member of the Audit Committee, STA

Member of the Remuneration Committee, STA

Positions in Non-Listed Companies in Thailand

- Advisor, Banpu Infinergy Co., Ltd.
- Managing Director, Me and Music, Co., Ltd
- Good Corporate Governance Sub-Committee Member, The Civil Aviation Authority of Thailand

Positions in Non-Listed Companies in foreign countries

None

Positions in Other Listed Companies

- Chairman and Audit Committee Member, CMO PLC.
- Advisor, Berli Jucker PLC.



Miss Anusra Work Experience

2020 – Present

- Good Corporate Governance Sub-Committee Member, The Civil Aviation Authority of Thailand

2019 – Present

- Vice Chairman, STA
- Member of the Audit Committee, STA
- Member of the Nomination Committee, STA

2018 – Present

- Advisor, Banpu Infinergy Co., Ltd.
- Chairman and Audit Committee Member, CMO PLC.

2017 – Present

- Independent Director, STA
- Advisor, Berli Jucker PLC.

2015 – Present

- Managing Director, Me and Music, Co., Ltd.

2016 – 2018

- Independent Director and Audit Committee Member, CMO PLC.

2015 – 2016

- Director, The Queen Sirikit Botanic Garden

2015

- Chairman, Thailandpost Distribution Co., Ltd.

2014 – 2015

- Vice Chairman, Thailandpost Co., Ltd.

2011 – 2014

- Managing Director, Thailandpost Co., Ltd.



Mr. Chaiyos Sincharoenkul

Director /

Member of the Executive Committee



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About

Age 69 years

Date of Appointment 27 December 1993

Academic Background

Executive Micro MBA,
Thammasat University

Training Program

- Thai Institute of Directors Association
DAP 66/2007

Present Position

Director, STA

Positions in Non-Listed Companies in Thailand

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Startex Rubber
- Director, Starlight Express Transport
- Director, STH
- Director, International Rubber Consortium Ltd. (IRCo)
- President of the Thai Rubber Association

Positions in Non-Listed Companies in foreign countries

- Chairman and Director, Shi Dong Shanghai
- Chairman and Director, Shi Dong Shanghai Medical Equipment

Positions in Other Listed Companies

None



Mr. Chaiyos Work Experience

1993 – Present

- Director, STA

2019 – Present

- Executive Director, International Rubber Association (IRA)

2018 – Present

- Regional Research Network Committee, National Research Council of Thailand

2017 – Present

- Chairman and Director, Shi Dong Shanghai Medical Equipment
- Arbitration Committee, Thailand Futures Exchange (TFEX)

2016 – Present

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Startex Rubber
- Director, Starlight Express Transport
- Director, Sri Trang Holdings
- Chairman and Director, Shi Dong Shanghai

2015 – Present

- Working Group to Reduce the Government Process in Reporting of Strategic Products--Natural Rubber, Customs Department

2014 – Present

- Executive Director, International Rubber Consortium Limited (IRCOS)

2012 – Present

- President, The Thai Rubber Association
- Director, Committee for Considering Natural Rubber Policy, Agricultural and Cooperative Industry
- Executive Committee of Loan Supporting Project for Being A Working Capital for Natural Rubber Producers (Dry Rubber), RAOT
- Director, R&D Supervisory Committee, Aiming to Support Country Development (Committee No.1), Natural Rubber Group, National Research Council of Thailand
- Trade Environment Committee, Thai National Shippers' Council
- Vice Chairman of Economic Crops (Natural Rubber Group), Board of Trade of Thailand
- Business Development Committee, Board of Trade of Thailand
- Trade Association Committee, The Agricultural Producer & Export Group Board of Trade of Thailand

2016 – 2021

- Director, Premier System Engineering

2020

- Director, 20-Year Strategy for Driving Natural Rubber Committee, Ministry of Agriculture and Cooperatives

2017 – 2020

- Chairman, Asian Rubber Business Council (ARBC)

2016 – 2018

- Director, Cluster Committee of Natural rubber and Rubber Wood, Federation of Thai Industries

2014 – 2016

- Member of Sub-Committee Considering and Studying Agricultural Productivity Committee on Agriculture and Co-operatives, National Legislative Assembly

2014 – 2015

- Member of Sub-Committee for Considering Rubber Organization, The Extraordinary Committee on the Bill on Rubber of Thailand, National Legislative Assembly

2008 – 2014

- Director, The Federations of Thai Industries

2008 – 2012

- Chairman, The Federations of Thai Industries, Songkhla Province

2008 – 2010

- Vice Chairman, IMT-GT Joint Business Council, Thailand
- Chairman, Working Group of Agricultural, Industrial Agricultural and Environmental Sector

1990 – 2004

- Director, Thai Tech Rubber

1987 – 1993

- Director, Sri Trang Agro-Industry Co., Ltd.





Mr. Kitichai Sincharoenkul

Director /
Member of the Executive Committee /
Member of the Nomination Committee









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[Photos](#)

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About

Age 61 years

Date of Appointment 10 April 1995

Academic Background

Master of Business Administration,
Indiana State University, United States

Bachelor in Economics,
Thammasat University

Positions in Non-Listed Companies in foreign countries

- Director, Sri Trang International
- Director, Shi Dong Investments
- Director, Sri Trang Ayeyar

Positions in Other Listed Companies

- Director, Sri Trang Gloves (Thailand) PLC.
- Chairman of Nomination Committee, Sri Trang Gloves (Thailand) PLC.

Training Program

- Thai Institute of Directors Association
DAP 67/2007
- SGX Listed Companies Development
Programme:
Understanding the Regulatory Environment in
Singapore: What Every Director Ought to Know

Present Position

Director, STA

Executive Director, STA (Bangkok branch)

Group Manager of Legal & Administration, STA

Member of the Nomination Committee, STA



Mr. Kitichai Work Experience

1995 – Present

- Director, STA

2010 – Present

- Nomination Committee Member, STA
- Group Manager of Legal & Administration, STA
- Director, Shi Dong Investments

2011 – Present

- Executive Director, STA (Bangkok branch)

2019 – Present

- Director, Sri Trang IBC
- Director, Sri Trang Gloves (Thailand) PLC.
- Chairman of Nomination Committee, Sri Trang Gloves (Thailand) PLC.

2014 – Present

- Director, Sri Trang Ayeyar

2002 – Present

- Director, Sri Trang International

1996 – Present

- Director, Semperflex Asia

1990 – Present

- Director, Sri Trang Holdings

2004 – 2020

- Director, Pattana Agro Futures

1989 – 2019

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

1988 – 1995

- Branch Manager, STA (Bangkok branch)

1984 – 1987

- Credit Department, Citibank

Positions in Non-Listed Companies in Thailand

- Director, Semperflex Asia
- Director, STH
- Director, Sri Trang IBC



Mr. Veerasith Sinchareonkul

Director / Member of the Executive Committee /
Chairman of the Risk Management Committee



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About

Age 36 years

Date of Appointment 28 April 2010

Academic Background

Master of Business Administration (Finance and Marketing),

Sasin Graduate Institute of Business Administration,
Chulalongkorn University, Thailand

Bachelor of Computer Science and Cybernetics,
University of Reading, United Kingdom

Training Program

- Thai Institute of Directors Association
DAP 85/2010
FSD 26/2014
- Thai Listed Companies Association
TLCA Executive Development Program (EDP)
class 10

Present Position

Director, STA

Chairman of Risk Management Committee, STA

Positions in Non-Listed Companies in Thailand

- Chairman of Thai Rubber Glove Manufacturers Association
- Director, Rubberland Products
- Director, Starlight Express Transport
- Director, Sri Trang Rubber & Plantation
- Director, Semperflex Asia
- Director, Thai Tech Rubber
- Director, Sri Trang IBC

Positions in Non-Listed Companies in foreign countries

- Chairman and Director, Sri Trang USA
- Chairman and Director, Sri Trang Ayeyar
- Director, PT Sri Trang Lingga

Positions in Other Listed Companies

- Director, Sri Trang Gloves (Thailand) PLC.
- Chairman of Risk Management Committee, Sri Trang Gloves (Thailand) PLC.



Mr. Veerasith Work Experience

2010 – Present

- Director, STA

2013 – Present

- Chairman of Risk Management Committee, STA

2019 – Present

- Director, Sri Trang Gloves (Thailand) PLC.
- Chairman of Risk Management Committee, Sri Trang Gloves (Thailand) PLC.
- Director, Sri Trang IBC

2018 – Present

- Chairman of Thai Rubber Glove Manufacturers Association, Thai Rubber Glove Manufacturers

2017 – Present

- Chairman and Director, Sri Trang Ayeyar

2016 – Present

- Director, Thai Tech Rubber
- Chairman and Director, Sri Trang USA
- Director, PT Sri Trang Lingga

2015 – Present

- Director, Semperflex Asia
- Director, Rubberland Products
- Director, Starlight Express Transport
- Director, Sri Trang Rubber & Plantation

2015 – Present

- Director, Premier System Engineering

2017 – 2019

- Director, Sri Trang Gloves (Thailand) PLC.

2008 – 2011

- Corporate Credit Analyst, Kasikornbank PLC.





Mr. Vitchaphol Sincharoenkul

Director /

Member of the Executive Committee

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About

Age 34 years

Date of Appointment 28 February 2020

Academic Background

Bachelor of Business Administration (International Business Management), Assumption University

Training Program

- **Thai Institute of Directors Association**
Director Accreditation Program (DAP) Class
172/2020
- **Thai Listed Companies Association**
GPF-Bloomberg Sustainable Investing Forum

Present Position

Director, STA

Positions in Non-Listed Companies in Thailand

- Director, Thai Rubber Joint Venture Limited
- Director, Nam Hua Rubber Co., Ltd.

Positions in Non-Listed Companies in foreign countries

- Director, Sri Trang USA

Positions in Other Listed Companies

None



Mr. Vitchaphol Work Experience

2020 – Present

- Director, STA

2018 – Present

- Director, Sri Trang USA Inc.

2017 – Present

- Director, Thai Rubber Joint Venture Limited

2015 – Present

- Director, Nam Hua Rubber Co., Ltd.

2019 – 2020

- Marketing Manager, STA

2017 – 2018

- Assistant Manager - Business Development and Investor Relations, STA

2016

- Marketing Development Division Head, STA



Mr. Paul Sumade Lee

Director /

Member of the Executive Committee



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About

Age 66 years

Date of Appointment 28 June 2010

Positions in Other Listed Companies

None

Academic Background

Master of Business Administration,
International Institute for Management Development,
Lausanne, Switzerland

Bachelor of Commerce

University of New South Wales, (Sydney) Australia

Training Program

• SGX Listed Companies Development Programme:

Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know

Present position

Director, STA

Chief Marketing Officer, STA



Mr. Lee Work Experience

2010 – Present

- Director and Chief Marketing Officer, STA

2017 – Present

- Director, Shi Dong Shanghai Medical Equipment

2013 – Present

- Chairman and Director, Sri Trang International
- Director, Sri Trang Ayeyar

2010 – Present

- Chairman and Director, PT Star Rubber
- Director, Shi Dong Investments
- Director, Shi Dong Shanghai

2006 – Present

- Chairman and Director, PT Sri Trang Lingga

2004 – Present

- Director, Thai Tech Rubber,

1988 – 2003

- Global Market Director, ELDERS Finance/ DRESDNER bank

1983 – 1987

- Programmer, Macquarie Bank

1982

- Programmer, Custom Credit Corporation

1979 – 1981

- Programmer, Computer Installation Development

Positions in Non-Listed Companies in Thailand

- Director, Thai Tech Rubber

Positions in Non-Listed Companies in foreign countries

- Chairman and Director, Sri Trang International
- Chairman and Director, PT Star Rubber
- Chairman and Director, PT Sri Trang Lingga
- Director, Shi Dong Investments
- Director, Shi Dong Shanghai
- Director, Shi Dong Shanghai Medical Equipment
- Director, Sri Trang Ayeyar



Mr. Patrawut Panitkul

Director /
Member of the Executive Committee /
Member of the Risk Management Committee / CFO



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About

Age 52 years

Date of Appointment 7 May 2014

Academic Background

Bachelor Degree of Business Administration
Accounting,
Prince of Songkhla University

Training Program

- **Thai Institute of Directors Association**
DCP 195/2014
Successful Formulation & Execution of Strategy
SFE 24/2015
- **Thai Listed Company Association (TLCA)**
TLCA CFO Professional Development Program
(TLCA CFO CPD) 2019, Automation & RPA
(Robot Process Automation) for Accounting

Present position

Director, STA

Member of the Risk Management Committee, STA

Chief Financial Officer (CFO), STA

Positions in Non-Listed Companies in Thailand

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Startex Rubber
- Director, Starlight Express Transport
- Director, Sri Trang IBC

Positions in Non-Listed Companies in foreign countries

- Director, PT Sri Trang Lingga

Positions in Other Listed Companies

None



Mr. Patrawut Work Experience

2014 – Present

- Director, STA

2013 – Present

- Member of the Risk Management Committee, STA

2010 – Present

- Chief Financial Officer (CFO), STA

2019 – Present

- Director, Sri Trang IBC

2017

- Director, Sri Trang Gloves (Thailand)

2016 – Present

- Director, PT Sri Trang Lingga

2015 – Present

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Startex Rubber
- Director, Starlight Express Transport

2001 – 2009

- Accounting Manager, STA

1992 – 2000

- Accounting Manager, Sri Trang Gloves (Thailand)



Mr. Chalernpop Khanjan

Director /
Member of the Executive Committee /
Member of the Risk Management Committee



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About

Age 50 years

Date of Appointment 29 October 2015

Academic Background

Master Degree in Public Administration,
Faculty of Art, Western University

Bachelor of Public Administration in Political
Science,

Faculty of Humanities and Social Sciences,
Southern College of Technology

Executive Micro MBA

Thammasat University

Training Program

- Thai Institute of Directors Association
DAP 132/2016
- The National Innovation Agency
Strategic Innovation Management Training
Program

Present Position

Director, STA

Member of the Risk Management Committee, STA

Production Group Manager, STA

Positions in Non-Listed Companies in foreign countries

None

Positions in Other Listed Companies

None



Mr. Chalernpop Work Experience

2015 – Present

- Director, STA

2013 – Present

- Member of the Risk Management Committee, STA

2010 – Present

- Production Group Manager, STA

2015 – Present

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Starlight Express Transport

2006 – Present

- Production Group Manager, Rubberland Products

1998 – 2005

- Factory Manager, Rubberland Products


1994 – 1997

- Assistant LTX Factory Manager, STA

Positions in Non-Listed Companies in Thailand

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Starlight Express Transport





Mr. Kriang Yanyongdilok

Independent Director / Chairman of the Audit Committee /
Chairman of the Nomination Committee /
Chairman of the Remuneration Committee

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About

Age 82 years

Date of Appointment 25 January 2000

Academic Background

Bachelor of Science in Business Administration
(Major in Accounting)

Thammasat University

Training Program

- Thai Institute of Directors Association
DAP 11/2004

Present Position

Independent Director and Chairman of

Audit Committee, STA

Chairman of the Nomination Committee, STA

Chairman of the Remuneration Committee, STA

Certified Public Accountant (Thailand) No. 4250

Positions in Non-Listed Companies in Thailand

- Director, J M P Group (1993) Co., Ltd.

Positions in Non-Listed Companies in foreign countries

None

Positions in Other Listed Companies

None



Mr. Kriang Work Experience

2019 – Present

- Chairman of the Audit Committee, STA
- Chairman of the Remuneration Committee, STA

2010 – Present

- Chairman of the Nomination Committee, STA

Present

- Certified Public Accountant (Thailand) No. 4250

1993 – Present

- Director, J M P Group (1993) Co., Ltd.

2010 – 2019

- Remuneration Committee, STA
- Director, March Auto 2010 Co., Ltd.

2004 – 2005

- Audit Committee Member, Olshi Group PLC.

2000 – 2019

- Audit Committee Member, STA

1985 – 1998

- Provincial Revenue/ Area Revenue office/ Regional Revenue office 3, Revenue Office

1968

- Ombudsman, third class Phuket Province Class-three auditor official

1965 – 1968

- Revenue office, Phuket Province Class-three auditor official Office of the Auditor – General of Thailand



Mr. Samacha Potavorn

Independent Director / Member of the Audit Committee /
Member of the Nomination Committee /
Member of the Remuneration Committee



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About

Age 77 years

Date of Appointment 1 February 2008

Academic Background

Master Degree in Governmental Administration,
Thammasat University

Thai barrister-at-law

Bachelor of Laws,
Thammasat University

Training Program

- Thai Institute of Directors Association
DAP 75/2008
- SGX Listed Companies Development
Programme:
Understanding the Regulatory Environment in
Singapore: What Every Director Ought to Know

Present Position

Independent Director and Member of the
Audit Committee, STA

Member of the Nomination Committee, STA

Member of the Remuneration Committee, STA

Positions in Non-Listed Companies in Thailand

None

Positions in Non-Listed Companies in foreign countries

None

Positions in Other Listed Companies

None



Mr. Samacha Work Experience

2010 – Present

- Member of the Nomination Committee and Member of the Remuneration Committee, STA

2008 – Present

- Independent Director and Member of the Audit Committee, STA

2019 – Present

- Director of The Appeals and Complaints Committee, Rajamangala University of Technology Phra Nakhon

2015 – Present

- Co-Chairman of Complaint Consideration for Prior Financial Support in Accordance with Section 41, National Securities Health Office 2002 in Phang Nga Province

2015 – 2019

- Aor.Kor.Por. SorAor.Bor.Tor., The Prime Minister's Office

2011 – 2019

- University Council, Rajamangala University of Technology Srivijaya

2006 – 2008

- Assistant Secretary to Minister of Interior

2003 – 2004

- Governor, Phang-nga province

2002 – 2003

- Legal counsel, Ministry of Interior

2000 – 2002

- Assistant Secretary, Vice-Director of Southern Border Provinces Administration Center, Ministry of Interior

1997 – 2000

- Vice-Governor, Pattalung Province, Trang Province

1996 – 1997

- Assistant Governor, Ministry of Interior

1984 – 1996

- District Chief, Ministry of Interior

1969 – 1983

- Deputy District Chief, Ministry of Interior





Gen Thanasorn Pongarna

Independent Director

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About

Age 64 years

Date of Appointment 8 July 2019

Academic Background

Degree from

National Defence College of Thailand Year 2013

Chief of Staff

Command and General Staff College

Master's Degree, Political and Administrative
Science NIDA

Bachelor's Degree, Mechanical Engineering,
Chulachomklao Royal Military Academy

Training Program

- Thai Institute of Directors Association
DAP 140/2017

Present Position

Independent Director, STA

Positions in Non-Listed Companies in Thailand

None

Positions in Non-Listed Companies in foreign countries

None

Positions in Other Listed Companies

- Independent Director and Chairman of Audit
Committee, Star Universal Network PLC.



Gen Thanasorn Work Experience

2019 – Present

- Independent Director, STA

2017 – Present

- Independent Director and Chairman of Audit Committee, Star Universal Network PLC.

2016 – 2017

- Special Advisor to the Royal Thai Armed Forces Headquarters

2015 – 2016

- Deputy, Armed Forces Development Command, the Royal Thai Armed Forces Headquarters

2014 – 2015

- Special Professional, the Royal Thai Armed Forces Headquarters

EXECUTIVE MANAGEMENT



Mr. Chaidet Pruksanusak

Group Manager of Quality Assurance



About

Age 52 years

Academic Background

- Diploma in Finance and Banking, Bangkok Commercial College
- Executive Micro MBA, Thammasat University

Director Position in Other Companies

Director, Prueksa Rubber Co., Ltd.

Work Experience

2010 – Present

- Group Manager of Quality Assurance, STA

2000 – Present

- Director, Prueksa Rubber Co., Ltd.

2007 – 2008

- Coordinated Officer, STA

1999 – 2006

- Factory Manager, STA



Miss Nuchanart Chaiyarat

Group Manager of Human Resources



About

Age 53 years

Academic Background

- Bachelor of Marketing Science, Prince of Songkhla University
- Executive Micro MBA, Thammasat University

Director Position in Other Companies

None

Work Experience

2010 – Present

- Group Manager of Human Resources, STA

2008 – 2009

- Human Resources Division Manager, STA

2015 – 2018

- Director, STH

2000 – 2007

- Purchasing Manager, Sri Trang Gloves (Thailand)



Mr. Udom Pruksanusak

CEO – Plantation



About

Age 59 years

Academic Background

- Master of Agriculture, Kasetsart University
- Bachelor of Plant Science, Prince of Songkhla University
- Executive Micro MBA, Thammasat University

Director Position in Other Companies

Director, Startex Rubber
Director, Sri Trang Rubber & Plantation
Director, Prueksa Rubber Co., Ltd.
Director, Prueksa Isarn Co., Ltd.

Work Experience

2015 – Present

- CEO – Plantation, STA
- Director, Sri Trang Rubber & Plantation
- Director, Startex Rubber

2008 – Present

- Director, Prueksa Isarn Co., Ltd.

2003 – Present

- Director, Prueksa Rubber Co., Ltd.

2000 – 2007

- Group Manager of Human Resources, STA

2000 – 2014

- Human Resources Manager, Sri Trang Gloves (Thailand)

1998 – 1999

- Factory Manager, Semperflex Asia

1997 – 1998

- Production Manager, Sri Trang Gloves (Thailand)

MANAGEMENT STRUCTURE

As of 31 December 2020, the corporate structure of STA consists of six committees which are the Board of Directors of STA, the Audit Committee, the Executive Committee, the Nomination Committee, the Remuneration Committee, and the Risk Management Committee.

The Board of Directors of STA

As of 31 December 2020, the Board of Directors of STA consists of 12 directors as follows:

Name	Position	Remarks
1. Mr. Viyavood Sincharoenkul	Chairman / Managing Director / Member of Executive Committee	Executive Director
2. Ms. Anusra Chittmittrapap	Vice Chairman / Independent Director / Member of the Audit Committee / Member of the Remuneration Committee	Non-Executive Director
3. Mr. Chaiyos Sincharoenkul	Director / Member of Executive Committee	Executive Director
4. Mr. Kitichai Sincharoenkul	Director / Member of the Executive Committee member / Member of the Nomination Committee	Executive Director
5. Mr. Paul Sumade Lee	Director / Member of the Executive Committee	Executive Director
6. Mr. Veerasith Sinchareonkul	Director / Member of the Executive Committee / Chairman of the Risk Management Committee	Executive Director
7. Mr. Vitchaphol Sincharoenkul	Director / Member of the Executive Committee	Executive Director
8. Mr. Patrawut Panitkul	Director / Member of the Executive Committee / Member of the Risk Management Committee	Executive Director
9. Mr. Chalernpop Khanjan	Director / Member of the Executive Committee / Member of the Risk Management Committee	Executive Director
10. Mr. Kriang Yanyongdilok	Independent Director / Chairman of Audit Committee / Chairman of Nomination Committee / Chairman of Remuneration Committee	Non-Executive Director
11. Mr. Samacha Potavorn	Independent Director / Member of the Audit Committee / Member of the Nomination Committee / Member of the Remuneration Committee	Non-Executive Director
12. Gen Thanasorn Pongarna	Independent Director	Non-Executive Director

Mrs. Pacharin Anuwongwattanachai is a secretary to the Board of Directors of the Company.

Authorized Directors of STA

Any two of the eight following directors of STA, namely, Mr. Viyavood Sincharoenkul, Mr. Chaiyos Sincharoenkul, Mr. Kitichai Sincharoenkul, Mr. Veerasith Sinchareonkul, Mr. Paul Sumade Lee, Mr. Patrawut Panitkul, Mr. Chalernpop Khanjan, and Mr. Vitchaphol Sincharoenkul shall affix their signatures and the Company's seal.

Engagement of Mr. Somwang Sincharoenkul as Honorary Adviser

The Board of Directors Meeting No. 2/2018, held on 9 March 2018, resolved to approve the continuance of the engagement of Mr. Somwang Sincharoenkul as Honorary Adviser of STA. Such advisory services are as follows:

1. Advise on the formulation of the Company's goals and vision.
2. Advise on the business plans, investment plans and policies of the Company, both domestically and internationally.
3. Advise on strategies in relation to the use of raw materials, procurement, prices and quantities in each period and taking into account the local conditions.
4. Advise on dealings with the media, local authorities and government agencies in the south of Thailand.

Mr. Somwang Sincharoenkul does not have any participation in the Company's operations. His remuneration is Baht 428,000 per month or Baht 5,136,000 per year. This transaction is considered as a connected transaction.

Scope of Duties and Responsibilities of the Board of Directors of STA

The Board of Directors of STA has determined the scope of duties and responsibilities of the Board of Directors of STA as follows:

1. The Board of Directors have power and duties and responsibilities in the management of the Company in accordance with the law, the Company's objectives, Articles of Association, the resolutions of Board and the resolutions of the general meeting of shareholders. The Board of Directors shall make prudent business decisions. They shall perform their duty responsibly with care and honesty for the best interests of the Company.
2. Response to propose, review and approve the policy of the Company
3. Appoint, remove and assign duties to advisors to the Board of Directors, various committees, and the Managing Director.
4. Authorize the Executive Directors management officers or any person to act on behalf of the Board of Directors.

5. Approve investments in securities or debt instruments.
6. Approve the entering into guarantee for credit facility, for the benefit of companies having business connection with the company as the shareholder.
7. Approve the establishment, merger or dissolution of subsidiary companies.
8. Seek advice from specialists or company consultants (if any), or retain the services of outside specialists or consultants at the company's expenses.
9. Propose the capital increase or capital decrease, or the change in par value, or amendment to the memorandum of association, the articles of association, and/or the objectives of the company to the shareholders for consideration.
10. Appoint and remove the Company Secretary.
11. Consider and approve the connected transactions, except if such transactions require approval of the shareholder meeting. Such approval will be in accordance with notifications, rules and/or regulations related to the Stock Exchange.
12. Provide the efficiency internal audit system especially the transactions which are the Interest of Directors which is within the scope of Stock Exchange of Thailand's regulation.

However, in the granting of powers, duties and responsibilities, the Board of Directors shall not grant or sub-grant power to a grantee that causes the Board of Directors or the grantee to approve transactions in which the Board of Directors or the grantee, or any person who may have any conflict of interest (as defined in the notification of the SEC), may have a vested interest, or any other conflict of interest with the Company or its subsidiaries. Approval of such transaction is required to be presented to the Board of Directors Meeting and/or the Shareholders.

The Board of Directors will develop understanding about its scope of duties and will delegate its managing powers to the Chief Executive Officer and the management. Such delegation to be made in writing, however, shall not discharge the Board of Directors from its duties as the Board of Directors. It shall continue to follow up on and supervise the management

to ensure that they perform the delegated duties. Scope of duties of the Board of Directors, the Chief Executive Officer and the management are as follows:

Matters which require the Board of Directors to have an oversight and ensure that they are carried out

These include matters for which the Board of Directors is mainly responsible to ensure that they are carried out properly. The Board of Directors may delegate the management to propose the following matters to the Board of Directors for consideration:

- a. Determination of objectives and main goals of business operations;
- b. Creation of corporate culture which adheres to ethics and acting as a role model;
- c. Supervision of composition and performance of the Board of Directors in order to efficiently achieve the defined objectives and main goals of business operations.

Matters to be carried out together with the management

These include matters to be carried out collectively by the Board of Directors, the Chief Executive Officer and the management. The management will propose the matters to the Board of Directors for approval while the Board of Directors ensures that the overall policy is in line with the defined objectives and main goals of business operations and will delegate the management to implement. The management shall then report to the Board of Directors regularly. These matters are:

- a. Determination and review of annual strategies, goals and business plans;
- b. Oversight of suitability and sufficiency of risk management and internal control;
- c. Determination of powers that are suitable for the responsibilities of the management;
- d. Determination of resources allocation framework, development and budgeting such as policy and plan for the people management and information technology management policy;
- e. Follow-up on and assessment of performance;
- f. Oversight over reliable financial disclosure and reporting and sufficient and appropriate non-financial disclosure.

Matters which should not be undertaken by the Board of Directors

These include the following matters that the Board of Directors may only supervise at the policy level and will delegate the Chief Executive

Officer and the management to take the main responsibility in carrying out:

- a. Execution of strategies, policies and plans approved by the Board of Directors. The Board of Directors should allow the management to take the responsibilities in making decisions on operations, procurements, recruitments, etc. in accordance with the defined framework. The Board of Directors should only exercise oversight over these matters without interfering the decisions of the management except in case where it is necessary to do so.
- b. Matters which are subject to restrictions such as the approval for matters in which directors have an interest.

In determining annual strategies and work plans, the Board of Directors will ensure that environmental considerations and relevant risk factors on the stakeholders throughout the value chain including such other factors which could affect the achievement of main goals of the Company are analyzed and that there shall be a mechanism to allow the Board of Directors to truly understand the need of stakeholders.

Scope of Duties and Responsibilities of the Chairman of Board of Directors of STA

The Company's Board of Directors Meeting No. 6/2018, held on 16 July 2018, resolved to approve the scope of duties and responsibilities of the Chairman of Board of Directors as below:

1. Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve STA's objectives.
2. Ensure that all directors contribute to STA's ethical culture and good corporate governance.
3. Set the board meeting agenda by discussing with independent directors and have a measure to oversight that important matters should be included as the meeting agenda.
4. Allocate sufficient time for management to propose topics and for directors to discuss important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of SAT.

5. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.
6. In case of an equality of votes, the Chairman of the Board shall have an additional vote as the casting vote.

To encourage good corporate governance and ensure the balance of power and authority of the board and between the Board and management, the Board therefore designated an independent director to participate in setting the Board meeting agenda.

Composition and Appointment of the Board of Directors of STA

The following is a summary of the composition, appointment, removal or retirement from the Board of Directors of STA set forth in the Articles of Association of STA:

1. The number of members of the Board of Directors of STA shall be determined by a shareholders meeting but shall be not less than five persons and not less than one-half of the total number of Directors must reside in the Kingdom of Thailand.
2. Of the total number of Board members, at least one-third and no fewer than three persons must be independent directors;
3. Directors shall be elected at a shareholders meeting in accordance with the following criteria and procedures:
 - (1) Each shareholder shall have one vote for one share.
 - (2) A shareholder must use all of his/her votes in (1) to elect one or several persons as Director or Directors, however, he or she may not split his/her votes unequally between any person in any number.
 - (3) The persons who receive the most votes shall be elected as Directors, in the number of Directors required or to be elected on the relevant occasion. In the event that votes of two or more nominees are equal in number, causing the number of Directors required or to be elected on such relevant occasion to be exceeded, the chairman of the meeting shall have a casting vote.

4. At every annual general meeting, one-third of the Directors, or, if the number of Directors is not a multiple of three, then the number nearest to one-third, shall retire from office. The Directors who are to retire from office in the first and the second years after registration of the Company shall be drawn by lots. In subsequent years, the Directors who have been holding office for the longest time shall retire.
5. Any Director wishing to resign from office shall submit his or her resignation letter to STA. The resignation shall be effective from the date on which STA receives the resignation letter.
6. The shareholders meeting may pass a resolution to remove any Director from office prior to rotation, by a vote of not less than three-fourths of the number of the shareholders attending the meeting and having the right to vote, and whose shares represent a total of not less than one half of the number of shares held by the shareholders attending the meeting and having the right to vote.

The Board currently comprises twelve Directors, four of whom are Independent Directors. The Company has eight Executive Directors and four Non-executive Directors. The composition of the Board takes into consideration the nature and scope of the Group's operations to allow constructive discussion on the basis of board diversity in terms of knowledge, skills, experiences, ages, and genders of directors bringing about the reasonable decision making. In this regard, STA's directors have invaluable experience in accounting, finance, business management, strategic planning, marketing, law and the rubber industry in order to perform their duties effectively.

Qualifications of Independent Directors

1. Holding shares not exceeding one percent of the total number of shares with voting rights of STA, its parent company, subsidiary company, associate company, or a major shareholder or controlling person of STA, including shares held by related persons of such independent director.
2. Not having any relationship with (a) STA; (b) STA's holding company, subsidiary or a subsidiary of a subsidiary of STA; (c) any person who has an interest who holds not

- less than ten percent of the total voting shares in STA; and/or (d) any officers of STA who can interfere with the exercise of any Director's independent judgment.
3. Neither being nor having an immediate family member (which includes spouse, child, adopted child, stepchild and parents) who is or was, in the current or immediate past financial year, a 10% shareholder of, or a partner in (with 10% or more stake), or an executive officer of, or a director of, any organisation to which STA or any of its subsidiaries made, or from which STA or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current or immediate past financial year.
 4. Not being or having been directly associated with a shareholder who holds more than 10% of the shares of STA in the current or immediately preceding financial year.
 5. Not being or having been an executive director, employee, staff, advisor who receives salary, or a controlling person of STA, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person of STA, unless the foregoing status ended not less than three financial years prior to the appointment as independent director. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit that was a major shareholder or controlling person of STA.
 6. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, of a director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of STA or its subsidiary company.
 7. Not having an immediate family member including spouse, child, adopted child, stepchild, sibling and parent, who is, or has been in any of the past three financial years, employed by STA or any of its related companies and whose remuneration is or was determined by the remuneration committee.
 8. Not being a director or having an immediate family member including spouse, child, adopted child, stepchild, child of spouse, sibling, and parent who accepts or has accepted compensation from STA or any of its related companies for the provision of services, other than services as director, for the current or immediately preceding financial year.
 9. Not having or having had a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, in a manner which might interfere with his independent judgement, and not being or having been a significant shareholder or controlling person of any person having a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
 10. Not being or having been an auditor of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs an auditor of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
 11. Not being or having been a provider of any professional services including those as legal advisor or financial advisor who receives or received service fees exceeding two million baht per year from STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of such professional services, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.

12. Not being a director appointed as representative of directors of STA, a major shareholder or a shareholder who is related to a major shareholder of STA, or a director who is or has been directly associated with a shareholder who holds 10% or more of the shares of STA, in the current or immediately preceding financial year. A director will be considered “directly associated” with a shareholder who holds 10% or more of the share of STA when the director is accustomed to or under obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of such shareholder in relation to the corporate affairs of STA.
13. Not undertaking any business that is of the same nature as and in competition to the business of STA or its subsidiary company, and not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holds shares exceeding one percent of the total number of shares with voting rights of any other company that engages in business that is of the same nature as and in competition to the business of STA or its subsidiary company.
14. Not having any other characteristic that could cause the inability to express independent opinions with regard to the business operations of STA.

The qualifications of the Independent Director of STA are more stringent than the definitions as specified in the notification of the Capital Market Supervisory Board. Additionally, The Board of Directors is of the opinion that Mr. Kriang Yanyongdilok and Mr. Samacha Potavorn, who have served as Independent Directors for STA beyond nine years, should continue to serve as Independent Directors of STA as they have the qualifications required by the Capital Market Supervisory Board and do not have any characteristics which would cause them to be unable to express their independent opinions with regard to STA's business operations. During their respective terms of appointment, they have performed their duty as Audit Committee and Remuneration Directors for the benefit and the good governance of STA.

Executive Committee

As of 31 December 2020, the list of Executives of STA is as follows:

Name	Position
1. Mr. Viyavood Sincharoenkul	Chairman of Executive Director
2. Mr. Chaiyos Sincharoenkul	Executive Director
3. Mr. Kitichai Sincharoenkul	Executive Director
4. Mr. Paul Sumade Lee	Executive Director
5. Mr. Veerasith Sinchareonkul	Executive Director
6. Mr. Vitchaphol Sincharoenkul	Executive Director
7. Mr. Patrawut Panitkul	Executive Director
8. Mr. Chalernpop Khanjan	Executive Director

Scope of Duties and Responsibilities of the Executive Committee

STA has specified scope of duties and responsibilities of the Executive Committee as follows:

1. To order, plan, and operate the business of STA to be in accordance with the policies set out by the Board of Directors of STA.
2. To appoint STA's management to efficiently and transparently manage STA's businesses.
3. Any two of the Executive Committee members jointly signing and affixing the company seal are eligible to grant proxies to any person to perform on behalf of STA in respect of any business that will benefit STA.
4. To determine the appropriate employees' benefits and welfare in compliance with corporate culture and applicable laws.
5. To approve the credit limits of the normal business transactions or other transactions that bind STA.

In any case, the assignment of duties and responsibilities of the Executive Committee shall not constitute an authorization or sub-authorization which may cause the Executive Committee or its assignee to be able to approve any transaction in which such person or other related party (as defined in the Notification of the SEC or the Capital Market Supervisory Board) may have a conflict of interest or may benefit in any manner or any other conflict of interest with STA or its subsidiaries. Such approval must be proposed at a meeting of the Board of Directors and/or the meeting of shareholders, as the case may be, for approval, as stipulated in the Articles of Association of STA or subsidiaries, or any applicable laws.

Audit Committee

The Audit Committee consists of three independent directors and all have the qualifications required by the Capital Market Supervisory Board and the SET. As of 31 December 2020, the Audit Committee consists of the following directors:

Name	Position
1. Mr. Kriang Yanyongdilok	Chairman of the Audit Committee
2. Mr. Samacha Potavorn	Audit Committee Member
3. Ms. Anusra Chittmittrapap	Audit Committee Member

Mr. Kriang Yanyongdilok is the Audit Committee member who have sufficient knowledge and experience to review the reliability of financial statements of STA. Mr. Wittawas Krunthanmuang is a secretary of the Audit Committee.

Qualifications of Audit Committee Members

- Holding shares not exceeding one percent of the total number of shares with voting rights of STA, its parent company, subsidiary company, associate company, a major shareholder or controlling person of STA, including shares held by related persons of such audit committee member.
- Not taking part in the management of STA, its parent company, subsidiary company, associate company, same-level subsidiary company, and not being a major shareholder of STA.
- Not being an employee or advisor who receives salary from STA, its subsidiary company, associate company, same-level subsidiary company or major shareholder; for example, the Chief Executive Officer may not be an audit committee member because he or she is directly responsible for the management of STA.
- Not having or having had benefits or interests, whether direct or indirect, in the finance and management of STA, its subsidiary company, associate company or major shareholder, or any other benefits or interests of similar nature, in the year prior to the appointment as audit committee member, unless the Board of Directors has carefully considered the matter and is of the opinion that such benefits or interests will not interfere with the performance of duties and the giving of independent opinions by such person.
- Not being related to or a close relative of any member of the management or a majority shareholder of STA.
- Not being appointed to safeguard the interests of the directors or major shareholders or shareholders who are related to the major shareholders of STA.
- Being capable of performing the duties, giving opinions or reporting the results as has been delegated by the Board of Directors independent of control by the management or a major shareholder, including related persons or close relatives of the such persons.

Scope of Duties and Responsibilities of the Audit Committee

- To assist the Board of Directors in the discharge of its responsibilities on financial and accounting matters (including reviewing STA's financial reporting process and our Company's consolidated financial statements to ensure accuracy and adequacy).
- To review our Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.

3. To review our Company's compliance with the law on securities and exchange, the regulations of the SET, and the laws relating to business of STA.
4. To consider the election, the nomination, and the removal of persons with independence, reliability, acceptable qualification and are auditors approved by SEC to act as an auditor of STA and to determine the remuneration of such person as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the connected transactions, interested person transactions or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the SET, and are reasonable and in the best interests of STA.
6. To prepare, and to disclose in our Company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - (1) an opinion on the accuracy, completeness and credibility of the company's financial report;
 - (2) an opinion on the adequacy of the company's internal control system;
 - (3) an opinion on the compliance with the law on securities and exchange, the regulations of the SET, or the laws relating to the STA's business;
 - (4) an opinion on the suitability of the auditor of STA;
 - (5) an opinion on the transactions that may lead to conflicts of interests;
 - (6) the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 - (7) an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 - (8) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, within the scope of duties and responsibilities assigned by the company's board of directors.
7. To commission and review the findings of significant internal investigations and/or consult with the auditor in relation to such findings and report the findings to the Board of Directors of STA in the event that there is any suspected fraud or irregularity or infringement of any law or regulations of Thailand, the rules of the SET, or other relevant regulations which has or is likely to have a material impact on the results of operations and/or financial position of STA.
8. To review the audit plans, scope of work and results of our audits compiled by our internal and external auditors.
9. To review the co-operation given by our officers to the external auditors.
10. To review our risk management structure (including all hedging policies) and any oversight of our risk management processes and activities to mitigate and manage risk at acceptable levels determined by our Directors.
11. To perform any other act as delegated by the Board of Directors and approved by the Audit Committee.

Nomination Committee

As of 31 December 2020, the Nomination Committee of STA consists of three Directors as follows:

Name	Position
1. Mr. Kriang Yanyongdilok	Chairman of the Nomination Committee
2. Mr. Samacha Potavorn	Nomination Committee Member
3. Mr. Kitichai Sincharoenkul	Nomination Committee Member

Scope of Duties and Responsibilities of the Nomination Committee

1. Reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board of Directors of STA for the appointment of Directors.
2. Reviewing and recommending nominations for appointment, re-appointment or re-election or renewal of appointment of the Directors having regard to the Director's contribution and performance.
3. Determining annually whether or not a Director is independent.
4. Deciding whether or not a Director is able to and has been adequately carrying out his duties as a director.

Certain factors considered by the Nomination Committee in order to carry out their responsibilities above include:

- independence of mind;
- capability of the individual and how it meets the needs of the Company and simultaneously complements the skill set of the other Board members;
- experience and track record as directors in other companies; and
- ability to commit time and effort toward discharging his responsibilities as a Director.

Remuneration Committee

As of 31 December 2020, the Remuneration Committee consists of three Directors as follows:

Name	Position
1. Mr. Kriang Yanyongdilok	Chairman of the Remuneration Committee
2. Mr. Samacha Potavorn	Remuneration Committee Member
3. Ms. Anusra Chittmittrapap	Remuneration Committee Member

Scope of Duties and Responsibilities of the Remuneration Committee

Our Remuneration Committee is responsible, among other things, for recommending to the Board of Directors a framework and criteria of remuneration for the Directors and executive officers, and for recommending specific remuneration packages for each Director and the Managing Director and to perform any other acts as delegated by the Board of Directors.

Risk Management Committee

As of 31 December 2020, the Remuneration Committee consists of five Directors as follows:

Name	Position
1. Mr. Veerasith Sinchareonkul	Chairman of the Risk Management Committee
2. Mr. Chaidet Pruksanusak	Risk Management Committee Member
3. Mr. Chalernpop Khanjan	Risk Management Committee Member
4. Mr. Patrawut Panitkul	Risk Management Committee Member
5. Mr. Nattee Thiraputhbhokin	Risk Management Committee Member

Ms. Thanravee Thanonworaphong is a Secretary of Risk Management Committee.

Scope of Duties and Responsibilities of the Risk Management Committee

1. Scrutinize the risk management policy that is consistent with the Company's strategy and propose to the Board of Directors regularly at least once a year to ensure that that it conforms to and is line with the current business circumstances.
2. Review and amend the charter of the Risk Management Committee to keep it conforms to the current circumstances and environment, and propose to the Board of Directors to approve.

Details of Meeting Attendances of the Board of Directors and Sub-Committees in 2020

The details of attendance at the meetings of the Board of Directors, the Executive Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Risk Management Committee in 2020 are as follows:

Name	No. of Attendances											
	Board of Directors		Executive Committee		Audit Committee		Nomination Committee		Remuneration Committee		Risk Management Committee	
	2020	(%)	2020	(%)	2020	(%)	2020	(%)	2020	(%)	2020	(%)
1. Mr. Viyavood Sincharoenkul	8/9	89	8/8	100	-	-	-	-	-	-	-	-
2. Mr. Chaiyos Sincharoenkul	9/9	100	8/8	100	-	-	-	-	-	-	-	-
3. Mr. Kitichai Sincharoenkul	9/9	100	8/8	100	-	-	2/2	100	-	-	-	-
4. Mr. Paul Sumade Lee	8/9	89	8/8	100	-	-	-	-	-	-	-	-
5. Mr. Veerasith Sinchareonkul	9/9	100	8/8	100	-	-	-	-	-	-	4/4	100
6. Mr. Vitchaphol Sincharoenkul ¹	8/8	100	6/6	100	-	-	-	-	-	-	-	-
7. Mr. Patrawut Panitkul	8/9	89	8/8	100	-	-	-	-	-	-	4/4	100
8. Mr. Chalernpop Khanjan	8/9	89	8/8	100	-	-	-	-	-	-	4/4	100
9. Ms. Anusra Chittmittrapap	9/9	100	-	-	8/8	100	-	-	2/2	100	-	-
10. Mr. Kriang Yanyongdilok	9/9	100	-	-	8/8	100	2/2	100	2/2	100	-	-
11. Mr. Samacha Potavorn	9/9	100	-	-	8/8	100	2/2	100	2/2	100	-	-
12. Gen Thanasorn Pongarna	9/9	100	-	-	-	-	-	-	-	-	-	-
Percentage of attendance of each committee		96		100		100		100		100		100

Note: ¹ Mr. Vitchaphol Sinchareonkul was appointed as a director, and executive director on 28 February 2020 in replacement of Mr. Li Shiqiang who was resigned the position. The profiles of the Board of Directors are in the attachment 1.

In 2020, there was a Board of Directors Meeting without management, held on 28 December 2020 to discuss about the business outlook and the Company's vision.

Executives (pursuant to the definition of “Executive⁽¹⁾” in the SEC’s notification no. GorJor. 17/2008 re: Definitions under Notifications relating to the Issuance and Offering of Securities)

As of 31 January 2021, the list of Executives of STA is as follows:

Name	Position
1. Mr. Viyavood Sincharoenkul	Chairman / Managing Director
2. Ms. Anusra Chittmittrapap	Vice Chairman / Independent Director / Member of the Audit Committee
3. Mr. Chaiyos Sincharoenkul	Director
4. Mr. Kitichai Sincharoenkul	Director / Group Manager of Legal and Administration
5. Mr. Paul Sumade Lee	Director / Chief Marketing Officer
6. Mr. Veerasith Sinchareonkul	Director

Name	Position
7. Mr. Vitchaphol Sincharoenkul	Director
8. Mr. Patrawut Panitkul	Director / Chief Financial Officer (CFO)
9. Mr. ChalermPOP Khanjan	Director / Chief Operating Officer
10. Mr. Kriang Yanyongdilok	Independent Director / Chairman of the Audit Committee
11. Mr. Samacha Potavorn	Independent Director / Member of the Audit Committee
12. Gen Thanasorn Pongarna	Independent Director
13. Mr. Chaidet Pruksanusak	Group Manager of Quality Assurance
14. Mr. Udom Pruksanusak	CEO - Plantations
15. Ms. Nuchanart Chaiyarat	Group Manager of Human Resources

Note: (1) “Executive” means a director, manager or the next four executives succeeding the manager, a person holding an equivalent position to the fourth executive, including a person holding the position of manager or equivalent in the accounting or finance departments.

Scope of Authorities and Responsibilities of the Managing Director

1. Approve any juristic act binding the company for the normal business operation of STA in an amount not exceeding Baht 200,000,000.
2. Issue and amend the rules, orders, and work rules of STA, for example, the acceptance, appointment, removal and disciplining of staff and employees, and the determination of salary and other monies, including compensation and other welfare.
3. Determine the salary rate and other remuneration, including expenses rate and facilities of the manager or equivalent for proposing to the Executive Committee for further approval.
4. Administer STA pursuant to the resolutions and policies of the Board of Directors of STA.
5. Propose significant matters to the Board of Directors of STA or the meeting of shareholders for further approval or other appropriate action.
6. Study the feasibility of new projects and consider and approve the projects as delegated by the Board of Directors of STA and the Executive Committee.
7. Perform other matters as delegated by the Board of Directors of STA and/or the Executive Committee from time to time.

However, the abovementioned approvals shall not be given in a way that may cause the Managing Director or his authorized representative to be able to approve any transaction in which he himself or any related person has or may have a conflict of interest with STA or its subsidiaries as defined in the Notification of the SEC or the Capital Market Supervisory Board.

Company Secretary

The Board of Directors of STA resolved to appoint Mrs. Pacharin Anuwongwattanachai, who meets the appropriate qualifications, graduated in accounting, has completed company secretary training and other related training programs, and possesses the skills, knowledge, understandings relating to business and the laws and other related regulations, as Company Secretary (the “Company Secretary”), having the duties and responsibilities as provided in the Securities and Exchange Act, including providing advice on compliance with the relevant laws and regulations to the Board of Directors, organizing Board of Directors activities and ensuring compliance with the resolutions of the Board of Directors. The Company Secretary has to attend and safeguard all meeting documents and ensures procedural compliance with regards to the Board of Directors. The appointment and removal of the Company Secretary is subject to the approval of the Board of Directors.

Remuneration of Directors and Executive Officers

Financial Remuneration

(1) Directors' Fees

In the 2020 Annual General Meeting of Shareholders, held on 23 June 2020, the meeting approved the remuneration and meeting allowance of directors as follows:

Remuneration	Unit (Baht / Person / Month)
Remuneration of Board of Directors	
- Chairman of the Board	75,000
- Director	56,000
Remuneration of Audit Committee	
- Chairman of the Audit Committee	85,000
- Audit Committee Member	70,000
Meeting Allowance	
- Chairman of the Board / Chairman of Audit Committee	10,000
- Director / Audit Committee member	7,000
Other Benefits / Non-monetary remuneration	None

For the fiscal year ending 31 December 2020, STA paid the directors' fees to the Directors in the amount of Baht 8,900,129 in compensation for the services rendered. The details are as follows:

Name	Amount of Directors' Fees (Baht)*
	Fiscal year ending 31 December 2020
1. Mr. Viyavood Sincharoenkul	900,000
2. Ms. Anusra Chittmittrapap	840,000
3. Mr. Chaiyos Sincharoenkul	672,000
4. Mr. Kitichai Sincharoenkul	672,000
5. Mr. Veerasith Sinchareonkul	672,000
6. Mr. Vitchaphol Sincharoenkul	560,000
7. Mr. Paul Sumade Lee	672,000
8. Mr. Patrawut Panitkul	672,000
9. Mr. Chalernpop Khanjan	672,000
10. Mr. Kriang Yanyongdilok	1,020,000
11. Mr. Samacha Potavorn	840,000
12. Gen Thanasorn Pongarna	672,000
13. Mr. Li Shiqiang	36,129

Note: *This remuneration is compensation only for the services rendered as directors and members of the Audit Committee of STA and does include compensation for services rendered as members of the other committees of STA.

(2) Remuneration of the Directors and Executive Officers

For the fiscal year ending 31 December 2020, STA paid the remuneration to the Directors and Executive Officers, totaling 13 persons, in the amount of Baht 159.0 million, including Directors and Executive Officers who resigned during the year 2019. Such remuneration was in the form of salary, bonus and other compensation comprising benefits in kind and compensation that has already been paid, which includes any deferred compensation accrued for the financial year in question and payable at a later date including bonus or profit-sharing scheme or any other profit-linked agreements or arrangements.

Sri Trang International Pte. Ltd. has entered into employment agreements with Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee. Each of these employment agreements does not have a fixed term of employment.

Pursuant to their respective employment agreements, Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee will be entitled to the following:

- a monthly salary and a variable bonus, as determined by the Profit Incentive Scheme (as defined below); and
- reimbursements of all reasonable business expenses incurred or paid for during the term of employment, in connection with the performance of their duties to Sri Trang Group.

Profit Incentive Scheme

Each of our Directors, Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee are entitled to participate in a profit incentive scheme (the "Profit Incentive Scheme") in respect of each financial year of our subsidiary, Sri Trang International.

Under the Profit Incentive Scheme, in respect of each financial year, if the board of directors of Sri Trang International determines that there is a surplus ("Surplus") after deducting (i) 10% of Sri Trang International's issued and paid-up capital, or such other amount as may be determined by the board of directors of Sri Trang International, at their sole discretion, from time to time; (ii) 5% of any retained profits as at the beginning of the relevant financial year; and (iii) accumulated losses as at the beginning of the relevant financial year, from Sri Trang International's profit after tax (as reflected in its audited accounts), 20% of such Surplus will be payable under the Profit Incentive Scheme ("Profit Incentive").

(3) Other Remuneration

In 2020, the Company has paid contributions to the employee provident fund for the Board of Directors and Executive Officers in the following amount:

	Total list	Amount (Baht)
Contributions to employee provident fund	12	3,707,376

Employees' Retirement Benefits

STA provides employees' retirement benefits to employees in accordance with Thai labor laws. Such benefits that each employee is entitled to depend on the salary base and the number of years that the employee has been working for STA until the termination date.



Re-election of Directors

A retiring Director shall be eligible for re-election. The Directors to retire in every year shall be those, subject to retirement by rotation, who have been longest in office since their last re-election or appointment. The details of re-election of the Directors are set out as follows:

Name of Director	Position	Date of first appointment to the Board	Date of last re-election as Director
1. Mr. Viyavood Sincharoenkul	Chairman and Managing Director	27 December 1993	26 April 2018
2. Ms. Anusara Chittmittrapap	Vice Chairman, Independent Director, Member of the Audit Committee, Member of the Remuneration Committee	21 September 2017	30 April 2019
3. Mr. Chaiyos Sincharoenkul	Director	27 December 1993	30 April 2019
4. Mr. Kitichai Sincharoenkul	Director and Group Manager of Legal and Administration	10 April 1995	23 June 2020
5. Mr. Paul Sumade Lee	Director and Chief Marketing Officer	28 June 2010	26 April 2018
6. Mr. Veerasith Sinchareonkul	Director and Chairman of the Risk Management Committee	28 April 2010	26 April 2018
7. Mr. Vitchaphol Sincharoenkul	Director	28 February 2020	23 June 2020
8. Mr. Patrawut Panitkul	Director and CFO	29 April 2014	23 June 2020
9. Mr. Chalernpop Khanjan	Director and Chief Operating Officer	29 October 2015	30 April 2019
10. Mr. Kriang Yanyongdilok	Independent Director and Member of the Audit Committee	25 January 2000	30 April 2019
11. Mr. Samacha Potavorn	Independent Director and Member of the Audit Committee	1 February 2008	23 June 2020
12. Gen Thanasorn Pongarna	Independent Director	8 July 2019	-

CORPORATE GOVERNANCE



Corporate Governance Policy

The Board of Directors of STA has conducted the business operation appropriately and effectively in accordance with its objectives by utilising expertise, diligence, and due care to protect the interests of the Company and to comply with the laws, objectives, and the Articles of Association of STA. The Board of Directors of STA has also followed the Principles of Good Corporate Governance for Directors of Listed Companies and the Principles of Good Corporate Governance for Listed Companies 2017. The roles and responsibilities of the Board of Directors of STA are all managed with due care, in particular in the process of decision making. Careful consideration is given using reasonable judgment based on honesty, transparency, ethics, and the concern of stakeholders as well as all aspects of the best interests of shareholders.

Principles of Good Corporate Governance

STA has established and reviewed principles for good corporate governance in accordance with the Principle of Good Corporate Governance for Listed Companies as prescribed by the SET. The details of 5 principles of good corporate governance areas that are appropriate for current business environment are as follows:

1. Rights of Shareholders

STA always realises that the main factors for building shareholders' trust and confidence for investing in the businesses of STA are the application of policies and operations that protect the fundamental rights of the shareholders as well as the equality of all shareholders as prescribed by the laws, and encouraging the shareholders to exercise their fundamental rights. For example:

(1) Right to Receive Profit Sharing in the Form of Dividend

STA has a policy on dividend payment which is based on careful consideration of the financial position, results of operation and cash flow of STA, the ability of our subsidiaries, associates and joint venture entity to make dividend payment, STA's expected working capital requirements to support the future growth of STA, the economic situation, and other external factors that STA expects will have an impact on its operations. In order to manage the business operation efficiently, the dividend payment policy is at approximately 30 percent of the net profit.

(2) Right to Attend the Shareholders' Meeting

STA pays great attention to the sufficiency of information so that the shareholders are able to make a well-informed decision at the shareholders' meeting, including casting their votes and expressing their opinions on significant changes and the election of the Board of Directors of STA, based on information which is accurate, complete, transparent, and equally shared.

Where the STA's shares are held through CDP, CDP will be the only holder on record of such shares. Accordingly, as a matter of Thai law, CDP will be the only person or entity recognised as a shareholder and legally entitled to vote on any matter to be submitted to the vote of the Company's shareholders at a general meeting of shareholders.

CDP has appointed a Thai custodian to safe keep all the shares held by CDP. Such Thai custodian will act as CDP's proxy during a general meeting of shareholders and CDP will instruct such Thai custodian to split its votes in accordance with the instructions that CDP receives from investors holding shares through CDP. However, shareholders who desire to attend shareholders' meetings and exercise their voting rights under their names with regard to the shares beneficially owned by them will be required to transfer their shares out of the CDP system and have the share transfer registered in the share register book. In addition, a shareholder who transfers the Company's shares out of the CDP system will not be able to trade such shares on the SGX-ST unless he first transfers such shares back into the CDP system.

STA has a policy to facilitate shareholders and institutional investors who attend shareholders' meeting by allowing them to send shareholders' meeting registration document in advance in order to reduce time verifying documents on the meeting date. STA provides stamp duty for shareholders to give their proxy and arranges registration stations for both shareholders and institutional investors. Barcode system is also applied to expedite the registration and the vote counting process.

(3) Right to Vote on Agenda Items in the Shareholders' Meeting

The completed invitation to shareholders' meeting and attachments will be forwarded to shareholders in advance. The invitation to shareholders' meeting includes details on agenda items, attachments to

agenda items, opinions of the Board of Directors of STA, proxy forms as prescribed by the Ministry of Commerce, a name list of all independent directors to whom the shareholders are able to give their proxy, and a map of the meeting venue. The invitation to the shareholders' meeting also includes the information regarding the required documents that shareholders have to present to the meeting in order to protect their right to attend the meeting, the Articles of Association of STA pertaining to the shareholders' meeting, and voting instructions. Furthermore, so that the investors can obtain information thoroughly, the shareholders can access all information with respect to the agenda of the shareholders' meeting at www.sritranggroup.com and the website of the SGX-ST at www.sgx.com ("SGXNET") in advance at least 30 days prior to the meeting date. Moreover, STA has assigned Thailand Securities Depository Co., Ltd. (TSD) and CDP as its securities registrar to dispatch the meeting invitation and other related documents to shareholders at least 21 days prior to the meeting. The policy of STA is that no additional agenda item is included in the meeting without prior notice to the shareholders.

For the election of directors agenda, STA gives an opportunity to shareholders to vote on individual directors. In addition, STA provides examiners for the vote counting on the meeting date and discloses the information in the minutes of the shareholders' meeting.

(4) Equal Right to Express Opinions and Make Inquiries in the Shareholders' Meeting

With respect to agenda items and proposed agenda items, the Chairman of the shareholders' meeting should allocate sufficient time and encourage the shareholders to express their opinions and make inquiries in the meeting. The Chairman of each sub-committee comprising Mr. Kriang Yanyongdilok, STA's Lead Independent Director as well as the Chairman of the Audit Committee, the Remuneration Committee, and the Nominating Committee and, Mr. Veerasith Sinchareonkul, the Chairman of the Risk Management Committee will be present at the annual general meeting to address questions that shareholders' may have. External auditors will also be present to address queries in relation to the audit of the Company and the auditors' report. STA will note the questions and clarifications in the minutes of the shareholders' meeting for acknowledgement of shareholders who did not attend the meeting.

2. Fair Treatment of Shareholders

STA has the policies of fair and equitable treatment to all groups of shareholders including institutional investors, foreign investors, and retail shareholders.

- (1) The shareholders' meeting shall be held in accordance with the agenda mentioned in the invitation to shareholders' meeting. STA sends a complete invitation to shareholders' meeting, including attachments, both in Thai and English language with all sufficient information relevant to the meeting to the shareholders. Moreover, STA posts all information which is relevant to the meeting at its website (www.sritranggroup.com) so that the shareholders will have sufficient time to carefully study this information. In addition, the invitation to shareholders' meeting shall be advertised no less than three days prior to the shareholders' meeting in a daily newspaper for at least three consecutive days in order to allow shareholders to have sufficient time to prepare for attending the shareholders' meeting. Before the commencement of each meeting, the Chairman will give instructions on the voting and the counting methods as clearly prescribed. During the meeting, the Chairman allows the shareholders, equally, to make inquiries and express their opinions as well as to make recommendations. The Chairman also answers questions and provides complete information as requested by the shareholders. After the meeting, STA will send the minutes of the shareholders' meeting to the SET within the prescribed period.
- (2) STA gives an opportunity to shareholders to cast their vote on one share one vote approach and encourages the shareholders to use ballots for voting on each agenda item. The ballots shall be kept in the meeting room for vote counting prior to the announcement of the resolutions. For the purpose of transparency, STA makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages and keeps all ballots having signatures of the shareholders or their proxy for future reference.
- (3) Minutes of the shareholders' meeting must be accurately and completely recorded and submitted to the SET within 14 days after the shareholders' meeting. The resolutions of the

shareholders' meeting will be announced on SET and SGX's websites and posted on the website of STA at www.sritranggroup.com and on SGXNET.

- (4) The policy regarding the monitoring of the use of insider information has been established for strict compliance by personnel at all levels.
- (5) Directors, executives and related persons as stated in Section 89-1, the Securities and Exchange Act B.E. 2535, must report changes in securities holding of STA to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the first day that securities holding changes. They must also provide a copy of such report to the Company Secretary in order to gather, submit a summary and propose to the Board of Directors' meeting quarterly.
- (6) STA establishes the silent period policy to abstain from securities trading 30 days before the announcement to the Stock Exchange of Thailand and at least 24-48 hours after the public disclosure for directors and executives, as the SEC's prescribed, to strictly comply with.
- (7) Directors and executives are required to report their conflict of interests including their related persons at the first time for newly nominated directors and executives and if any changes during his/her position as well as at the end of each year by assigning Company Secretary to keep the report. If there is any conflict of interest found, Company Secretary shall report to the Chairman of the Board and the Chairman of Audit Committee to acknowledge
- (8) A full and clear disclosure of shareholding structure in the subsidiaries and associates is made to assure shareholders that the operational structure of STA is transparent and accountable.
- (9) STA places importance on the accurate, full, timely, and transparent disclosure of information on various issues to shareholders. As such, significant information is disclosed on a regular basis.
- (10) STA has established a channel of communication for minority shareholders to directly access information on various issues e.g. the activities of the Board of Directors, supervision and

monitoring of the operation, and auditing through the email address of the independent directors. Furthermore, minority shareholders may directly seek information from the Company Secretary of STA and the Investor Relations Office as following details:

- The Audit Committee, E-Mail Address: auditcommittee@sritranggroup.com
- The Company Secretary, E-Mail Address: corporatesecretary@sritranggroup.com
- The Investor Relations Office, E-Mail Address: ir@sritranggroup.com
- Telephone no. +662-207-4590

3. Role of Stakeholders

STA fully realises that the growth and development of STA has resulted from the full support given by all interested parties. STA places importance on the rights of all stakeholders, both internal stakeholders such as personnel, staff members, and the Executives of STA and the subsidiaries and external stakeholders such as commercial partners ranging from the suppliers of raw materials to various groups of customers of finished products, financial institutions, government agencies that provide close co-operation, and finally, the shareholders of STA. In this regard, STA realises its responsibilities towards the above-mentioned stakeholders. The Board of Directors of STA has reviewed stakeholder engagement policy and established the policies concerning the non-infringement of intellectual property such as copyright, patent, and trademark as well as the whistleblower policy which has specified the channels of notice or complaint, operating procedure, and guidelines for the protection of claimer(s) in the Company's website. The Board of Directors has also established the anti-corruption policy to build a good conscience and right core value in order to prevent any type of corruptions in the organisation. In 2020, there were 11 complaints submitted via the whistleblowing channels related to services/ products and procurement. The Company has investigated/ solved 10 complaints during the year 2020; however, there was still 1 complaint under the investigation.

STA is aware of the principles and standards on human rights. As such, STA has established human rights and non-discrimination policy focusing on the equitable treatment to all stakeholders. Such policy was disseminated to all employees for their adherence.

On 21st August 2018, STA was certified to be a member of Thailand's Private Sector Collective Action against Corruption (CAC), which has reinforced our business morale on corporate governance for sustainable growth. STA has continuously implemented measures in accordance with CAC's guidelines. In 2020, STA did the assessment, examination, and define the internal control to prevent anti-corruption risk. We also did publish and communicate anti-corruption policy and practice to Board of Directors, management, and employees including external parties such as stakeholders, suppliers, business partners. In order to inculcate and create awareness about the anti-corruption to our employees, the Company arranged training sessions about the good corporate governance along with a test after training. Moreover, STA prepared the questionnaire about conflict of interests of directors, management, and employees to be the Company's data base, and to be analyzed for the preparation of preventive measures in the future. The Board of Directors also approved the revision of Anti-Corruption Practice Guideline to be in accordance with CAC's guideline in December 2020 and STA prepared the CAC's self-assessment form for the re-certification process in March 2021 as well.

The followings are details of policies in connection with stakeholders:

Shareholders: STA is committed to be the representative of its shareholders in conducting its business operation in a transparent manner, and having a reliable accounting and finance system that brings the highest satisfaction to shareholders by continuous considering the long-term, sustainable growth of STA and an adequate return.

Employees: STA treats its employees equally and fairly by providing a good and safe working environment and adequate remuneration. Moreover, STA supports its employees in terms of providing the opportunity to develop knowledge, skills and experiences for career improvement. STA has established a Health and Working Environment Committee. A training program is specially designed for relevant personnel responsible for overseeing, providing advice, and giving accurate information on safety, occupational health, and the working environment, and the prevention of accidents resulting from work as well as providing other interesting health information to the employees. Considering the employee's welfare with respect to the safe and maximum working efficiency, STA

promotes and provides training to employees to worthily utilise natural resources and introduces various activities that promote the quality of life of employees, such as establishing annual health checkup, a library and creating entertainment programs as well as various activities which are designed to promote employees' good physical and mental health. Moreover, a handbook for employees has been published and is publicised through STA Intranet.

The Company has established the employee provident fund of which permanent employees are entitled to apply for with options to pay the contribution at the flexible rate, the minimum of 3% to the maximum of 15% of total salary, which is not entitle to years of service. The contribution rate paid by the Company depends on years of services of each employee. The employee will receive such provident fund benefit on the termination of their employment or upon their resignation from provident fund according to their entitlement except for cases where the terminations are not eligible to the compensations.

The Board of Directors of STA has established the anti-corruption policy and communicated with employees to provide better knowledge and understanding for the prevention of corruption. This is to build a good business conscious, right core value, and good corporate culture.

The Board of Directors of STA has established the Whistleblower Policy and set channel for appellant from all groups of stakeholder regarding falsify or inappropriate actions which may cause the damage to the Company including protective measures for claimer who is in good faith.

Customers: STA is committed to creating customer satisfaction by producing quality products and delivering the products on a timely basis and maintaining a good sustainable relationship. A guideline for customer relations practice is included in the Code of Business Conduct under Conduct of Relations to the Customers.

Business Partners: STA has the procurement policy to screen business partners and purchases goods and services from such business partners pursuant to commercial conditions. The Company always complies with the agreements entered into with its

business partners and strictly follows the laws and regulations and possesses good business ethics in regard to equal and transparent business competition.

Competitors: STA promotes and supports the policy of fair and free competition. STA will not take any actions that infringe or violate any laws related to commercial competition or that could cause harm reputation of its competitors.

Creditors: STA complies with the conditions of loan agreements and provides accurate, transparent, and accountability information to creditors. Moreover, STA strictly adheres to the compliance with the prescribed conditions of the contract from creditors.

Government Agencies and Related Organizations: STA strictly complies with various laws and regulations e.g. laws pertaining to the environment, safety, labour, tax management and accounting, as well as the government notifications relating to the business operations of STA.

Society and Environment: STA is aware of and concerned about the safety, environment, and the quality of life of the people, and the importance of natural resources conservation, the promotion of energy sufficiency, the alternative use of natural resources to minimize the impact on society, the environment and people's quality of life to the greatest possible extent. As such, STA supports activities in the neighborhood community of the factories by providing the most efficient management of safety and environment.

The Board of Directors has supervised and monitored the management system to ensure full compliance with laws and regulations of regulatory agencies and the fair and strict equitable treatment of all stakeholders. Additionally, the Company has prepared Sustainability Report to communicate the Company's operation in materiality matters to all stakeholders.

STA has established a channel of communication for shareholders or any stakeholders to directly report to the directors. The Audit Committee assigned to receive these complaint reports will investigate and report to the Board of Directors. Furthermore, shareholders or any stakeholders may directly seek information from the Company Secretary of STA and the Investor Relations Office as following details:

- The Audit Committee, E-Mail Address: auditcommittee@sritranggroup.com
- The Company Secretary, E-Mail Address: corporatesecretary@sritranggroup.com
- The Investor Relations Office, E-Mail Address: ir@sritranggroup.com
- Telephone no. +662-207-4590

4. Information Disclosure and Transparency

- (1) The Board of Directors of STA is responsible for the accurate, complete, clear, timely, and transparent disclosure of both significant financial and non-financial information of STA both Thai and English in balance and easy to understand form through the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2), and management discussion and analysis on a quarterly basis via easy-to-access channels, which reflects fairness and reliability at the same time of maintaining the commercial interest of STA so that the stakeholders are all equally able to receive information in compliance with the Securities and Exchange Commission, the Stock Exchange of Thailand, and the requirements of various regulators.
- (2) STA has set up a public relations department in order to communicate with investors and related third parties. The Investor Relations Office is the center for communication between shareholders, stakeholders, investors, analysts, and other related parties.
- (3) To report the corporate governance policy through the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2), and the Company's website.
- (4) To disclose vision, mission, and goal of the Company. Such disclosed information will be reviewed by the Board of Directors of the Company on yearly basis.
- (5) To clearly disclose the shareholding structure of the Company including shareholding of the directors and the Executives of the Company both direct and indirect by presenting the beginning and ending shares as well as movement transaction during the year.
- (6) To establish the policy that the directors must report all trading in securities and quarterly present to the Board of Directors.
- (7) To establish the policy for the directors and the Executives to report their interest on the first appointment to the position and at the end of every year or every time when there is a change.
- (8) To present report of the Board of Director's responsibility for the financial reports together with auditor's report in annual report.
- (9) To disclose minutes of the annual general meeting on website of the Company.
- (10) To disclose profile of the directors and their attendance on the Board of Directors and Sub-Committee meeting of the preceding year.
- (11) To disclose the date of first appointment to the Board of each director.
- (12) To disclose details of training and development program that the directors joined during the preceding year.
- (13) To disclose the audit fees and non-audit fees in annual report.
- (14) To disclose Memorandum of Association and Article of Association in the website of the Company.
- (15) The Board of Directors of STA has a duty to provide management discussion and analysis and report risk factors, types of risk, the cause and impact of risk upon the business operation of STA, competitions, market share, business structure, and dividend policy through the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).
- (16) STA provides various communication channels such as website, annual report, sustainability report, analyst meeting so that shareholders or investors can easily access company information thoroughly and equally.
- (17) STA discloses significant information in Thai and English through website that is updated regularly. The Investor Relations Office at Bangkok Branch can be contacted at: Tel: +66-2207-4500, Fax +66-2108-2244, or at www.sritranggroup.com

5. Responsibility of the Board of Directors

(1) The Structure of the Board of Directors

The Board of Directors of STA, consisting of directors who have knowledge, competence, profession or expertise in various areas dedicating

their experiences in business, has the duty to determine policies, visions, strategies, goals, missions, business plans and budgets of STA, as well as to monitor the management team to effectively and efficiently manage the business of STA in accordance with the policies under the legal framework, objectives, the Articles of Association of STA and the resolutions of the shareholders meeting and the Board of Directors Meeting. Such duties must be performed with responsibility, due care and loyalty under the principles of good corporate governance in order to increase the best economic value for the business and the highest stability for the shareholders.

Moreover, in compliance with the principles of good corporate governance and in order to ensure the Directors' effectiveness of work, the Board of Directors has established the policy that the Directors should not hold directorship positions for more than five listed companies.

According to the Articles of Association of STA, at every annual general meeting, one-third of the Directors, or, if the number of Directors is not a multiple of three, then the number nearest to one-third, shall retire from office. The Directors who are to retire from office in the first and the second years after registration of the company shall be drawn by lots. In the subsequent years, the Directors who have been holding office for the longest time shall retire.

The Board of Directors has passed a resolution to appoint Mrs. Pacharin Anuwongwattanachai as Company Secretary to provide advice on compliance with relevant laws and regulations which the Board of Directors is required to know. The Company Secretary shall also supervise the activities of the Board of Directors and ensure that the resolutions of the Board of Directors meeting have been complied with.

(2) Sub-committees

To comply with good corporate governance, the Board of Directors of STA has appointed five sub-committees namely the Audit Committee, the Executive Committee, the Remuneration Committee, the Nomination Committee, and the Risk Management Committee to scrutinize specific matters thoroughly and effectively.

(3) Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors of STA oversees the business operation and the mission of STA to be in accordance with the approval given by shareholders, applicable laws, objectives, the Articles of Association of STA, and resolutions of the Board of Directors meeting and the shareholders meeting. The Board of Directors of STA must exercise good business judgment in making business decisions and perform its duty with responsibility, due care, and loyalty in the best interests of the Company.

Conflict of Interests

The Board of Directors of STA has established a policy for preventing conflicts of interests on the basis that any decision-making on business transactions must be made only for the best interest of STA, and that any act which may cause a conflict of interest should be avoided. It is required that a person involved in or having a conflict of interest in any agenda item to be discussed in a meeting shall report the relationship or conflict of interest in such agenda item to STA, as well as abstain from voting and shall have no authority to grant approval for such transaction.

(4) The Board of Directors Meeting

According to the Articles of Association of STA, the Board of Directors shall hold a meeting at least once every three months. The Company shall prepare the schedule of the meeting for the whole year and inform all directors to acknowledge in advance within December every year. Any additional meetings shall be arranged if necessary, so that the Board of Directors shall monitor and give their opinions on the performance, vision, strategy, important policies, risks, and other issues affected creating sustainable value to STA. A meeting notice will be delivered to directors at least seven days prior to the date of the meeting, except in the case where it is necessary or urgent to preserve the rights and benefits of STA. At each meeting, the agenda items of the meeting must be clearly specified and supported by complete and sufficient documents, and must be delivered to the directors in advance so that the directors will have sufficient time to study such information prior to the meeting. At the meeting, each director is allowed to openly



discuss and express his/her opinion and at least two-third of the total number of directors shall be presented to form a quorum at the time of the Board passing a resolution. In addition, at the meeting of the Board of Directors, the senior executives will be invited to participate in order to present additional details of information on such matters in which they are directly involved.

STA is committed to providing the Board of Directors with adequate, complete, and continuous information in a timely manner prior to a Board of Directors meeting. The management provides information requested by the Board promptly and keeps the Board informed of all material events and transactions as they occur. The Board has separate and independent access to senior management and the Company Secretary at all times.

The Directors may, in fulfilling their duties, as a group or individually, when necessary, direct the Company to appoint external professionals to render advice. The Company Secretary is responsible for advising the Board of Directors on compliance with legal and regulatory requirements.

(5) Remuneration

The director remuneration policy has been clearly and transparently established by the Board of Directors by delegating the Nomination and Remuneration Committee to consider and review the appropriateness.

- **The Remuneration of Directors Policy**

The Board of Directors defined the director remuneration policy. The remuneration and

meeting allowance is specified to the Chairman of the Board of Directors, Executive Directors, Non-Executive Directors, the Chairman of Audit Committee, and Audit Committee Members. In this regard, the Remuneration Committee has a duty to propose a framework and criteria of remuneration for the Directors to the Board of Directors' meeting to agree with before proposing to the Shareholders' meeting to approve. The remuneration is considered based on the Company's performance, the director's responsibility and compared with the other listed companies in SET that have similar market capitalization as well as other listed companies in the same industry. This shall support the remuneration structure to be appropriate for the perseverance, responsibilities, and experiences of Directors that shall lead the Company to be achieve in both short-term and long-term goals. In addition, the remuneration will be disclosed in the Company's annual report.

- **The Remuneration of Management Policy**

The CEO, as a representative of the Board of Director, shall consider the management remuneration policy. Such remuneration will be appropriately considered based on the remuneration structure of the Company comparing to remuneration information surveyed by recognized institutes, organizations and entities as well as the inflation rate and net profits of the Company together, including performance and consistency with the duties and responsibilities assigned.

(6) Training for the Directors and the Executives

STA usually provides an orientation to the newly appointed director so that such Director can discharge his/her duties effectively. The Company Secretary will liaise with the Directors in any matters such as affidavit, Articles of Association, manual of director in Annual Registration Statement (Form 56-1), working system information within the Company, and other related laws and regulations.

The Board of Directors has a policy to enhance and accommodate the provision of training on good corporate governance. Regular and continuous training programs are provided to directors so that they can improve their knowledge. STA has the policy to support the Directors and the senior management at least one person a year to join any training programs that equip them with knowledge to support their duties.

Moreover, STA has made available resources for Directors to receive training in any relevant specific area to enable them to discharge their duties with due care and loyalty.

The Board of Directors of STA has paid attention to Directors and Executives development by having a policy to encourage at least one person of Directors, Executives, or Company Secretary to have training and knowledge development on a yearly basis. This helps broaden their perspectives benefit for STA's business development. In 2020, there were Directors and Executives attended training courses as below:

Name of Director/ Executive	Position	Training Courses	Held by	Training Date
Mr. Patrawut Panitkul	Director and CFO	Strategy for Monetary Management to Create The Growth in New Normal Era	The Stock Exchange of Thailand	18-20 June 2020
		The Effect of COVID-19 on The Listed Company and The Preparation for Financial Report Preparation in FY2020	Ernst & Young	23 September 2020
		Drill down on audit evidence And interesting issues	Accounting Coash Thailand Co., Ltd.	6-8 January 2021
Mr. Chalernpop Khanjan	Director	Business Analysis for Customer Satisfaction Enhancement	Future Skill	3 June 2020
Mr. Vitchaphol Sincharoenkul	Director	Director Accreditation Program (DAP 172/2020)	Thai Institute of Directors (IOD)	24 September 2020
Mrs. Pacharin Anuwongwattanachai	Company Secretary	Personal Data Protection Act Seminar 2019: Procedure and Guideline	ThaiLaw Training	14-15 July 2020
		One Report Seminar	Thai Institute of Directors (IOD)	18 August 2020
		CGR Workshop 2020 Enhancing Good Corporate Governance based on CGR Scorecard		11 September 2020
		ASEAN CG Scorecard Coaching 2020		2 November 2020
		Land and Buildings Tax Act Seminar	Dharmniti Seminar and Training Co.,Ltd.	14 October 2020
		TFRS for PAEs using in the fiscal year 2020, for item 2, 16, 23, 36, 38 and 40	NYC Management Co.,Ltd.	22 December 2020

(7) Assessment of the Directors' Performance

STA has conducted the Directors' Self-Assessment where the assessment form is in accordance with the good corporate governance so that the assessment results can be further used to develop the performance of the directors. Four types of assessment form are;

- The Board Assessment Form (Assessment of the Board as a whole)
- Individual Board Member Assessment Form (Self-Assessment)
- Sub-committee Assessment Form (Self-Assessment of the Sub-committee comprised the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Risk Management Committee)
- Chief Executive Officer (CEO) Assessment Form

The guideline for the assessment grading for each area is as follows:

- Greater than or equal to 90% = Excellent
- Greater than or equal to 80% = Very good
- Greater than or equal to 70% = Good
- Greater than or equal to 60% = Fair
- Less than 50% = Poor

The assessment process can be summarised as follows:

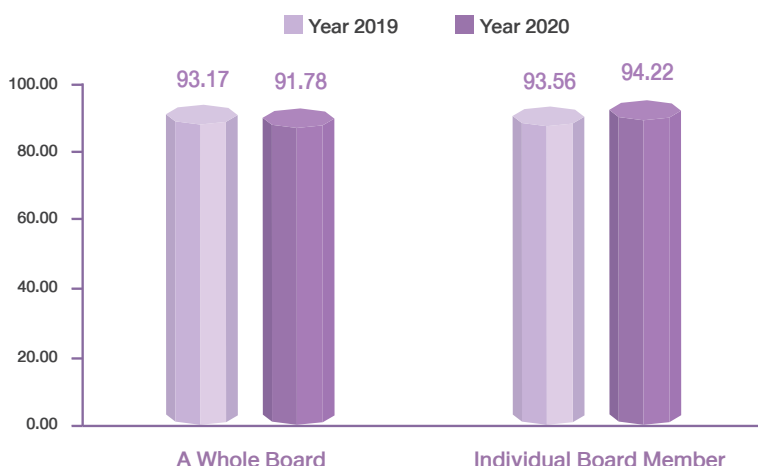
The Company Secretary is to prepare and review assessment forms in accordance with the related rules to ensure the accuracy and completeness before presenting to the Board for a recommendation. The assessment form will be then passed to the directors to evaluate. The Company Secretary will summarize the assessment results.

The details of assessment can be summarized as follows:

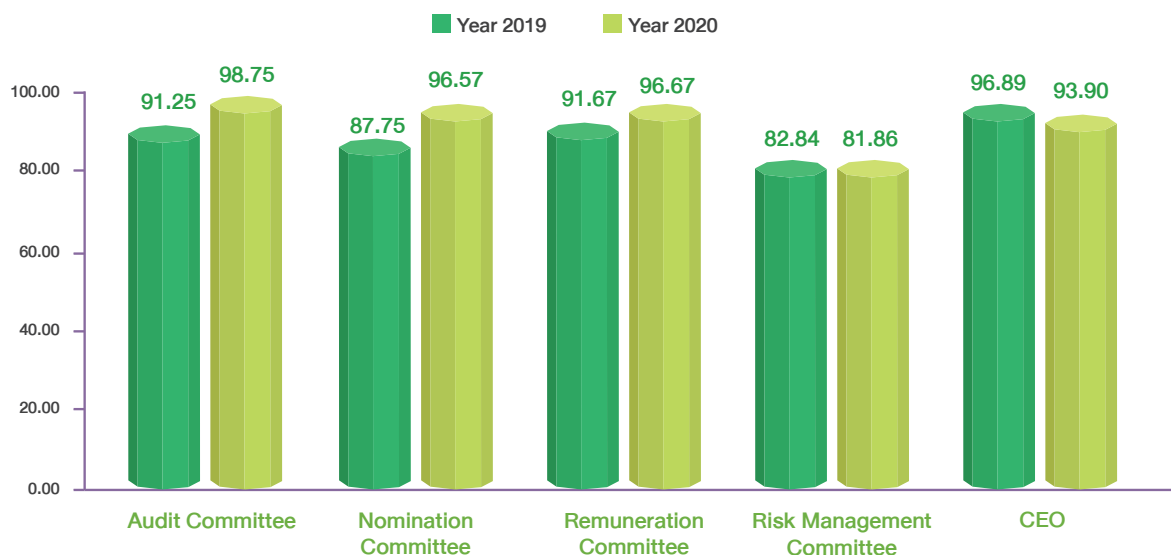
1. The Board Assessment Form (Assessment of the Board as a whole) consists of 6 areas; structure and qualification of the Board of Directors, roles, duties and responsibilities of the Board of Directors, the Board's meetings, the Board's performance of duties, relationship with management, and self-development of the Directors as well as the development of Executive Officers.
2. Individual Board Member Assessment Form (Self-Assessment) consists of 4 areas; 1) responsibility on their decisions and actions, 2) the effective performance of their duties, 3) fair and 4) equitable treatment to the stakeholders, transparency and traceability of work with the disclosure of information, and level of Principles of Business Ethics as well as Code of Business Conduct on their business operation.
3. Individual Sub-committee Assessment Form (Assessment of the Sub-committee as a whole) consists of 3 areas; the structure of the sub-committees, effectively carry out duties during meetings and duties and responsibilities of the sub-committees.
4. Chief Executive Officer (CEO) Assessment Form consists of 10 areas; 1) leadership, 2) strategic planning, 3) strategy implementation, 4) financial planning and operating results, 5) relationship with the Board of Directors, 6) relationship with external party, 7) management skill and relationship with employees, 8) successor plan, 9) knowledge of products and services, and 10) personal character.

The assessment results can be summarised as follows:

Board of Directors' Self-Assessment Result



Sub-Committees and CEO's Self-Assessment Result



(8) Director Selection

For the director selection, the Board of Directors defines the qualification of director candidates to harmonize with STA's strategy in business operation by considering the composition based on the board diversity, including knowledge, skills, experiences, ages, and genders of Directors. Additionally, STA shall adopt the director pool database prepared by the Thai Institute of Directors Association in the director selection process to ensure that a candidate for being a director or an executive is qualified and independent as well as has proper experience before proposing the Board of Directors or shareholders to consider to appoint. Anyhow, the Board of Directors shall consider the appointment of a director in replacement of the resigned director with the remaining term in office. For a new director and/or a director who completes his/her term in office shall be appointed by the shareholders.

Using inside information policy

STA and its subsidiaries operate business with transparency and are aware of the importance of the use of inside information. To comply with the Securities and Exchange Act, B.E. 2535 (as amended) (the 'SEC Act') including relevant rules and regulations, the Company sets out this Policy for the Use of Inside Information and measures to prevent the disclosure or use of confidential and/or non-public inside information of the Company by directors and executives including those holding an executive position in accounting or finance at the level of division manager or higher including employees of the Company and its subsidiaries for their own benefit or for others' benefit, either directly or indirectly and irrespective of whether such disclosure or use of confidential and/or inside information would be for consideration. This also extends to the use of inside information for the purpose of securities trading.

Practice guideline

- (1) The Company will educate its directors and executives on the obligation to prepare and disclose reports on securities holding and the change thereof of (a) such directors and executives themselves, (b) their spouses or de facto partners; (c) minor children and (d) a legal entity in which the director or executive, his or her (b) and (c) collectively hold shares more than 30 per cent of the total voting rights, provided that such aggregate shareholding is considered the largest shareholding in such entity. The reports shall be disclosed to the Office of the Securities and Exchange Commission in accordance with Section 59 of the SEC Act and the relevant notification of the Office of the Securities and Exchange Commission. The Company shall also educate its directors and executives on the reports on acquisition or disposal of securities in accordance with Section 246 of the SEC Act and relevant notifications of the Capital Market Supervisory Board.
- (2) The Company requires that each director and executive prepare and submit to the Company Secretary reports on securities holding and the change thereof of (a) such directors and executives themselves, (b) their spouses or de facto partners; (c) minor children and (d) a legal entity in which the director or executive, his or her (b) and (c) collectively hold shares more than 30 per cent of the total voting rights, provided

that such aggregate shareholding is considered the largest shareholding in such entity. The reports shall have the prescribed format of the Office of the Securities and Exchange Commission. Each submission of the reports to the Company Secretary shall be made on the same day with the submission of the relevant reports to the Office of the Securities and Exchange Commission. Reports on securities holding and the change thereof and an acquisition or disposal of securities shall be prepared using methods and submitted within the period specified under the SEC Act and relevant notifications of the Office of the Securities and Exchange Commission. The Company Secretary shall report the same to the Board of Directors on a quarterly basis.

- (3) The Company prohibits the use of inside information by definition given under the SEC Act by directors, executives and relevant staff and employees including those assumed to have been aware of or in possession of non-public inside information that is price sensitive or which may have an impact on the decision of investors in purchasing or selling securities of the Company, or which may cause damage to investors who wish to invest in securities of the Company. The prohibited use of inside information includes the use of inside information for purchasing, selling, offering to purchase or to sell or soliciting others to purchase, sell, offer to purchase or to sell securities of the Company, either directly or indirectly, and irrespective of whether such an act will be for the benefit of themselves or for the benefit of others, or the disclosure of such information for others to perform such acts, and whether the act is committed for consideration. In addition, such directors and executives, relevant staff and employees including their spouses or de facto partners and minor children shall refrain from purchasing, selling, offering to purchase or to sell or soliciting others to purchase, sell, offer to purchase or to sell securities of the Company, either directly or indirectly, during the period before the disclosure of the Company's annual and quarterly financial statements and financial performance or information relating to financial and status of the Company until such time when the information has become public. The Company will issue a letter to notify its directors,

executives, staff and employees including those assumed to have been aware of or in possession of the inside information to refrain from trading in securities of the Company for at least one month prior to the public disclosure and at least 24 hours after the information has become public. It is also prohibited to disclose such material information to any person by any means.

- (4) The Company requires that its directors, executives and employees including those of its subsidiaries maintain confidentiality of confidential and/or inside information of the Company and its subsidiaries including that of the business partners of the Company and its subsidiaries which has become available to them as a result of the performance of their duties. The use of confidential information and/or inside information of the Company and its subsidiaries including that of business partners of the Company and its subsidiaries shall be prohibited in any cases although such disclosure of information may not cause any damage to the Company, its subsidiaries or business partners.
- (5) The Company prohibits its directors, executives and employees of the Company and its subsidiaries from disclosing inside information of the Company and its subsidiaries. Directors, executives and employees of the Company and its subsidiaries are also prohibited from exploiting non-public inside information or material information made available to them during the course of their duties in the Company and/or its subsidiaries or from disclosing such non-public inside information or material information to the third parties for their own benefits or for others' benefits, either directly or indirectly, and irrespective of whether it is for consideration or not.
- (6) The Company puts in place a measure to impose sanctions against personnel who fail to comply with the Policy for the Use of Inside Information. Any use of inside information, either directly or indirectly, for personal benefits or for the benefits of others, irrespective of whether it is for directly or indirectly consideration or not, will be subject to disciplinary actions determined by the Company or to the sanctions of the law. Punishments will be assessed based on the intent of the action and the seriousness of the offence.



INTERNAL CONTROL AND RISK MANAGEMENT

STA recognizes the importance of internal control system, risk management, and the monitoring of the business operation, which is a continuous process and the role and shared responsibilities of all our staff to ensure that the Company's business operation at all units shall drive the accomplishment of the Company's goal as set by the Board of Directors. The Company has established an internal audit department which is an independent unit to directly report to the audit committee. The appointment, removal, and rotation of the management of internal audit department need an approval from the Audit Committee. The internal audit department shall perform an internal control assessment pursuant to the annual plan by considering related risk factors as approved by the Audit Committee as well as supporting the creation of a risk management system and providing various recommendations to ensure that all operations of the company meet the objectives as planned. The internal audit department has followed the standard for the professional practice of internal auditing as a guideline which focuses on independent, just, and internationally standardized operations with high quality auditing. In addition, according to an independent auditor who certified the Company's financial statements for the year 2020, there was no weakness in the internal control system which will materially affect the financial statements of the Company.

The following is a summary of the internal control and risk management system of the Company:

Audit Committee:

The Audit Committee responsibility is to consider the sufficiency of the Company's internal control system by continuously reviewing the performance of the internal audit department and the independent auditor. The Audit Committee emphasizes the sufficiency and

adequacy of the internal control system and ensures that all operations have complied with the laws, rules, regulations and other relevant policies. The Audit Committee may advise the development of internal control and internal audit system to the Board of Directors. If the Audit Committee has any recommendations or finds any significant error or misconducts, the Audit Committee will discuss with responsible management team and directly report such matters to the Board of Directors for appropriate actions or further improvement.

Internal Audit Department:

The Company has an independent internal audit department, being responsible for assurance and consulting. The internal audit staffs can access all information of the company without any limitations in order to independently monitor the operation of various units within the Group in accordance with the annual plan and as assigned by the Executive Committee or the Audit Committee by using the principles of risk management to make an assessment on the businesses or the working processes and report directly to the audit committee. In case of finding any item that should be improved, the procedure has been established to ensure that the findings are corrected in time. The internal audit department has appropriately and sufficiently recruited internal audit staffs with the knowledge and experience related to internal audit. Mr. Wittawas Krungtaenmuang serves as a Chief Audit Executive and the Company continuously encourages and support development of internal audit training.

Operating Control System:

The Board of Directors sets the business goal of the Company by determining the clear core value, vision, mission, as well as business growth and appointing working team to review Key Performance Indicators



(KPIs) of each business unit. This is to ensure that the target in terms of financial outcome, operating result, customer satisfaction, etc. of each business unit will be consistently aligned with the Company's goals throughout the organization.

As the Company is committed to maintaining business operations with transparency, fairness and accountability in line with the principles of good corporate governance, in the year 2020 The Company has provided training for employees to provide knowledge and support good corporate governance. Including guidelines for combating corruption to comply with the company announced its intention to join the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), which the board of CAC has approved Sri Trang Agro-Industry Public Company Limited was a member of CAC on 21 August 2018, which the Company has consistently complied with the mentioned regulations and in the year 2020 the Company has submitted the renewal of CAC membership. In addition, the Company has set whistleblowing policy and defined channels for all stakeholders to report invalid or inappropriate action which may cause the damage to the Company including protective measures for claimer who is in good faith.

Risk Management:

The Company focus and supports the concrete manner of risk management system. The Board of Directors assigns the Risk Management Committee to review the

risk management policy, to supervise and to support the risk management operations of the organization in accordance with the Company's strategy and business goals to ensure the constructive risk management system of the Company. In risk management, the Company considers the appropriateness of internal and external factors as well as circumstances that may affect the Company's operation. As a result, the evaluation and monitoring processes shall be run at all times. Furthermore, the company regularly set up a meeting at the management level to evaluate the situation and define the strategic operation to prevent potential risks and construct the idea that risk management is the responsibility of every business unit to manage and control risk to an acceptable level.

Control:

The Company has established the written measures and guidelines by placing in rules and regulations, approval authority and methods of operation for executives and employees at all levels to follow in the same direction. furthermore, the company has regularly reviewed the operations in accordance with rules and regulations such as employee performance appraisals which has been defined as Key Performance Indicators (KPIs). The Company also designs a mechanism to control operations which may cause significant risks such as financial department and procurement by segregating the approval persons, and providing the recording, reviewing, auditing, and accounting records to be complete and accurate, as well as providing systematic information as required by law.

Information and Communication:

The Company has appropriate information systems for the Internet Website and Microsoft office 365 by providing an Internet Website for shareholders, investors, and the general public able to receive important information about the Company regularly, it is also another way of communication in case of doubt or suggestions from shareholders, investors or the general public. Microsoft office 365 is a system used to communicate internally and externally which could provide the correct, prompt, and thorough communication. moreover, this channel is used as a source of distribution or exchange knowledge that affects the efficiency increase and effectiveness for the Company's operations. In addition, the Company has established a vision focusing on technology development and innovation to increase operational efficiency, reduce costs and expenses namely the development such as mobile application "SRITRAG FRIENDS" for raw material purchasing and in year 2020 the company used @Core program as an efficient human resource management system and is accessible to all of employees. The company also recognizes and places an importance on cyber security by installing IT equipment to protect against cyber threats restricting access rights to control access to information etc.

Monitoring and Evaluation Systems:

The management continuously monitors economic events and directions in order to assess and adjust operating strategies to suit current situations. Along with the plan to support events that may affect the organization's goals in the future as for the performance, the company has monitored the employees to perform according to the specified procedures by reporting the performance according to KPIs for continuous and timely evaluation. In addition, the company has monitored regular compliance with the internal control system and if any defects are found in the internal control system have communicated to the department for acknowledgment in order to make improvements with monitoring and report to the Audit Committee and the Executive Committee to ensure that the administration and supervision of the organization are efficient and effective.

According to the Audit Committee meeting no. 1/2021, on February 3, 2021 the Audit Committee evaluated the internal control system of the Company and stated the opinion that the internal control of the Company was adequate and appropriate by asking questions from the management and related personnel. To conclude, the assessment form of the internal control system of the Company in five parts composed of: 1) Internal control of the organization, 2) Risk assessment, 3) Control of the operation of the management, 4) Information and Communication Systems, and 5) Follow up system, the Audit Committee expressed its opinion that the Company's internal control system is sufficient and appropriate by providing sufficient personnel to implement the system efficiently, then proposed the Board of Directors Meeting No. 1/2021, on February 4, 2021 to consider and review the assessment result which the Board of Directors had no different opinion from the Audit Committee. Moreover, the Board of Directors has emphasized the strict adherence to the company's Corporate Governance Policy to comply with the regulations of the Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand in order to ensure the operations of the Company is transparent and the most effective.

Regarding to the supervision of the subsidiaries of the Company, the company's directors shall become a director in its subsidiaries and associated companies, and the Company shall assign its representative to become a director in its subsidiaries. In addition, the Company shall assign the internal audit department to examine the adequacy of the internal control system of the Company and its subsidiaries, then report the audit result to the Audit Committee to be able to control and examine the operation efficiently.

A photograph of a man standing in a lush green forest, looking up at the tall trees. The scene is filled with sunlight filtering through the leaves. A large white circle is overlaid on the upper half of the image, containing text.

WE BELIEVE THAT
SUSTAINABLE BUSINESS MUST
GROWTH WITH SOCIETY
AND ENVIRONMENT

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

Throughout three decades that Sri Trang Group has been operating, the Company has placed importance to every step of our business growth along with promoting economically, socially and environmentally care through various projects and social activities. The Company has realized and placed importance to produce quality products with the environmentally-friendly production process, together with promoting a fair system for raw material procurement and maintaining a well-accepted and trusted trading standard for farmers, suppliers, and clients. In addition, we have realized all dimensions of an impact which may affect stakeholders, including shareholders, employees, clients, trade partners, communities, and government agencies. Besides, the Company listens to communities and employees in order to improve the organization. We strive to building perception and corporate culture so that our employees as part of Sri Trang family can share social responsibility with the society where they live. More importantly, we always adjust our strategy and develop our business operation towards the changed circumstance to become the sustainable rubber producer in the industry.

In addition, in 2021, the company has prepared a sustainability report according to eight principles of social responsibility of the Stock Exchange of Thailand and guidelines for reporting according to the GRI Standards. The reporting period from 1 January 2020 - 31 December 2020. The content covers the evaluation of important issues for the sustainability of the Sri Trang Group, stakeholders management guidelines, economic, social and environmental performance. In the year 2020, the Company evaluated the response to the Sustainable Development Goals (SDGs) of 13 goals from the organization’s operation as well.

Materiality Issues

In order to ensure the economic, social and environmental operations of the company achieving the sustainable development goals, measurable and responding to the expectations of stakeholders appropriately. The Company assess and prioritize important issues affecting the Company business by various related department. In order to be able to find guidelines and plan for management appropriately by applying the principles of determining the content of GRI Standard.

Important issues from analysis and ranking passed verified by the working group then presented to the Board of Directors for consideration and approval to publish in the 2020 Sustainability Report. The important issues from the Materiality Matrix are:





Economic



- Strengthen and develop relationship with traders and business partners in all aspects sustainably;
- Participate in developing a sustainable growth of natural rubber industry with trade partners, government agencies, related private sectors, and rubber farmers;
- Promote a free trade of raw material supply with transparent and trustful information;
- Promote cooperative and community business in order to increase the flow of economy and job creation in the vicinity where our processing facilities are located;
- Strengthen the overall economy by driving sustainable rubber industry

As a result of these, in 2020, STA attained SET Sustainability Awards (Rising Star), Thailand Sustainability Investment 2020 called 'THSI' or 'Sustainable Stocks' awarded by the Stock Exchange of Thailand for six consecutive years; moreover, STA was selected to be part of the SET THSI index as a sustainable company, in the list of 73 stocks, in the SETTHSI index as a listed company with outstanding performance on Environmental, Social and Governance (ESG) aspects.

Social



The sustainable growth of the Company have to participate in development communities and society to grow together in Economic, Social and Environment. Including the development of the quality of life of people in the community by proceeding through various activities and projects both initiated and prepared to meet the expectations of the interested parties as follows:

Children and youth aspect



- STA STEM STUDENT, the 4th year of Sri Trang, Community Learning Center
- Job & Revenue Creation and Reduce Household Spending Project



Sports aspect



The Company believed that sports encouragement is a way to improve the society. The Company has support such activities by providing budget, sports equipment, and participating in sporting events of community and others agencies.



Career development and well-being aspect



In addition to job creation by recruiting people in the community to work with our factories, the Company emphasizes on promoting and creating careers for people in the community by considering needs and abilities of th communities to create a better living as follows:

- Project to enhance good water standard and relationship with communities



The Company dug wells to collect rain water for production usage. Moreover, in these wells, the Company released fish to be a measure of water quality and open employees and communities to do fishing for cooking and selling.

Culture and local traditions aspect



The Company has provided support to local culture and traditions in every community where the Company's operation in order to preserve the local culture and traditions.



• Female Power Project

To strengthen communities by increase career paths and enhancing income for the community.



• Supporting Job Creation in The Communities

The Company establishes the policy that we will support the job creation in every community where our factories are located in, including purchasing/ receiving communities' products and services.



• Good Latex Quality Creating Happy Life Project

The Company declares our intention to our suppliers and rubber farmers and invite them to produce good latex quality, covering latex procurement centers and trucks. This helps enhance Thai rubber industry's standard together with value-creation of good latex leading to sustainable incomes of suppliers and rubber farmers.



Helping disaster victims and disadvantaged



The Company provides assistance to disaster victims or disadvantaged people in society. Both domestically and internationally by the participation of employees, subsidized funds, survival bags, drinking water and medical gloves, through an organization directly and through customers and the Company's partners. In 2020, the Company has helped flood victims in Loei, Trang, Nakornsri Thammarat, and Suratthani provinces.



Good community and good environment



• Sritrang's volunteer

To strengthen unity and raise awareness of public mind for employees to improve the environment of both the nearby and faraway communities, such as villages, temples and schools to create a good environment. Including demonstrating the sincerity in sustainable operation with the community such as volunteer activities, dredging ditches, build weir and cleaning the road.



• “Bun-Took-Yang Tid-Rang Srang-Roi-Yim”

4th-Year project to encourage suppliers, rubber farmers, and truck owners to deliver rubber to the Company's factories with good practice. This helps prevent the serum from the cup lump leaking onto roads during driving to our factories. Moreover, due to the COVID-19 situation, we have developed online examination to reduce touching points.





- Good soil project: Sludge processing to organic fertilizer for the communities



The Company has operated projects for the third consecutive year to add value of sediment from wastewater treatment systems and process soil sludge into organic fertilizers. It is the development of sustainable agriculture which can reduce costs by manufacturing fertilizers are used by the community. The sludge used for fertilizer production has been analyzed for no contamination of dangerous heavy metals.

- To release aquatic animals to nature: in order to help restore ecosystem, food chains, and maintain natural abundance.



- Expand the green area

The Company pays attention to increasing green areas to help absorb carbon dioxide. Which is one of the causes of global warming. Therefore planting trees both internal and external by collaborating with local agencies every year.



The social responsibility operation is provided more details in the 2020 Sustainability Report, which has been disclosed on the Company's website www.sritranggroup.com under the topic of sustainability

CAPITAL STRUCTURE

INFORMATION ON SHARE CAPITAL AND SHAREHOLDING OF STA

Share Capital

Authorised Share Capital : Baht 1,535,999,998

Issued and fully paid-up Share Capital : Baht 1,535,999,998

(representing 1,535,999,998 ordinary shares with a par value of Baht 1 each)

Class of Shares : Ordinary shares with a par value of Baht 1 each

Voting Rights : One vote per share

DISTRIBUTION OF SHAREHOLDINGS AS OF 1 FEBRUARY 2021

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 999	4,819	31.16	1,389,243	0.09
1,000 – 10,000	7,819	50.57	29,396,330	1.91
10,001 – 1,000,000	2,722	17.60	185,088,255	12.05
1,000,001 – 10,000,000	85	0.55	298,399,197	19.43
10,000,001 – less than 5% of paid-up share capital	15	0.10	351,406,761	22.88
More than 5% of paid-up share capital	3	0.02	670,320,212	43.64
Total	15,463	100.00	1,535,999,998	100.00

Note: Includes shareholders holding through CDP

Free Float

Based on information available to the Company, approximately 55.45% of the Company's shares are held in the hands of the public as of 1 February 2021.

Top ten largest shareholders of STA according to the book closure date as of 1 February 2021¹, are as follows:

	Name	No. of Shares	%
1	STH	343,790,629	22.38
2	Sincharoenkul family ²	278,584,116	18.14
3	Thai NVDR Co., Ltd	193,542,074	12.60
4	Mrs. Promsuk Sinchareonkul	44,900,000	2.92
5	CITIBANK NOMS SPORE PTE LTD	40,700,421	2.65
6	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	29,267,679	1.91
7	CITIGROUP GLOBAL MARKETS LIMITED-PB CLIENT-NRBS COLLATERAL	26,378,735	1.72
8	UOB KAY HIAN PRIVATE LIMITED	22,503,090	1.47
9	Ms. Aroonsri Rattanathunyaporn	22,174,100	1.44
10	STATE STREET EUROPE LIMITED	21,091,769	1.37
	Total	1,022,932,613	66.60

Note: 1) Information obtained from TSD and CDP

2) Details of shareholding of Sincharoenkul family who perform as Director and Management of STA including related persons of those group;

	Name	No. of Shares	%
1	Mr. Viyavood Sincharoenkul	132,987,509	8.66
2	Mrs. Lee Joyce Shing Yu	28,724,890	1.87
3	Mr. Vitanath Sincharoenkul	24,556,500	1.60
4	Mr. Vitchaphol Sincharoenkul	23,500,000	1.53
5	Mr. Veerasith Sinchareonkul	22,500,000	1.46
6	Mr. Kitichai Sincharoenkul	17,349,084	1.13
7	Mr. Paul Sumade Lee	10,814,399	0.70
8	Mrs. Susan Sun	7,372,940	0.48
9	Ms. Vannisa Sincharoenkul	5,798,694	0.38
10	Mr. Lee Tristan Chee-Zen	4,980,100	0.32
Total		278,584,116	18.14

There is no acting in concert person and no person who is specified under section 258 of the SEC Act.

STA has no shareholding agreement between major shareholders affected issuing and offering securities or management of STA.

INTEREST OF DIRECTORS AND EXECUTIVES

The directors and executives of STA who are in office as at 31 January 2021 had the following interests in the ordinary STA shares as of 31 December 2020 as follows;

Name	Position	Number of Shares on 1 January 2020	Number of Shares on 31 December 2020	Increase (decrease) during Year of 2020	Percentage of Shares on 31 December 2020
Mr. Viyavood Sincharoenkul Spouse and minor child	Chairman/ Managing Director	132,987,509	132,987,509	-	8.66%
		7,372,940	7,372,940	-	0.48%
Ms. Anusra Chittmittrapap Spouse and minor child	Vice-Chairman/ Independent Director/ Audit Committee Member	-	-	-	-
Mr. Chaiyos Sincharoenkul Spouse and minor child	Director	8,997,521	6,597,521	(2,400,000)	0.43%
		-	-	-	-
Mr. Kitichai Sincharoenkul Spouse and minor child	Director/ Group Manager of Legal & Administration	13,132,340	17,279,084	4,146,744	1.12%
		3,941,744	-	(3,941,744)	-
Mr. Paul Sumade Lee Spouse and minor child	Director/ Chief Marketing Officer	10,814,399	10,814,399	-	0.70%
		33,174,890	28,724,890	(4,450,000)	1.87%

Name	Position	Number of Shares on 1 January 2020	Number of Shares on 31 December 2020	Increase (decrease) during Year of 2020	Percentage of Shares on 31 December 2020
Mr. Veerasith Sinchareonkul Spouse and minor child	Director	27,656,747 97,320	22,500,000 -	(5,156,747) (97,320)	1.46% -
Mr. Vitchaphol Sincharoenkul Spouse and minor child	Director	25,555,000* -	23,500,000 -	(2,055,000) -	1.53% -
Mr. Patrawut Panitkul Spouse and minor child	Director/CFO	-	-	-	-
Mr. Chalernpop Khanjan Spouse and minor child	Director/ Chief Operating Officer	-	-	-	-
Mr. Kriang Yanyongdilok Spouse and minor child	Independent Director/ Chairman of the Audit Committee	-	-	-	-
Mr. Samacha Potavorn Spouse and minor child	Independent Director/ Audit Committee Member	-	-	-	-
Gen Thanasorn Pongarna Spouse and minor child	Independent Director	-	-	-	-
Mr. Chaidet Pruksanusak Spouse and minor child	Group Manager of Quality Assurance	-	-	-	-
Mr. Udom Pruksanusak Spouse and minor child	CEO - Plantation	12,000 -	12,000 -	- -	0.001% -
Ms. Nuchanart Chaiyarat Spouse and minor child	Group Manager of Human Resource	-	-	-	-
Total		263,742,410	249,788,343	(13,954,067)	16.25%

Note: *Data as of 28 February 2020 which was the appointment date.



The Company Board of Directors has specified the reporting policy in regard of the interest of directors and executives in order to monitor the interest of directors and executives or their related persons in relation to the business operation of the Company or subsidiaries. The reporting policy is as follows;

- First time report when at an appointment as a director or executive.
- Report at any time when there is any change in interest.
- Report at the end of each year.

The directors and executives shall report their interests to a company secretary. The company secretary, thereafter, shall report such interests to the chairman and the chairman of audit committee within seven days from the date that the company secretary receives a report from the directors or executives. The acquisition of shares of the directors and executives shall be presented to the Company's Board of Directors for their acknowledgement every quarter.

DEBT SECURITIES DEBENTURES

On 31 December 2020, there were 1 series-- 1 tranche (Tranche 2)--STA outstanding debentures, totaling principal of Baht 1,455,000,000. The details of debenture of Sri Trang - Agro Industry Public Company Limited no. 1/2016 are as follows:

	Tranche 2
Offering to	Institutional and High Net Worth Investors
Type of Debentures	Unsubordinated and unsecured debentures without a debenture holders' representative
Principal amount of Debentures	Baht 1,455 million
Interest rate	Fixed interest rate at 3.10% per annum
Interest Payable	Semi-annually
Term	5 years
Maturity Date	18 May 2021
Credit Rating	A- / Stable by Tris Rating Co., Ltd.

On 26 October 2020, Tris Rating Co., Ltd. assigned A- / Stable rating for STA and the issued debentures.

DIVIDEND POLICY



Dividend Policy of STA

STA has the policy to pay dividends of approximately 30% of net profits as reported in the stand-alone financial statements of each financial year, but not in excess of retained earnings. In determining the amount of each dividend payment, the Board of Directors considers a range of factors, including the financial position, operating results and cash flows of STA; the ability of the subsidiaries, associates and joint venture entities to make dividend payments to STA; the expected working capital required to support STA's future growth plan as well as the overall economic climate and other external factors that the Board believes could potentially have an impact on the business operations of STA.

Dividend Policy of the Subsidiaries

Dividend payments by the subsidiaries are approved by the Board of Directors of each subsidiary and must then be approved by the shareholders during the shareholders' meeting. In determining the amount of dividends to be paid, the Board of each subsidiary considers the operating results, financial position and capital requirements of each subsidiary. Payments must also be made in compliance with the Articles of Association and other constitutional documents of each subsidiary.

RELATED PARTY TRANSACTIONS

The material related party transactions that were disclosed in the notes to the financial statements of STA and the interested person transactions that were not disclosed in the notes to the financial statements of STA for the financial year ended 31 December 2019 and 31 December 2020 are as follows:

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
1. Pruksa Rubber Co., Ltd.	The Executives officer of STA, Mr. Udom Pruksanusak and siblings, hold more than 50% of the shares in Pruksa Rubber Co., Ltd. Mr. Udom Pruksanusak is the authorized signatory of Pruksa Rubber Co., Ltd.	1.1 STA • Sales of field latex	1.27	0.95	STA sold field latex to Pruksa Rubber Co., Ltd. because STA did not have in-house logistic service team, and Pruksa Rubber Co., Ltd. purchased the field latex right at STA's rubber plantation. This provided administrative, distribution and labor cost savings to STA. The selling price of field latex was the price set by STA procurement team as a daily basis.	Since STA's total plantation areas ready for tapping was still small, it is an appropriate afford to control STA logistic and administrative costs by selling field latex to Pruksa Rubber Co., Ltd. at the reasonable price set by STA procurement team.
		• The purchase of field latex	25.36	1.84	STA purchased field latex from Pruksa Rubber Co., Ltd. because the rubber plantations of Pruksa Rubber Co., Ltd. were located close to the factory and the purchasing center of STA. Moreover, Pruksa Rubber Co., Ltd. was capable to supply rubber of the quality and quantity as required by STA. The purchasing price of the field latex was at the price that the group made an announcement to general suppliers in front of factory.	STA required field latex as a raw material for the production of concentrated latex. The purchase price was at the market price determined daily by the procurement.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		1.2 Nam Hua Rubber "NHR" <ul style="list-style-type: none"> Sales of field latex 	-	0.02	<p>NHR sold field latex to Puksa Rubber Co., Ltd. because NHR did not have in-house logistic service team, and Puksa Rubber Co., Ltd. purchased the field latex right at NHR's rubber plantation. This provided administrative, distribution and labor cost savings to NHR. The selling price of field latex was the price set by NHR procurement team as a daily basis.</p>	<p>Since NHR's total plantation areas ready for tapping was still small, it is an appropriate afford to control NHR logistic and administrative costs by selling field latex to Puksa Rubber Co., Ltd. at the reasonable price set by NHR procurement team.</p>
		<ul style="list-style-type: none"> The purchase of field latex 	4.76	2.85	<p>NHR purchased field latex from Puksa Rubber Co., Ltd. because the rubber plantations of Puksa Rubber Co., Ltd. were located close to the factory and the purchasing center of Nam Hua Rubber. Moreover, Puksa Rubber Co., Ltd. was capable to supply rubber of the quality and quantity as required by NHR. The purchase price of the field latex was at the price that the group made an announcement to general suppliers in front of its factory.</p>	<p>NHR required field latex as a raw material for the production of Concentrated Latex. The purchase price was at the market price determined daily by the procurement department of the Group for the purpose of purchasing raw materials from general suppliers.</p>
		1.3 Startex Rubber <ul style="list-style-type: none"> Sales of field latex 	0.61	0.67	<p>Startex Rubber sold field latex to Puksa Rubber Co., Ltd. The selling price was based on market price.</p>	<p>The selling price that Startex Rubber Co., Ltd. sold field latex to Puksa Rubber Co., Ltd. was based on market price similar to other customers.</p>



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		1.4 Rubberland Products "RBL" <ul style="list-style-type: none"> The purchase of field latex 	-	26.21	RBL purchased field latex from Prukso Rubber Co., Ltd. because the rubber plantations of Prukso Rubber Co., Ltd. were located close to the factory and the purchasing center of RBL. Moreover, Prukso Rubber Co., Ltd. was capable to supply rubber of the quality and quantity as required by RBL. The purchase price of the field latex was at the price that the group made an announcement to general suppliers in front of its factory.	RBL required field latex as a raw material for the production of concentrated latex. The purchase price was at the market price determined daily by the procurement department of the group for the purpose of purchasing raw materials from general suppliers.
		<ul style="list-style-type: none"> Accounts Payable 	-	0.18	It is the trade payable from the above list. It is an outstanding amount according to the payment basis that is a commercial term. And is a normal payable transaction.	Outstanding balance based on payment criteria according to commercial conditions which is a list of normal trade accounts payable.
	2. Mr. Somwang Sincharoenkul	<ul style="list-style-type: none"> Honorary adviser 	5.14	5.14	Mr. Somwang Sincharoenkul has engaged as Honorary Adviser for the company and advised the company on goal & vision, business plans, investment plans, operational policy, raw material supply strategies, procurement, and engagement strategy with communities, local authorities and government agencies. The remuneration was Baht 428,000 per month or Baht 5,136,000 per year for 2 years period starting from May 2020 to May 2022.	There was no comparable basis available in the market for such invaluable advice Mr. Somwang Sincharoenkul provided for the company. Nevertheless, the remuneration was considered appropriate considering the extensive experience and expertise. Mr. Somwang Sincharoenkul has contributed to the company as the honorary adviser.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
3. Sri Trang Gloves (Thailand) PLC. "STGT"	Company that management and Board of Director: Dr. Vivavood Sincharoenkul are Major shareholder, Mr. Kitichai Sincharoenkul and Mr. Veerasith Sincharoenkul are directors of the Company	3.1 STA • Sales of latex	1,783.55	3,375.39	STA and its subsidiaries, which is a producer of quality concentrated latex to meet the needs of STGT and able to deliver both quantity and quality of concentrated latex, sell concentrated latex to STGT. Besides for reasons of trade secrets in terms of latex properties in producing quality gloves, STGT therefore doesn't want to purchase concentrated latex from other concentrated latex manufacturers besides STA and its subsidiaries. The selling price of latex is the price agreed upon by the buyer and seller on a monthly basis. The price is comparable to the market price of concentrated latex at that time such as the price according to the MRB announcement, which is the main reference price of rubber gloves manufacturers. The aforementioned price reflects related cost conditions such as delivery, maintenance of latex etc. In addition, on 28 June 2019, STGT entered into a latex purchase agreement with STA and its subsidiaries under the market price with a pricing formula based on the MRB price.	Latex price that STA and its subsidiaries sell to STGT is the trading price corresponding to the market price can refer to the price according to the announcement of MRB (Malaysian Rubber Board) and it is the price that other rubber glove manufacturers use to purchase raw materials for their production. Moreover, the trading price reflects the delivery conditions. Including the properties of latex that the STGT requires appropriately.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Purchases of Glove 	1,175.05	1,543.70	<p>STA purchase gloves from STGT to be sold to customers in Thailand and export to some countries. The price of the gloves being traded is the cost of STGT adding profit as appropriate by considering the increase in the price of the main raw materials –latex--, the production cost, exchange rate and the market situation of glove prices in the world market in determining the selling price of gloves, the monthly rubber glove price is set. The aforementioned purchase price is the price considering the profit margin that the company STA should be received according to the business model of the supplier of rubber gloves suitable.</p>	The list is comparable to market prices from other glove manufacturers which is the selling price that reflects a suitable business manner.
		<ul style="list-style-type: none"> Office service income 	11.27	29.48	<p>STA has provided office services to STGT for sever rooms, office space, warehouse space, legal work, insurance, finance, human resources, branding and CSR (Corporate Social Responsibility). The service fee for Bangkok office and Hat Yai office per month, which is different from each other according to the job description and agreed upon since May 2020 and the policy is to be reviewed every 3 years. STGT considered that it was reasonable if compared to the need to recruit employees in such sector or providing space including the aforementioned services by itself.</p>	The aforementioned service rates are reasonable. If compared with costs and expenses that STGT recruits employees in the mentioned area or providing space including the said service by yourself. The aforementioned price is the price that can be compared with the market price. Therefore, it is considered that the said transaction is appropriate and reasonable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Revenue from SAP information services and maintenance 	16.65	10.34	STA has provided information system services and SAP maintenance work with STGT including computer rental, hardware service fees, software services, etc. Since STA has the equipment and personnel ready for providing such services. The service fee can be compared with other service providers such as notebook rental, computer rental. Rental rates are charged per device per month that equivalent to other service providers, charged at the same rate and the service charge for the hardware, repair equipment charge rate per device per month. It is comparable with other service providers that provide services in a similar manner, which may differ in detail on the area, type of equipment provided.	The aforementioned service rates are reasonable and the rate is comparable to the market price of the service in a similar manner or comparable.
		<ul style="list-style-type: none"> Revenue from sales of factory materials 	10.76	5.70	STA - Kanchanadit Branch selling ammonia to the STGT - Suratthani Branch due to STA Kanchanadit branch has purchased ammonia for use in the production of concentrated latex on a regular basis in large quantities. This is in order to be economical to size and to increase price bargains and to save costs on purchasing ammonia, one of the chemicals used in the manufacture of rubber gloves and efficient inventory management of the group. STA - Kanchanadit branch, sell ammonia at a cost price plus relevant operating costs and a reasonable margin.	To save the cost of ammonia purchase and efficient inventory management of the group and are in the same area. The chemical charge is reasonable price.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Income from weighing services 	0.84	0.84	<p>STA - Kanchanadit Branch provide weighing service to STGT- Surathani Branch. As STGT does not have a weighing device for weighing vehicles carrying all types of goods entering and leaving the factory such as raw materials, latex, chemicals, firewood and finished goods, etc. The monthly rental fee is set a reasonable rate.</p>	<p>As the use of the weighing service is a charter rate, the comparable market price cannot be found. However, the service fee that the STA received, the rate that is comprehensive and reflects the associated costs and a reasonable and acceptable margin.</p>
		<ul style="list-style-type: none"> Other service income (Latex tank rental fee, Private Link fee) 	18.01	16.43	<p>- STA-Kanchanadit Branch provide 100-ton latex tank rental service to STGT- Surathani Branch for use in the storage of synthetic and charging the tank service at the rate per tank per month. The tank rental fee covers related services such as receiving latex and disbursing latex including maintenance and cleaning of the tank. It is a rate comparable to the market price of a similar size or adjusted to each other.</p> <p>- The Private Link service that is used through CAT Telecom Public Company Limited.</p>	<p>The aforementioned service charges can be compared with the market price.</p>

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Pay for other services 	-	6.00	<p>STA pay marketing services to STGT based on the Board of Directors Meeting No. 9/2019 held on November 21, 2019. Resolved to acknowledge the resolution of the Board of Directors meeting of the STA No. 7/2019. Subject: Guidelines for dividing the scope of business operations between STA and STGT. The service fee is calculated from the total income of the responsible marketing staff. The above rates have been charged since January 2020 and the rates that the company considered that it was reasonable if compared with the company must recruit employees in the said segment or providing space including the aforementioned services.</p>	<p>The aforementioned service rates are reasonable if compared with the costs and expenses that STA has to recruit employees in such area or providing space including the said service by yourself. Therefore, it is considered that the mentioned transaction is appropriate and reasonable. When the sales of rubber gloves moving from STA to STGT have been completed, it is expected that this list will not be available in the future.</p>
		<ul style="list-style-type: none"> Factory material purchase cost 	-	0.11	<p>STA bought materials from STGT in order to save the purchasing cost of the group and to effectively manage the raw materials of the group. STA buys at the actual cost price of STGT, the price charged is the price reflecting the related cost.</p>	<p>Such item it is a rate that is comprehensive and reflects the associated costs and reasonable profit margins. Including general commercial terms. Therefore consider that the transaction is appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Accounts Receivable 	175.77	482.42	<p>It is the receivable from the aforementioned items.</p>	<p>Outstanding balance based on payment criteria according to commercial conditions which is a list of normal trade accounts receivable.</p>

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Accounts Payable 	106.35	91.11	It is the payable from the aforementioned items.	Outstanding balance based on payment criteria according to commercial conditions which is a list of normal trade accounts payable.
		3.2 Rubberland Products "RBL" <ul style="list-style-type: none"> Sales of latex 	420.97	671.52	<p>RBL which is a producer of quality concentrated latex to meet the needs of STGT and able to deliver both quantity and quality of concentrated latex, sell concentrated latex to STGT. Besides for reasons of trade secrets in terms of latex properties in producing quality gloves, STGT therefore doesn't want to purchase concentrated latex from other concentrated latex manufacturers besides STA and its subsidiaries. The selling price of latex is the price agreed upon by the buyer and seller on a monthly basis. The price is comparable to the market price of concentrated latex at that time such as the price according to the MRB announcement, which is the main reference price of rubber gloves manufacturers. The aforementioned price reflects related cost conditions such as delivery, maintenance of latex etc.</p>	<p>Latex price that RBL sells to STGT is the trading price corresponding to the market price can refer to the price according to the announcement of MRB (Malaysian Rubber Board) and it is the price that other rubber glove manufacturers use to purchase raw materials for their production. Moreover, the trading price reflects the delivery conditions. Including the properties of latex that the STGT requires appropriately.</p>

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Rent received 	4.64	4.64	RBL provides housing services to STGT's employees, due to RBL's factory location located adjacent to STGT. It set the service fee as charged to the tenant staff directly per house per month for all building types, 645 rooms which is comparable to the rate of room rental in similar areas.	The rental rate is comparable to the market price of the monthly housing in similar areas.
		<ul style="list-style-type: none"> Income for providing services, using space for placing products / or others 	1.08	1.08	STGT leased land from RBL to be used for storing firewood with a total area 5.42 rai, title deed number 250477 at the rental rate per year. Which is comparable to the service fee for renting nearby areas in Ban Phru Sub-district, Hat Yai District, Songkhla.	The rental rate is comparable to the market price in the similar area.
		<ul style="list-style-type: none"> Weighing service fee 	0.86	0.86	RBL Provided weighing services to STGT because STGT does not have a weighing device to be used for weighing of products entering and leaving the factory such as raw materials, latex, chemicals, wood, firewood and finished goods, etc., with a monthly fixed rate which is the rate considered reasonable.	Due to the use of the weighing service is a charter rate, the comparable market price cannot be found. However, the service fee that RBL is obtained at a comprehensive rate and reflects the associated costs and reasonable and acceptable profit margins.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Tank rental service income 	22.22	10.50	RBL provides 100 tons and 250 tons latex storage tanks to STGT for use in store synthetic. By charging the tank service at the rate per tank per month. Which the service charge includes the loading and withdrawal of latex and maintenance of tank cleaning. Rental rate that is comparable to the market price, the tank size is similar or adjusted to be comparable.	Tank rental fees can be compared with the market price.
		<ul style="list-style-type: none"> Cost of purchasing plant materials 	0.23	0.19	RBL bought gasoline, diesel and material factories from STGT in order to save the purchasing cost of the group of companies and to manage the raw materials of the group effectively by RBL purchasing at the actual cost of the company. The charged prices are reflected the relevant cost.	Such item it is a rate that is comprehensive and reflects the associated costs and reasonable profit margins including general commercial terms; therefore, the transaction is appropriate and reasonable.
		<ul style="list-style-type: none"> Accounts Receivable 	42.96	107.81	It is the receivable from the aforementioned items.	Outstanding balance based on payment criteria according to commercial conditions which is a list of normal trade accounts receivable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		3.3 Nam Hua Rubber "NHR" <ul style="list-style-type: none"> Sales of latex 	107.9	236.18	<p>NHR which is a producer of quality concentrated latex to meet the needs of STGT and able to deliver both quantity and quality of concentrated latex, sell concentrated latex to STGT. Besides for reasons of trade secrets in terms of latex properties in producing quality gloves, STGT therefore doesn't want to purchase concentrated latex from other concentrated latex manufacturers besides STA and its subsidiaries. The selling price of latex is the price agreed upon by the buyer and seller on a monthly basis. The price is comparable to the market price of concentrated latex at that time such as the price according to the MRB announcement, which is the main reference price of rubber gloves manufacturers. The aforementioned price reflects related cost conditions such as delivery, maintenance of latex etc.</p>	<p>Price of concentrated latex that NHR sells to STGT is the trading price corresponding to the market price can refer to the price according to the announcement of MRB (Malaysian Rubber Board) and it is the price that other rubber glove manufacturers use to purchase raw materials for their production. Moreover, the trading price reflects the delivery conditions including the properties of latex that the STGT requires appropriately.</p>
		<ul style="list-style-type: none"> Other income 	0.35	0.10	<p>STGT hires NHR's employees to work. Because it was during the time that STGT is unable to procure workers in time, NHR charges wages according to the actual amount paid to employees.</p>	<p>- The item reflects the actual cost of labor. - It was a reasonable item, as it was the overall savings on purchasing costs for the whole group.</p>
		<ul style="list-style-type: none"> Cost of purchasing plant materials 	-	0.01	<p>NHR purchased supplies from STGT in order to save the purchasing cost of the group and to effectively manage the raw materials of the group. The purchase is made at the actual cost price of STGT whereby the charged price reflects the relevant cost and appropriate profit.</p>	<p>Such item is a rate that is comprehensive and reflects the associated costs and reasonable profit margins including general commercial terms; therefore, the transaction is appropriate and reasonable.</p>



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Accounts Receivable 	0.01	25.68	It is the receivable from the aforementioned items.	Outstanding balance based on payment criteria according to commercial conditions which is a list of normal trade accounts receivable.
		3.4 Anvar Parawood "ANV" <ul style="list-style-type: none"> Revenue from selling raw materials 	836.71	1,202.54	ANV sells firewood to STGT because ANV has expertise in the business of the procurement and distribution of rubber wood which has experience up to 30 years and has personnel ready to provide such services and able to supply the firewood for STGT. There is a need for large quantities of firewood as an energy source in the production. By the price of firewood is the company's purchase price of firewood as of the transaction date plus operating expenses	Trading prices for firewood are market prices plus a reasonable operating fee. However, with the amount of firewood that STGT wants to use which is very high. It can be difficult to compare the market price due to the factors of quantity and transportation costs from various sources. Referred to data consideration, it can be seen that the price is comparable to that of other firewood suppliers.
		<ul style="list-style-type: none"> Other income 	-	1.81	Since 11 May 2018, ANV transferred its factory business license (Ror Ngor.4) factory registration number 10900002725611, factory type No. 34 (4) and on 31 July 2018 ANV transfer of license to establish a wood processing factory using machines Vol. 2430, No.59 to STGT. STGT uses wood chips as a fuel source to generate heat for production process. And the buyer wishes to own a chopped plant and hold ownership of the relevant wood chip production license considered reasonable to be consistent with the Company's business operations of STGT.	Such transactions are calculated based on actual expenses plus operating expenses including general commercial terms. Referred to data consideration, the mentioned transaction is appropriate and reasonable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Accounts Receivable 	10.93	9.86	It is the receivable from the aforementioned items.	Outstanding balance based on payment criteria according to commercial conditions which is a list of normal trade accounts receivable.
		3.5 Starlight Express Transport "STL" <ul style="list-style-type: none"> Revenue from transportation costs 	61.87	77.68	STL provide transportation services for STGT. Because STL to engage in the business of transporting goods and preparing documents for import and export which has equipment and personnel ready for such service and has more than 20 years of experience in the aforementioned business. The service fee is set according to the market price and the price is adjusted according to the oil fluctuation rate in each period.	STL have expertise in transport operations and processing documents related to transportation. The service rate is a rate that reasonably reflects the operating costs of STL and it is comparable to that of the service providers' market prices.
		<ul style="list-style-type: none"> Income from import-export ceremony 	7.08	10.49	STL providing services to prepare documents for import and export to STGT. because STL is engaged in the business of importing and exporting documents and has more than 20 years of experience in the business with has the expertise and have personnel ready for such service with a service charge for import and export documents per set of documents which is a comparable market rate for providing similar services.	STL have expertise in transport operations and processing documents related to the transportation. The service rate is a rate that reasonably reflects the operating costs of STL and it is comparable to that of the service providers' market prices.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Other service income 	21.92	9.95	STL providing freight forwarding services and management fees to STGT. Because STL has the expertise and has personnel ready for such service. With a trailer charge in excess of free time per day per tow which is comparable to the market price for shared cars that provide overnight parking services and the said service fee is a reasonable rate.	STL have expertise in transport operations and processing documents related to transportation. The service rate is a rate that reasonably reflects the operating costs of STL it is comparable to that of the service providers' market prices.
		<ul style="list-style-type: none"> Accounts Receivable 	9.83	8.71	It is the account receivable from the aforementioned items.	Outstanding balance based on payment criteria that are commercial terms and is a list of normal receivables.
		3.6 Premier System Engineering "PSE" <ul style="list-style-type: none"> Sales of Material 	154.15	149.05	PSE sells spare parts to STGT such as motors, pumps, valves, electronic devices, etc. PSE specializes in supplying machinery and equipment for the production of gloves to the group and purchases in large quantities in conjunction with the purchase of similar parts of STA group. The above rates are comparable to market prices.	PSE has expertise in such work already. The service rates are comparable in the market.
		<ul style="list-style-type: none"> Sales of Machinery 	1,731.85	623.92	PSE design manufacture and installation for STGT which PSE has expertise in designing, installing and maintaining, repairing machinery and equipment for manufacturing gloves for STGT for a long time. Moreover, the production and installation of machines for the production of rubber gloves is considered to have access to the production technology that is a trade secret that STGT does not want third parties to gain knowledge of technology in manufacture. The profit margin is consistent with other operators in the same business.	PSE has expertise in such work. The service rates are comparable in the market.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Maintenance service income and others 	21.78	24.58	<p>PSE providing maintenance services for STGT which PSE has expertise in designing, installing and maintaining, repairing machinery and equipment for manufacturing gloves for STGT a long time. In addition, the production and installation of machines for the production of rubber gloves is considered to be the trade secret production technology that STGT does not wish to allow outsiders to know. In addition, hiring PSE in such jobs allows STGT not have to recruit staff, reducing the labor costs. The aforementioned service rates are comparable with the market price.</p>	PSE has expertise in such work. The service rates are comparable in the market.
		<ul style="list-style-type: none"> Cleaning service income 	81.07	106.32	<p>PSE has provided cleaning services to STGT due to PSE has expertise in glove manufacturing equipment and machinery. Moreover, the cleaning of the machines in the production of rubber gloves is considered to be the access to trade secret manufacturing technology that STGT does not want outsiders to know. The service fee is comparable to the market price.</p>	PSE had expertise in such work. The service fee is comparable in the market.
		<ul style="list-style-type: none"> Revenue from calibration services 	4.67	5.92	<p>PSE provide precision calibration services for tools and equipment to STGT due to PSE is ISO IEC17025 certified for calibration standards and is well equipped with equipment and personnel to service and in urgent case PSE can take action immediately. The service fee is set by type of equipment, which is comparable with the market price of other calibration work from outsiders.</p>	The transaction generates income in the group of companies without adding any human resources. Service rates are comparable in the same industry in the market.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Other income 	-	0.53	PSE provides transportation equipment to STGT in accordance with the agreement specified in the purchase order. Which is an occasional service and providing services using the venue for training to STGT that to save cost of the group training effectively. The service charges are charged at PSE's average cost price. The above prices are comparable to the service provided for outside training locations.	The aforementioned services are services related to the manufacture and installation of machines. And maintenance which PSE has expertise in such work including having personnel with experience and tools involved in the service. The service rates are comparable in the same type of business in the market including general commercial terms therefore consider that the transaction is appropriate and reasonable. And saving the company's training costs STGT and group as a whole therefore consider that the transaction is appropriate and reasonable.
		<ul style="list-style-type: none"> Revenue from sales of factory materials 	-	1.08	PSE sell sawdust control valve. And miscellaneous equipment such as netting, shelves, etc. to STGT, where the purchase price is comparable to the market price.	Such item it is a price that can be compared with the market price. including general commercial terms; therefore, the transaction is appropriate and reasonable.
		<ul style="list-style-type: none"> Expenses for purchasing factory materials 	4.53	6.00	STGT sells chemicals and hand socket cleaners to PSE, which is the service provider of cleaning machines and equipment of STGT. As STGT has the frequent bulk orders of chemicals and equipment. PSE, therefore, saves the cost of purchasing chemicals, equipment and efficient inventory management of the group by selling such chemicals and equipment at the average cost price of STGT.	It is a reasonable item, as it saves the purchase cost of the whole group as a whole.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Other expenses 	-	0.03	PSE pays internet service fees to STGT which is based on the service fee used by the Company's employees. This is the same rate that TOT Public Company Limited charges from STGT.	The aforementioned service rates are the rates charged according to the market price including general commercial terms; therefore, the transaction is appropriate and reasonable.
		<ul style="list-style-type: none"> Accounts Receivable 	118.54	91.39	It is the account receivable from the aforementioned items.	Outstanding balance based on payment criteria that are commercial terms and is a list of normal receivables.
		3.7 Sri Trang Indochina "STV" <ul style="list-style-type: none"> Purchases of Glove 	8.27	37.61	STV bought gloves from STGT for selling to customers in Vietnam. The price of the gloves traded is the company's cost price that STGT plus profit as appropriate, considering the increase or reduction of main raw materials cost, production cost, exchange rate and gloves price situation in the world market. The selling price is set on a monthly basis. The aforementioned purchase price is the price that takes into account the profit margin that STV should receive in accordance with the business model of a supplier of rubber gloves appropriately.	The above items are priced at a price comparable to market prices from other glove manufacturers.
		<ul style="list-style-type: none"> Commission income 	-	0.42	STV received commission income from STGT in contacting customers and coordinating sales of rubber gloves. The commission rate can be comparable to the commission rate of STGT paid to other clients. STGT has established a commission fee policy of STGT and promulgated on February 7, 2020.	The aforementioned service rates are reasonable, and comparable to the commission rates of STGT paid to other clients. This is to support the business operation of the company STGT, including general trade conditions; therefore, the transaction is appropriate and reasonable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
		<ul style="list-style-type: none"> Accounts Receivable 	-	0.07	Trade accounts receivable from service as above.	Outstanding balance based on payment criteria that are commercial terms and is a list of normal receivables.
		<ul style="list-style-type: none"> Accounts Payable 	0.12	7.75	Trade accounts payable from the Purchases of Glove.	Outstanding balance based on payment criteria according to commercial conditions which is a list of normal trade accounts payable.
		3.8 Sri Trang IBC <ul style="list-style-type: none"> Revenue from providing information services 	7.24	46.14	Sri Trang IBC provides services about IT and information systems because Sri Trang IBC has equipment and personnel available to provide such services. The service fee is set according to the type of information work which the said service rate is comparable to the market price.	The service rates are comparable to market prices.
		<ul style="list-style-type: none"> Consulting service income 	-	16.97	Sri Trang IBC provides consulting services to STGT under the agreement to give advice to STGT by 2 persons, Mr. Chia Chee Ping and Mr. Daniel Stocker and the marketing and development team by providing advice on goal setting, vision, strategic plans for marketing execution and management development product aspect in order to operate in accordance with the business objectives of the company. The service fee agreement from January 2020 to December 2024 and from March 2020 to December 2020, respectively. With the aforementioned service rates can't find comparable market prices but if considering the complete features is reasonable.	Since the service of such consultation cannot be compared to the market price, however, if considering the complete and complete knowledge, experience and qualifications; therefore, the transaction is appropriate and reasonable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
4. Sri Trang USA		<ul style="list-style-type: none"> Accounts Receivable 	1.86	8.62	Accounts receivable from service as above.	Outstanding balance based on payment criteria that are commercial terms and is a list of normal receivables.
		3.9 Sri Trang Rubber & Plantation "SRP" <ul style="list-style-type: none"> Expenses for purchasing factory materials 	-	0.10	SRP purchased unused packaging (200 liters plastic buckets) from STGT. That price is the market price that is sold to general customers.	The transaction is market price and can be compared with selling to other customers. Including general commercial term; therefore, the transaction is appropriate and reasonable.
	Company with Directors: Mr. Veerasith Sincharoenkul is the Company's director.	4.1 STA <ul style="list-style-type: none"> Revenue from service information and maintenance of the SAP system 	-	1.55	STA provides information system and SAP maintenance services for Sri Trang USA. Including computer rental, hardware service, software services, etc. Since STA has the equipment and personnel ready for providing such services. The service fee is determined by the type of information work and can be compared with other service providers. There is a service charge per device per month which is equivalent to other service providers, charged at the same rate. And the service charge for the hardware, repair equipment charge rate per device per month. It is comparable with other service providers, which may differ in detail on the area and type of equipment provided.	The aforementioned service rates are reasonable and the rate is comparable to the market price of the service in a similar manner or comparable.
		4.2 Sri Trang IBC <ul style="list-style-type: none"> Revenue from providing information services 	-	0.14	Sri Trang IBC provides services about IT and information systems because Sri Trang IBC has equipment and personnel available to provide such services. The service fee is set according to the type of information work which the said service rate is comparable to the market price	The service rates are comparable to market prices.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2019	Consolidated Jan-Dec 2020		
5. Shidong Shanghai Medical Equipment "SDME"	Company with directors: Dr. Waiwut Sincharoenkul as the Company's director.	5.1 Sri Trang IBC • Revenue from providing information services	-	0.11	Sri Trang IBC provides services about IT and information systems. Because Sri Trang IBC has equipment and personnel available to provide such services. The service fee is set according to the type of information work which the said service rate is comparable to the market price.	The service rates are comparable to market prices.
		• Accounts Receivable	-	0.11	Trade accounts receivable from such sale mentioned above.	It is an outstanding balance based on payment criteria as commercial conditions which is a normal accounts receivable.

Apart from what were disclosed in "Related Party Transactions", there were no other material contracts entered into by the Company or any of its subsidiaries involving the interests of any director or controlling shareholder which are either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

12.2 Audit Committee's Opinion on Related Party Transactions

The Audit Committee of STA evaluated and expressed its opinion on the above related party transactions that such transactions were carried out reasonably and were necessary to the business operation of STA.

12.3 Measures or Procedures for Approving the Related Party Transactions

In the event that STA or subsidiaries carries out its business with a party who may have a conflict of interest, whether at present or in the future, or have an interest with STA, the Audit Committee will express its opinion regarding the necessity and the reasonableness of the price of such transaction. The Audit Committee will ensure that the terms and conditions of these transactions are consistent with market practice and the prices charged for these transactions compared with third party or market prices. If the Audit Committee does not have expertise in considering related party transactions, STA will arrange an independent expert or the auditor of STA to give an opinion on such transactions. The Board of Directors or Audit Committee or the STA shareholders, as the case may be, will use this opinion from the independent expert as a supplement to form their own conclusion. Those directors who may have an interest in the transaction are prohibited from voting on such transactions. In addition, related party transactions will be disclosed in the notes to the STA's audited or reviewed financial statements.

At present, STA has a pricing policy for its subsidiaries, associates, joint venture entities and related companies as follows:

	Pricing Policy
Sales of products and raw materials	At arm's length as if it was transacted with a third party
Revenues from services – logistic services	At arm's length as if it was transacted with a third party
Revenues from services – management services	At fixed rate pursuant to the contract which is comparable to the market price
Interest income from trade credit	At arm's length as if it was transacted with a third party
Rental income	At a contract price which had been agreed upon and is comparable to the market price
Product purchase	At arm's length as if it was transacted with a third party
Rental and Service Expenses	At arm's length as if it was transacted with a third party
Guarantee	No fee charged
Fixed assets acquisition	At arm's length as if it was transacted with a third party

Furthermore, the Board of Directors Meeting resolved to approve in principle business transactions with general trading conditions or supporting normal business transactions with general trading conditions between STA or its subsidiaries and the Directors, Executive Officers or any related parties.

STA and its subsidiaries may purchase raw materials, sell products, provide transportation services or enter into any other transactions between the Directors, Executive Officers or related parties, whether at present or in the future. In this regard, STA authorizes the management to approve such transactions if the purchase price, selling price, transportation fees or other related transactions is not different from the price offered to other customers (market price) and the conditions and commercial terms are the same as those an ordinary person would agree with any party under similar circumstances. The transportation fee shall be the same as the rate of transportation used by the general public. In respect of the transportation fee, the fee will be according to the normal market rate. In addition, STA shall prepare a report on the summary of the transactions every quarter to present to the Board of Directors Meeting or upon the request of the Board of Directors.

12.4 Policy on Future Related Party Transactions

In the event that STA engages in related party transactions in the future, STA will ensure that such transactions are carried out in compliance with the SEC Act, regulations, notifications, orders or rules of the SET. In addition, STA must also comply with the Thai GAAP on disclosure rules related to related party transactions and other requirements as specified by the Institute of Certified Accountants of Thailand and the Company's policy or other relevant laws.

In addition, when STA enters into related party transactions, STA will seek the Audit Committee's opinion on the reasonableness of such transactions. In the event that the Audit Committee is unable to evaluate related party transactions due to lack of expertise in certain areas, the Committee may for arrange an independent expert, such as auditor or independent appraiser, to give opinion on the transactions. The opinion of the Audit Committee or the independent expert will be used by STA's Board of Directors or shareholders, as the case may be, for making a decision to ensure that these related party transactions are carried out without any conflict of interest and for the best interest of all shareholders.

RISK FACTORS

With various economic and industry factors contributing to the challenges of managing the Company's operations, the Board of Directors recognizes that risk management plays a key role in the success and long-term growth of our business operations. In order to comply with the Good Corporate Governance for Listed Companies (CG Code) 2017, the Risk Management Committee has been assigned the task of systematic risk management according to COSO: ERM (Enterprise Risk Management), together with the relevant standards. Focusing on the four major types of risk, namely, strategic risk, operational risk, financial risk and compliance risk, the Company conducts the operations with care and diligence to ensure that our vision, mission, objectives and goals are not misdirected. The details of the Company's risk management are shown as follows:

Strategic Risk

Natural Rubber Price Volatility

In general, prices of commodities, including natural rubber, are subject volatility and we, like other participants in the natural rubber industry, have limited influence over the harvest timing and the fluctuations in prices of natural rubber. The prices of natural rubber and the Natural Rubber Products that we sell, like prices of most commodities, are affected by a number of factors, including but not limited to the following:

- **Natural rubber supply and demand** – An increase in the supply of natural rubber or a decrease in the global consumption of natural rubber could create a supply surplus, which could result in a decrease in prices of natural rubber and, in turn, the average selling prices of the Natural Rubber Products that we sell. Additionally, global demand for such products, in particular TSR, is significantly dependent upon the tire manufacturing industry, which accounts around 70% of global natural rubber consumption. A slowdown in the tire manufacturing industry may lead to decreased demand for the Natural Rubber Products that we sell and our business, financial condition and operating results may be adversely affected;
- **Prices of crude oil, energy and oil-based chemicals** – Crude oil prices may affect the prices of natural rubber and other input materials such as oil-based chemicals used in rubber processing. In addition, prices of synthetic rubber usually move in the same direction as crude oil prices, and fluctuations in the prices of synthetic rubber usually have an impact on natural rubber prices and demand. Nowadays, there are varieties of synthetic rubber available in the market that can be used as substitutes for natural rubber in the manufacture of some rubber-based finished products. Factors such as increased global demand for rubber, volatility in natural rubber prices, an increase in natural rubber prices when compared to prices of synthetic rubber, risks of supply disruption caused by political events, regional constraints and seasonal supply patterns may lead to an increase in demand for such synthetic rubber substitutes. This may result in decreased demand for natural rubber, which may have a material adverse effect on our business, financial condition and operating results. As of December 31, 2020, revenue from Natural Rubber Products accounted for 59.2% of our total revenue;

- **Currency fluctuations** – As natural rubber is traded mainly in US Dollars, any fluctuations in the natural rubber exporting currencies against US Dollars may result in corresponding fluctuations in natural rubber prices in the respective exporting countries; and
- **Speculation** – As natural rubber and some of the Natural Rubber Products that we sell are traded on various commodity futures exchanges, they are susceptible to price speculation in addition to local and global economic factors.

Risk Management :

The Company has policies to manage risks related to natural rubber price volatility, including raw material sourcing management in terms of prices and quantities and the use of rubber futures and physical forward contracts when applicable. Such contracts are recorded at their fair value on the date of the statement of financial position. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 39.)

Discrepancy between the growth in demand for natural rubber and expectations

Because natural rubber and gloves are consumed by a wide variety of consumers in countries all over the world, market demand for both is subject such factors as changes in consumer preference, the existence of replacement products, and changes in laws and regulations, for example, the ban on the use of powdered medical gloves by the US Food and Drug Administration (FDA). Demand can also be affected by new technological inventions, for instance, the experiment by tire manufacturers to use guayule and dandelion in place of natural rubber in tire manufacturing during a period of high natural rubber prices. These factors can lead to changes in market demand for both natural rubber and gloves, and our business opportunity, revenue and financial results can be affected as a result.

Risk Management :

The Company closely monitors any changes to may affect market demand for natural rubber and gloves and

attempts to minimize their effect on the Company's operations. The natural rubber products that we sell, namely, TSR, RSS and LTX, have a wide variety of applications and diversified customer base. Our vertically integrated business model also allows us to guard against a negative impact on any part of our operations. In glove production, our machinery is capable of producing both latex and nitrile gloves and the proportion of the gloves that we produce can be quickly adjusted. We also have a variety of customer base which have varying preferences and regulations. Our production and marketing strategies can be quickly adjusted to respond to changing market demand.

Operations and Investments in Foreign Countries

We have operations and investments in various countries including Thailand, Singapore, Indonesia, Vietnam, Myanmar, USA, and the PRC. Accordingly, we are subject to the risks associated with our business activities in these countries. Our business, financial condition, operating results and prospects may be materially and adversely affected by a variety of conditions and developments in these countries including:

- inflation, interest rates and general economic conditions;
- civil unrest, military conflict, terrorism, changes in political climate and general security concerns;
- changes in legal and regulatory conditions;
- changes in duties payable and taxation rates;
- natural disasters;
- the imposition of restrictions on foreign currency conversion or the transfer of funds; or
- the expropriation or nationalization of private enterprises or the confiscation of private property or assets.

Should any of the aforementioned risks materialize and we are unable to adapt our business strategies or operations accordingly, our business, financial condition, operating results and prospects may be materially and adversely affected.



Risk Management :

The Company recognizes the values of effective supply chain management. We have therefore expanded our operations to all levels of the supply chain, from upstream and midstream to downstream. The Company's wide product range, from RSS, TSR, LTX to examination gloves, enables us to diversify our sources of income and customers. In 2020, no single customer who is not a related person accounted for more than 3% of our total sale volume of natural rubber products and 7% of our total sale volume of gloves. Moreover, the Company has established an extensive network of raw material procurement and has located processing facilities in various strategic areas in the south, north and northeast of Thailand as well as in Indonesia and Myanmar for geographical raw material management and production diversification.

Production Disruption and/or Production Stoppage

The production processes operated by the Company require vast amounts of resources. Any natural disaster, severe outbreak, force majeure, shortage of labor, severe disruption to the infrastructure such as water supply or electricity, or any other events beyond control of the Company may lead to a significant disruption to or a stoppage of production. Such disruption or stoppage would adversely affect the operations of the Company.

Risk Management :

The Company has in place a business continuity plan (BCP) to ensure continuity of the Company's operations in the event of a contingency or any unforeseen circumstances that could disrupt the operations. However, having such a plan in place merely ensures that the operations would continue and any damage would be minimal. It does not necessarily mean that the operations would continue to run as smoothly as they would under normal circumstances. In addition, the Company has industrial all risks insurance to protect the business from any loss or damage that might result from a natural disaster or any unforeseen circumstance, as well as business interruption insurance to minimize the financial impact that could result from any disruption to operations.

Environmental Management

Because the Company operates many production facilities, the environmental issues that are involved include energy consumption management, management of waste from the natural rubber production processes, water and air pollution management, environmental claims and non-compliance or partial compliance with environmental regulations that could negatively affect the Company's reputation and result in fines or cessation or termination of the Company's operations.

In case that there will be more rigid regulations and/or social practices which the Company may not comply or could comply with significantly high costs. It is possible that these regulations and/or social practices would become more stringent in the future and failure by the Company to comply with such regulations and/or social practices may adversely affect the Company's operations, financial condition, and operating results and business opportunities.

Risk Management :

The Company has managed environmental risks through ISO 14001 by using the SWOT analysis to identify the risks that could affect the operations, taking account of such factors as locations of the Company's operations, the local communities and the biodiversity in the areas. The results of risk assessment can be divided as follows:

1. Resource management and pollution control: The Company aims to utilize production processes that are friendly to the environment, for example, using a circulating water system in 100% of the production of block rubber, utilizing biomass as fuel, as well as using technologies for pollution control and real-time monitoring of the status of the pollution treatment system.
2. Compliance with regulations: The Company has established various risk management measures, for example, preparation of work procedures to ensure systematic supervision and management and requiring the Company's operations to participate in workshops to ensure compliance with all relevant

internal and external regulations. Additionally, the Company has supervised compliance with the environmental manual through Internal Audit and is closely monitoring any changes in the relevant laws and regulations.

Information Technology Risk (IT Risk)

The rapid changes of business circumstance, the Company has brought innovation and new technology to continuously enhance our business operation and to create business opportunity for any changes in the future. For example, the Company has used SAP, and adopted “SRITRANG FRIENDS” application to help facilitate buying raw materials from rubber suppliers in Thailand which this helps reduce the numbers of procurement centres located in many areas and reduce fixed costs of the Company as well. Increased dependence on technology leads to increased risk of IT to our operating platforms that rely on internet connections. Theft of important information or business interruptions would affect our reliability, credibility, and reputation.

Risk Management :

The Company realised on IT risk and cyber threats by defining policies to manage IT risk in many aspects. This is to support business continuity by providing data-backup system, disaster recovery plan for the emergency cases, and incident management system. Moreover, in practically, the Company has monitored and been alert for new cybersecurity threats at both production plants and offices by performing penetration tests and vulnerability assessments regularly to be proactive in planning preventive mitigation measures for possible attacks. The Company also continuously foster cybersecurity awareness through email, announcement, and training so that our employees may exercise caution when using IT communication platforms.

Financial Risk

Exchange Rate Volatility

While our financial report is shown in Baht, our raw materials purchasing for the Natural Rubber Products are transacted in Baht and Indonesian Rupiah, and our raw materials purchasing for Gloves are transacted in

Baht and US Dollar. However, approximately 83.6% of our total revenues is denominated in US Dollars. (approximately 11.3% of our total revenues is denominated in US Dollars.) Therefore, the fluctuations in the exchange rates between Thai Baht, Indonesian Rupiah, US Dollars, or other currencies, could adversely affect our business, financial condition and operating results. Any fluctuations in the exchange rates between Thai Baht, Indonesian Rupiah and Malaysian Ringgit could adversely affect our price competitiveness in relation to other natural rubber and glove producers from Indonesia and Malaysia, respectively.

Risk Management :

The Company has attempted to mitigate foreign exchange risks by using financial derivatives to hedge our foreign exchange exposure arising from the purchase and sale of products in currencies other than Baht. Such derivatives are recorded at their fair value on the date of the statement of financial position. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 39.)

Interest Rate Volatility and Credit Market Risks

As of 31 December 2020, the Company had an aggregate of Baht 30,487.5 million in bank short-term loans for the purchase of raw materials such as unsmoked rubber sheets, cup lump and field late accounted around 72.7 of total loans from financial institutions as well as bank long-term loans for support business expansion accounted around 27.3 of total loans from financial institutions. The majority of the loans are short-term loans and the average interest rate is 2.77%, which is lower than the Minimum Loan Rate (MLR). Movements in the global financial markets and/ or the situation of the rubber industry could adversely impact the costs or other terms of our existing financing (Please find more details in Note to the Consolidated and Separate Financial Statements under item 24) as well as our ability to obtain new credit facilities or access the capital markets on favorable terms. A significant increase in our borrowing costs could impair our ability to compete effectively in the industry relative to competitors who may have lower amounts of debt financing.

Currently, the Company has an obligation under the loan agreements prescribed by the financial institutions to maintain the ratio of Net Long-Term Debt to EBITDA and Debt to Equity ratio. If there is a substantial volatility in natural rubber prices or any other factor that could affect the ability of the Company to maintain such a ratio, the loan agreements may be in default and the Company may be unable to repay the principal and interest to the financial institutions in case of early recalling.

Risk Management :

In considering any borrowings or issuance of financial instruments, the Company will conduct an analysis on interest rate and other conditions to ensure that such borrowings or financial instruments would provide maximum benefits to the Company. Moreover, the Company has provided proper source of funds such as reaching a bond markets by issuing debenture.

To maintain the financial ratios as required by financial institutions, we closely communicate with and keep the financial institutions informed of our operational status in any given period. In the event that the Company is unable to maintain the required financial ratio, the Company would request for exemption from the financial institution(s) without triggering the loan default.

Goodwill Impairment Risk

On 15 March 2017, the Company acquired additional shares of Sri Trang Gloves (Thailand) Co., Ltd., representing 50% of paid-up capital, for Baht 6,320 million. As a result of the acquisition, the Company recognized a goodwill of Baht 2,954 million in its consolidated financial statements. Then, on 1 April 2019, the amalgamation of Sri Trang Gloves (Thailand) Co., Ltd. and Thaikong Public Company Limited was completed and the new company is named Sri Trang Gloves (Thailand) Public Company Limited. After the completion of the amalgamation, the Company recorded a goodwill of Baht 220.9 million in its consolidated financial statements. In accordance with the generally accepted accounting principles for business acquisition, the Company is required to assess the fair value of the acquired assets and liabilities as well as the considerations of the share acquisition. Any difference would be recorded

as goodwill or profits from acquiring assets at lower than their fair value. Accordingly, assets generating cash including goodwill are required to undertake impairment test on a yearly basis. In case there is an impairment (the carrying value of the business is greater than the expected recoverable value), such impairment would adversely affect the profit of the Company.

Risk Management :

The Company has continuously expanded the production capacity of glove business and implemented various business strategies to strengthen its competitiveness and increase its profitability in the long run. As of 31 December 2020, the Company recorded Baht 3,174.7 million in a goodwill which there is no impairment. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 22.)

Compliance Risk

Legal and Compliance Risk

The Company's operations in Thailand and in other countries are subject to the various relevant laws and regulations. Any failure to comply with any such laws or regulations could negatively impact the Company's reputation and result in punishment and/or fine or loss of opportunity as well as other relevant costs. Additionally, there is a possibility that these laws or regulations as well as social practices would become increasingly more stringent in the future and the Company's operations, financial condition, operating results and business opportunities would be adversely affected should the Company be unable to comply with such laws and regulations.

Risk Management :

The Company has established a business unit that is responsible for monitoring the amendments of the relevant laws and regulations. The unit will then analyze the impacts on the Company's operations and inform management and employees of significant issues in order to ensure that the Company will be able to conduct the business in compliance with the relevant laws and regulations. In addition, the Company has published internal regulations and established



various schemes to ensure compliance with the relevant laws and regulations, such as the Good Corporate Governance and Business Ethics Handbook, the Anti-Corruption Policy and the whistle-blower system as well as the annual review of compliance and regulations, etc.

Government Intervention

On the supply side of natural rubber, the intervention from the governments of the three major natural rubber-producing countries, namely, Thailand, Indonesia and Malaysia, started in 2012, then in 2016 and 2018, and the latest intervention in 2019 which The International Tripartite Rubber Council (ITRC) also agreed to impose the Agreed Export Tonnage Scheme (AETS) to reduce natural rubber exports from Thailand, Indonesia, and Malaysia by 240,000 tons for four months, reduced from the implementation in 2018 which was 350,000 tons for three months. For the AETs in 2019, Indonesia and Malaysia implemented this scheme during 1 April 2019 – 31 July 2019 and Thailand implemented during 20 May 2019 – 19 August 2019 to deal with low natural rubber prices.

Such interventions aim to solve the problem of low natural rubber prices. However, the measures implemented may cause domestic natural rubber prices to be inconsistent with prices on the global markets, or may cause the Company's sales volume to be inconsistent with market demand, which may impact the cost structure, revenue and profit of the Company. If the Company is unable to effectively manage the discrepancy between raw material costs and selling prices, our profitability may be adversely affected. Moreover, if the market prices of the Natural Rubber Products sold by the Company become volatile,

our business, financial condition and operation results could be materially and adversely affected.

Risk Management :

The Company carefully manages its operations under the prevailing circumstances, taking account of the intervention by the Government or any other authorities. Having production facilities located in different strategic locations, both domestically and internationally, also enables us to maintain our competitiveness in the global market.

Risks Relating to Investment in Our Shares

Currency Fluctuation Risk for Shareholders Holding the Company's Shares on the SGX-ST

The Company's shares that are traded on the SGX-ST are denominated in Singapore Dollars, while dividends, if any, will be paid in Baht. Shareholders who hold shares traded on the SGX-ST therefore bear currency risk arising from fluctuations of Singapore Dollars against Thai Baht.

Risk Management :

In paying dividends to our shareholders of shares traded on the SGX-ST, the Company will set the convertible rate from Thai Baht to Singapore Dollars on the day nearest to the date of dividend payment in order to minimize the currency fluctuation risk for the shareholders in Singapore.

Note: There are some risks that may be unknown to the Company and other risks that the Company currently considers to be immaterial. These risks could have an impact upon the operations of the Company in the future.

MANAGEMENT DISCUSSION AND ANALYSIS : MD&A

Financial Result Overview

An All-Time-High Net Profit

In FY2020, on the strength of our glove business, which saw a substantial growth in both sales volume and ASP, and the profitability of our NR business in the face of market turmoil, we recorded THB 75,478.7 million in revenue, growing 25.2% YoY, and a net profit of THB 9,531.2 million, or THB 6.21 per share, with 12.6% in net profit margin.

The natural rubber (NR) industry felt the full impact of COVID-19, from the slowing demand (the IRSG estimated that global NR demand in 2020 was 12.5 million tons, down by 8.1% from 14.0 million tons in 2019) to the decline in prices as a result of the weakened demand. NR prices saw a sharp drop from late March through July, a period when China, the world's largest NR consumer, was reeling from the outbreak and tire manufacturers in many countries had to suspend their operations for 4-10 weeks. The lowest price of TSR 20 on SICOM in 2020 was 103.4 cent/kg. However, demand started to pick up once China had brought COVID-19 under control, with prices of TSR and RSS trending up from August onwards. The average price of TSR20 on SICOM in 2020 was 131.5 cent/kg, down 6.5% YoY. All of this had an impact on our midstream business – natural rubber. In response, we promptly adjusted our strategy by focusing on customers with strong recovery potential. Our sales volume decreased by only 6.5%

YoY to 1,032,284 ton, less than the overall 8.9% drop in global NR consumption. We still had the highest market share at 8% of global NR consumption (9% of global NR consumption if latex consumption by STGT is included) and our average selling price (ASP), which declined only slightly by 0.6%, was higher than the average NR price on the global market in 2020.

In the downstream business – gloves, following our capacity expansion, we had 33 billion pieces in annual production capacity at the end of 2020, up from 27 billion pieces at the end of 2019. The additional capacity came from our existing plants in Songkla and Trang. Sales volume rose by 40.8% YoY to 28,048 million pieces as the COVID-19 pandemic led to a surge in demand globally. The strong demand was reflected in the selling prices of all products that continued to increase in every quarter, with the ASP for FY2020 growing by 79.1% YoY

Extraordinary Event

Sri Trang Gloves (Thailand) Public Limited Company (STGT), a producer and distributor of natural rubber and nitrile medical and industrial gloves and a flagship of Sri Trang Group, completed an initial public offering (IPO) and the listing on the Stock Exchange of Thailand on 2 July 2020. Following the IPO, our direct and indirect shareholding in STGT was reduced from 81.1% to 56.2% from 3Q20 onwards but STA remains a major shareholder of STGT.

Income Statement Overview

(Unit : THB million)	FY2020	FY2019	%YoY
Revenue from sales of goods and services	75,478.7	60,286.4	25.2%
Cost of sales and services	(53,697.5)	(55,432.0)	-3.1%
Gross profit (loss)	21,781.3	4,854.4	348.7%
SG&A	(4,782.7)	(4,570.6)	4.6%
Other income and dividend income	349.4	281.1	24.3%
Gain on exchange rates	267.8	354.6	-24.5%
Other gains (loss)	(80.9)	(261.5)	-69.1%
Operating profit (loss)	17,535.1	655.6	2574.5%
Share of profit (loss) from investments in JV	168.6	132.3	27.4%
EBITDA	20,505.0	3,274.3	526.2%
EBIT	17,703.7	788.0	2146.7%
Finance costs	(690.9)	(890.6)	-22.4%
Income tax (expense)	(1,667.5)	15.6	N/A
Net Profit (loss) for the periods	15,396.6	(52.1)	N/A
Attributed to Owners of the parent	9,531.2	(148.5)	N/A
Attributed to non-controlling interests	5,865.4	92.1	6266.3%
Former interests before restructuring of the subsidiaries	-	4.3	N/A

Revenue

Total revenue from products and services in FY2020 was THB 75,478.7 million, growing 25.2% YoY. Revenue from NR products decreased 7.0% YoY to THB 44,678.1 million because sales volume dropped as a result of the COVID-19 pandemic and the suspension of operations by many tire manufacturers. The ASP, meanwhile, declined by only 0.6% and was higher than the average NR price on the global market in 2020. Revenue from gloves was THB 30,750.4 million, growing 152.2% YoY. The ASP rose 79.1% YoY and sales volume grew 40.8% YoY on the back of strong demand from all geographic markets and customer sectors following the outbreak of COVID-19, which led to a widespread usage of gloves as part of the “New Normal.” Revenue from other products and services came in at THB 50.3 million.

Sales Volume

NR products

Sales volume for NR products decreased 6.5% YoY to 1,032,284 tons as the COVID-19 pandemic led to a slowdown in demand. But the decline in our sales volume was less than the overall 8.9% drop in global NR consumption. Geographically, China remained our largest market at 53.4% of total sales volume, followed by other countries in Asia at 26.3%. Thailand made up 15.1% of total sales volume, while Europe and the Americas accounted for 2.7% and 2.5% of total sales volume, respectively.

Gloves

Sales volume for gloves increased 40.8% YoY to 28,043 million pieces. Both latex and nitrile gloves saw the growth in sales volume following our capacity expansion and a surge in demand as a result of the COVID-19 pandemic. Throughout 2020 our production facilities were running at full capacity with 94% utilization rate. Latex gloves accounted for 69% of sales volume while nitrile gloves accounted for 31%. Geographically, Asia was our largest market with 41.7% of total sales volume, followed by North America and Europe at 24.9% and 21.2% respectively. South America accounted for 10.0% of total sales volume. The Middle East and Africa made up 3.7% and 2.8% of total sales volume, respectively. Oceania accounted for 0.9% of total sales volume.

Gross Profit

Gross profit was THB 21,781.3 million, a significant increase of 348.7% YoY from THB 4,854.4 million in FY2019. The growth in gross profit came on the strength of both of our businesses. In the NR business, we adjusted our strategy in response to the outbreak of COVID-19 by focusing on improving production efficiency, reducing fixed costs and energy consumption, as well as on customers with strong recovery potential. This was reflected in our ASP of THB 138.3 cent/kg, which was higher than the average NR price on the global market in 2020. Gross profit margin for the NR business was 9.3%. Meanwhile,

our glove business saw significant growth, both in the ASP and sales volume, on the back of robust demand throughout the year. Gross profit margin for the glove business increased in every quarter and was 57.3% for FY2020. The overall gross profit margin of STA was 28.9%. Taking account of the reversal of inventory allowance in the amount of THB 28.8 million and realized gains from hedging transactions of THB 203.9 million, our adjusted gross profit margin in 2020 would have been 29.2%, up from 7.6% in FY2019.

Operating Profit

Operating profit in FY2020 was THB 17,535.1 million and operating profit margin was 23.2%, a substantial increase from THB 655.6 million in FY2019. This can be attributed to the strong growth of our glove business and the profitability of our NR business despite the industry slowdown. We also recorded THB 267.8 million in currency exchange gains in the normal course of business, which fully offset THB 80.9 million in losses from currency exchange and NR hedging transactions.

Administrative and selling expenses (SG&A) were THB 4,782.4 million, increasing 4.9% YoY. The increase is mainly attributed to the growth of our glove business. However, the proportion of SG&A to sales was 6.3%, down from 7.6% in FY2019, as we benefited from improved efficiency and the economies of scale. Other income in FY2020 was THB 349.4 million, including the THB 78.6 million that STGT received from the Rubber Authority of Thailand as part of the interest rate subsidy program as well as THB 77.1 million in insurance claims. The rest was from rent, the provision of IT services and the sale of production waste. At the end of FY2020 we had THB 556.0 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 Profit from Investments in Associates and Joint Ventures

Share of profits from investments in associates and joint ventures in FY2020 was THB 168.6 million, up 36.2% YoY because of higher profits from both the NR and high-pressure hydraulic hose joint ventures.

Net Loss Attributed to Owners of The Company

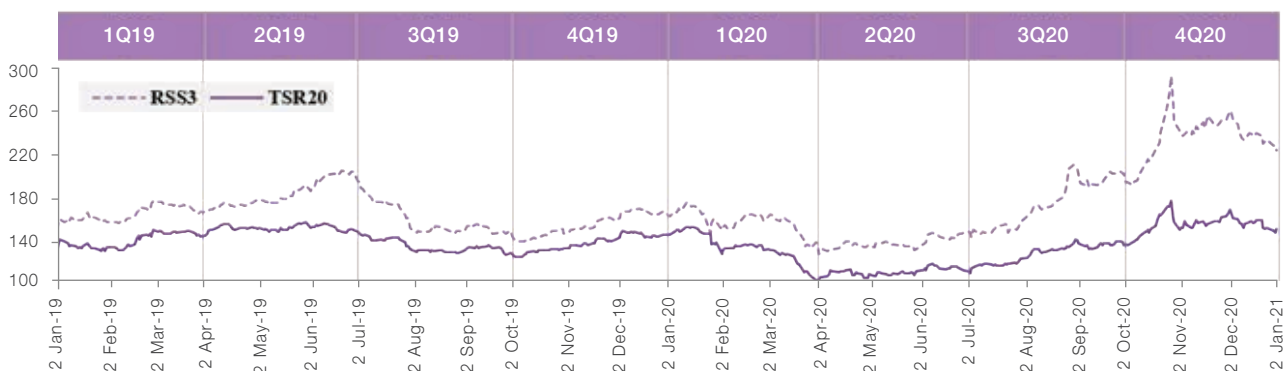
Net profit in FY2020 was THB 9,531.2 million, a significant improvement over a net loss of THB 148.5 million in 2019. This can be attributed to the record profit of our glove business and the profitability of our NR business despite the industry slowdown. Our finance costs also went down 22.4% YoY to THB 690.9 million after the repayment of loans by STGT following the IPO, a reduction in short-term loans for working capital for the purchase of raw materials in our NR business and lower interest rates from financial institutions.

In short, our glove business was instrumental in driving the record revenue and profit of Sri Trang Group as a product that has been experiencing high growth in the new normal. We are working to further expand our production capacity to serve the growing global demand. Our ready access to quality concentrated latex has differentiated us from other glove producers and makes us stand out from the pack. In the NR business, despite the turmoil throughout the year, we successfully adjusted our strategy and focused on customers with strong recovery potential. Our strong finances serve to provide credibility and reassurance to our customers and stakeholders. We are well positioned to capture opportunities as NR demand and prices rebound.

Key Factors Affecting the Company's Operations

1. Volatility of Natural Rubber Price

(Unit : US Cent/Kg)



Daily Price Movement of TSR20 and RSS3 at SICOM

In 2020, the natural rubber (NR) industry felt the full impact of COVID-19, from the slowing demand to the sharp drop in prices from late March through July, a period when China, the world's largest NR consumer, was still reeling from the outbreak, which originated in the country. It was also during this period that tire manufacturers in many countries had to suspend their operations for 4-10 weeks as part of government lockdown measures. The average price of TSR20 on SICOM during the period was 112.2 cent/kg. Demand for TSR and RSS

picked up when the outbreak started to subside in Asia and tire manufacturers could resume their operations. The strong demand for LTX from glove producers throughout the year also pushed NR prices higher. The average price of TSR20 on SICOM during September-December was 154.5 cent/kg, up 37.7% from the low. According to the latest report by the IRSG*, global NR demand in 2020 was 12.5 million tons, down by 8.1% from 2019. The average SICOM price of TSR20, which accounted for the highest proportion of overall NR consumption, in 2020 was 131.5 cent/kg, down 6.5% from 2019.

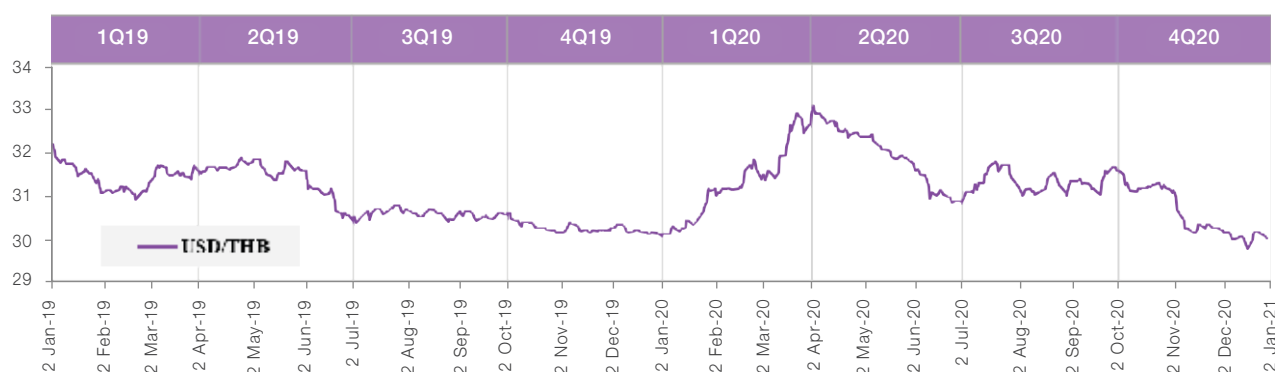
Price Movement of TSR20 and RSS3 at Singapore Commodity Exchange Limited (SICOM) during 2019-2020

(Unit : US cent/kg)

	RSS3			TSR20		
	2020	2019	%Change	2020	2019	%Change
Q1 Average	157.7	164.0	-3.8%	133.5	139.4	-4.2%
Q2 Average	137.3	182.3	-24.7%	110.8	151.3	-20.5%
Q3 Average	174.2	158.8	9.7%	128.1	134.7	-15.4%
Q4 Average	234.5	154.1	52.2%	154.5	137.0	12.8%
Yearly Average	175.6	164.7	6.6%	131.5	140.6	-6.5%
Closing price as at 31 December	222.4	166.3	12.0%	150.3	145.1	-15.0%

2. Foreign Exchange Rate

Baht : US Dollar



Historical Exchange Rate of Thai Baht against US dollar

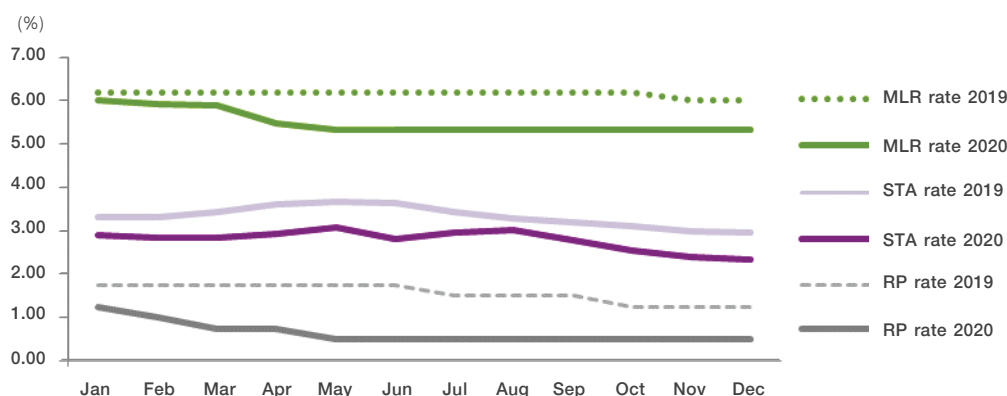
The fluctuations of Thai Baht and US Dollar directly affect our revenue since approximately 83.6% of our total revenue are denominated in US Dollars, while our financial reporting currency is Thai Baht. We therefore utilize financial derivatives to manage our currency risk and their mark-to-market values will be recognized as unrealized foreign exchange gain or loss.

In 2020, Thai Baht depreciated by 1.2% to the average of THB 31.31 to USD 1, compared with the average of THB 30.94 to USD 1 in 2019, with high volatility throughout the year. However, we recorded THB 267.8 million in currency exchange gains in the normal course of business and THB 22.2 million in gains from currency hedging transactions. In total, we recorded THB 290.1 million in currency exchange gains in 2020, a decrease from THB 430.0 million in 2019, because of lower gains from currency hedging transactions as a result of the high volatility.

3. Finance Costs

The key factors affecting our finance costs are NR prices, sales volume and long-term loans for capacity expansion. In 2020, our interest expenses went down from 2019 on account of a decrease in short-term borrowings to support raw material purchasing in line with the sales volume and a drop in raw material price in line with the global rubber prices. As a result, our overall finance costs decreased 7.4% from Baht 890.6 million in 2019 to Baht 690.9 million in 2020.

The graph below illustrates that our average interest rate during 2019-2020 was lower than the average Minimum Loan Rate (MLR) of three large commercial banks, Bangkok Bank, Kasikorn Bank, and Siam Commercial Bank.



STA Effective Interest Rate vs. Average MLR Rate

4. Government Policy

Policies issued by the governments of Thailand and other major natural rubber-exporting countries may benefit or negatively affect our operations. For instance, in a joint effort to combat low natural rubber prices, the governments of Thailand, Indonesia and Malaysia, the three major natural rubber-producing countries, agreed to implement the Agreed Export Tonnage Scheme (AETS) in 2012, in 2016, then in 2018. The latest implementation, in 2019, the three governments again imposed a quota of 240,000 tons of rubber exports dropped from the

reduction quota of 350,000 tons in 2018. For the latest implementation, Indonesia and Malaysia started implement this scheme the period from 1 April 2019 to 31 July 2019 and Thailand implemented the period from 20 May 2019 to 19 August 2019. These policies may cause domestic natural rubber prices to be inconsistent with natural rubber prices on the global markets or cause our sales volume to be inconsistent with global natural rubber demand.

Nevertheless, Thai government has executed various programs to deal with the low natural rubber price and to help rubber farmers with no impact on market mechanism such as the price guarantee offered to rubber farmers, which lasts from October 2019 to March 2020 and August 2020 to December 2020, and whereby the government will compensate rubber farmers the differential between the guaranteed prices and prices on the market. The guaranteed prices are 60 Bath/kg. for good quality unsmoked sheets, 57 Baht/kg. for fresh latex and 23 Baht/kg. for cup lump. Other measures aimed at promoting NR consumption include the interest rate subsidy of no more than 3% offered to businesses that consume natural rubber and the encouragement for rubber plantations to be certified by the Forest Stewardship Council (FSC) in order to increase the value natural rubber products from Thailand and broaden export base.

Our gloves 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.

Business Segmentation Analysis

Revenue breakdown by product segment

(Baht million)

	FY2020	FY2019	%YoY
Technically Specified Rubber (TSR)	37,657.8	39,019.7	-3.5%
%	49.9%	64.7%	
Gloves	30,750.4	12,194.8	152.2%
%	40.7%	20.2%	
Ribbed Smoked Sheet (RSS)	4,336.0	6,117.3	-29.1%
%	5.7%	10.1%	
Concentrated Latex (LTX)	2,684.2	2,906.6	-7.7%
%	3.6%	4.8%	
Others*	50.3	48.0	4.7%
%	0.1%	0.1%	
Total	75,478.7	60,286.4	25.2%

Note: * Comprises revenue from (i) the sale of rubber wood and wood packing product (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 external third parties and (iii) the sale of gloves

Technically Specified Rubber (TSR)

Revenue from TSR, which accounted for 49.9% of total revenue, decreased 3.5% YoY as sales volume declined 1.6% YoY because of weakened demand following the outbreak of COVID-19. But the decrease was less than the overall 8.1% YoY drop in global NR consumption. The ASP also went down 1.9% YoY, but was still higher than the average NR price on the global market. With a strategy that emphasizes flexibility and agility and the sharp contrast in NR prices during the first and second half of the year, gross profit for TSR rose 38.9% from FY2019 and gross profit margin significantly improved.

Gloves

Revenue from gloves, which accounted for 40.7% of total revenue, rose 152.2% YoY on the back of sales volume that grew 40.8% following our capacity expansion and the outbreak of COVID-19, which led to a surge in demand for medical as well as other uses in daily life. Throughout the year, prices of raw materials, both NR and NRB latex, experienced high volatility and went up 14.1% for NR latex and 11.3% for NBR latex. But the increase in raw material prices was offset by the ASP that went up 79.1% YoY because of strong demand throughout the year. As a result, gross profit rose 883.2% YoY and gross profit margin was among the highest of all the leading glove producers.

Ribbed Smoked Sheet (RSS)

Revenue from RSS, which accounted for 5.7% of total revenue, dropped 29.1% YoY in tandem with sales volume that declined 31.6% YoY as demand slowed because RSS has mostly been replaced by TSR in tire manufacturing. The ASP, meanwhile, went up 3.6% YoY. Prices of RSS experienced high volatility during the year as many tire manufacturers had to suspend operations during the peak of the COVID-19 outbreak, and this prompted many rubber farmers to produce more field latex instead during 2Q20, leading to a tight supply of RSS when tire manufacturers resumed operations in 3Q20. As a result, gross profit for RSS dropped 39.1% YoY and gross profit margin went slightly down.

Concentrated Latex (LTX)

Revenue from LTX, which accounted for 3.6% of total revenue, decreased 7.7% YoY because sales volume dropped 20.2% YoY as LTX consumption within the Group grew in concert with the glove business. In response to prices field latex that went up sharply from late May through June, we reduced the proportion of LTX sold to customers outside of the Group. (Sales to STGT are deemed connected transactions and cannot be stated in the consolidated financial statements.) The ASP went up 15.7% YoY on the back of demand that rose substantially, particularly from glove producers. Gross profit for LTX rose 406.6% YoY and gross profit margin also increased substantially.

Consolidated Balance Sheet

Current Assets

Current assets as of 31 December 2020 amounted to Baht 57,375.0 million, representing 61.6% of total assets and up by Baht 34,832.2 million or 154.5% from the previous year. The increase in current assets primarily resulted from cash and cash equivalent item in the amount of Baht 24,064.9 million which was partly due to receiving Baht 14,600 million in IPO proceeds and a strongly increase in the Company's operating result reflecting in an increase in cash and trade accounts receivable.

Non-Current Assets

Non-current assets as of 31 December 2020 amounted to Baht 35,742.3 million, representing 38.4% of total assets and decreasing by Baht 45.8 million or 0.1% from the previous year. The decrease in non-current assets primarily resulted from a drop in property, plant, and equipment as, in 2020, the Company wrote off some buildings and there was an increase depreciation following years of machine usages.

Current Liabilities

Current liabilities as of 31 December 2020 amounted to Baht 32,402.4 million, representing 81.6% of total assets and increasing by Baht 9,948.0 million or

44.3% from the previous year. The increase in non-current assets primarily resulted from an increase in short-term borrowings from financial institution used for raw material purchasing amounted to Baht 5,213.3 million and an increase in trade accounts payable and other payable following the business expansion of the Company amounted to Baht 2,107.3 million, as well as there would be matured debenture due in May 2021 amounted to 1,455.0 million.

Non-Current Liabilities

Non-current liabilities as of 31 December 2020 amounted to Baht 7,300.0 million, representing 18.4% of total liabilities and dropped by Baht 3,070.1 million or 20.9% from the previous year. This was mainly due to the drop in long-term borrowing from financial institutions (minus current portions) in the amount of Baht 1,877.1 million comparing to the previous year together with matured debenture due in May 2021 amounted to 1,455.0 million

Shareholders' Equity

Shareholders' equity as of 31 December 2020 amounted Baht 53,396.9 million, increasing by Baht 27,908.5 million or 109.5% from the previous year. The increase in shareholders' equity primarily resulted from an increase in unappropriated retained earnings in the amount of 8,382.5 million thanks to the strong earning of the Company together with the premium on ordinary shares from changing in shareholdings in STGT amounted to Baht 5,799.4 million.

Credit Policy

STA defines the criteria for setting credit and payment terms for customers including the account receivable turnover not over than 40 days. This shall be the guideline for the operation, examination, and credit risk control to be at the acceptable level of the Company together with preserving and enhancing customer relation leading to a sustainable business operation. In 2020, we had the account receivable turnover at 31.71 days which was lower than the Company's policy.

Research and Development (R&D) Expenditure

In 2020, we had Baht 68.50 million, up 38.1% from the previous year, in expenses associated with research and development in relation to all our products, from TSR, LTX, RSS to Gloves. Such expenses went toward improving the production efficiency and product quality to satisfy customer demand and also toward the sustainable environmental management. Throughout the year 2020, we have developed 52 projects for R&D and 4 projects of that will be continued to conduct in 2021.

Source of Funds

In 2020, our capital expenditure was Baht 2,593.5 million, up 37.1% from the previous year, which primarily consisted of Baht 2,066.6 million in expenditure for gloves facilities accounted around 79.7% of total capital expenditure. Followed by, the maintenance expenditure of our TSR, RSS and LTX facilities Baht 335.2 million accounted around 12.9% of total capital expenditure and the investment for rubber plantation business and others expenditure in the amount of Baht 123.7 million, and Baht 67.9 million respectively. Our primary sources of funds were cash and long-term borrowings from financial institutions.

The Ability to Service Debt and Comply with Loan Covenants

Short-term and long-term borrowings from financial institutions, debentures and financial leases as of 31 December 2020 amounted to Baht 32,058.2 million (Please find details about payment term, interest rate and ending balance in each foreign currency in Note to the Consolidated and Separate Financial Statements under item 25).

Our net debt to equity ratio was at 0.25 times as of 31 December 2020, dropping from 1.20 times in 2019, mainly due to the decrease in cash and cash equivalence in the amount of Baht 24,064.9 million and the decrease in long-term loans from financial institution in the amount of Baht 2,170.5 million.

Financial Ratios

Current ratio

Current ratio is calculated by dividing total current assets by total current liabilities. Our current ratio as of 31 December 2019 and 31 December 2020 was 1.00 times and 1.77 times, respectively. The increase in current ratio primarily resulted from an increase in current assets which was cash and cash equivalent as well as an increase in trade accounts receivable and other receivables thanks to our business growth.

Fixed asset turnover ratio

Fixed asset turnover ratio is calculated by dividing the sales of goods and services by the average value of property, plants and equipment (net). As of 31 December 2019 and 31 December 2020, our fixed asset turnover ratio was 2.06 and 2.53 times, respectively. The increase in fixed asset turnover ratio was mainly due to our strong revenue growth that implied maximizing benefits of the Company's fixed assets.

Return on assets ("ROA")

ROA is calculated by dividing net profit (of the parent company) for the year by the average value of total assets. As of 31 December 2019 and 31 December 2020, our ROA was -0.25% and 12.59% respectively. The increase in ROA mainly resulted from a jump in profitability of the Company comparing to the previous year.

Return on equity ("ROE")

ROE is calculated by dividing net profit (of the parent company) for the year by the average total equity. As of 31 December 2019 and 31 December 2020, our ROE was -0.57% and 24.16%, respectively. The increase in ROE resulted from a strong growth of the Company's profitability.

Debt to equity ratio ("D/E")

D/E is calculated by dividing total debt by total equity. As of 31 December 2019 and 31 December 2020, our D/E was 1.29 and 0.74 times, respectively. The huge decrease in D/E resulted from a drop in long-term borrowings and loan payment before the due date of STGT, as well as an increase in total equity following the growth of retained earnings and premium on ordinary shares, respectively.

Business Outlook

Rubber Industry

	2020	2021F	2022F
% Global growth (GDP)	-4.4%	5.2%	4.2%
Global total vehicles in use (mil. Unit)	1,482	1,522	1,555
% change	1.3%	2.7%	2.1%
Global vehicle production (mil. Unit)	77	88	95
% change	-16.9%	14.6%	8.4%
Global tire production (mil. Unit)	1,651	1,794	1,905
% change	-12.6%	8.6%	6.2%
Global NR consumption ('000 tons)	12,533	13,409	14,212
% change	-8.1%	7.0%	5.3%

Source : International Rubber Study Group (IRSG), The World Rubber Industry Outlook, Review and Prospects to 2030, December 2020

Since the growth of the global economy and the COVID-19 pandemic reflects a slowdown in a purchasing power of consumers. As for the natural rubber consumption, the key factors affecting natural rubber demand are the vehicle production and tire production over the world because tire manufacturers account around 70% of global natural rubber demand. According to IRSG report, in 2020, demand from tire manufacturers decreased 9.5% from 2019. The COVID-19 lockdown in many countries and the sluggish demand prompted many tire manufacturers to suspend their operations for 4-10 weeks, directly impacting TSR and RSS consumption. Aside from the lower NR consumption from tire manufacturers, demand for synthetic rubber, which needs to be used together with natural rubber for tire production, dropped by 11.0%, a much higher rate than a drop in natural rubber consumption.

Natural Rubber Demand and Supply

World Natural Rubber production and consumption during 2020 - 2022

Unit: 000'tons	2020	2021F	2022F
NR production	12,899	13,511	14,183
% change	-5.9%	4.7%	5.0%
NR consumption	12,533	13,409	14,121
% change	-8.1%	7.0%	5.3%
NR Balance	367	102	62

Source : International Rubber Study Group (IRSG), *The World Rubber Industry Outlook, Review and Prospects to 2030*, December 2020

According to the World Rubber Industry Outlook, Review and Prospects to 2030, published by the International Rubber Study Group (IRSG) in December 2020, global NR demand in 2020 was 12.5 million tons, down 8.1% from 2019, because demand from tire manufacturers, who accounted for about 70% of total NR consumption, dropped by 9.5% from 2019. The COVID-19 lockdown in many countries and the sluggish demand prompted many tire manufacturers to suspend their operations for 4-10 weeks, directly impacting TSR and RSS consumption. At the same time, demand from non-tire consumers decreased by only 4.5% from 2019, buoyed by demand for LTX from glove producers in Thailand and Malaysia, which rose in tandem with demand for gloves following the outbreak of COVID-19.

Global NR supply in 2020 was 12.9 million tons, down 5.9% from 2019 mainly because of demand that slowed as a result of the COVID-19 pandemic. During the height of the outbreak, the price of TSR20 on SICOM dropped to 103.8 cent/kg, the lowest since 2004. The lockdown measures also forced some migrant workers to go back to their countries, leading to a shortage of labor for rubber tapping. The decrease in NR supply mainly came from the Asia-Pacific countries, which accounted for 87.8% of total NR production in 2020.

The IRSG expects another year of NR oversupply in 2021, a result of the rubber trees planted during a period of high NR prices from 2010 to 2012 (the average price TSR20 on SICOM during the period was 368 cent/kg), which saw the area of rubber plantations in the Asia-Pacific region expand by 18.9%. The trees planted during this period have started to provide yield since 2017, leading to a constant oversupply that intensified in 2020, with a surplus of 367,000 tons, as a result of a significant slowdown in consumption following the outbreak of COVID-19 and the suspension of operations by tire manufacturers in many countries. The IRSG anticipates that NR demand will start to pick up in 2021 and the supply surplus will lower to 102,000 tons.

Rubber Glove Industry

Gloves are products that help to effectively protect against germs, chemicals and other contaminants. As such, they are widely used in industries as diverse as the healthcare industry, the food industry, the electronics industry and the cosmetics industry. Gloves that are consumed nowadays can be broadly categorized into three types, namely, powdered and powder-free latex gloves, nitrile gloves and vinyl gloves.

Rubber Glove Demand and Supply

In 2020, the COVID-19 outbreak, which originated in China before becoming a global pandemic, led to a paradigm shift in glove consumption. Gloves, which constitute an essential personal protective equipment (PPE), have become a mainstay in daily life and in various different industries.

Prior to the outbreak of COVID-19, the Malaysian Rubber Glove Manufacturers Association (MARGMA) anticipated demand for gloves to grow by 10% to 330 billion pieces in 2020, a figure that has yet to be revised. There was an estimation that, in 2020, demand could grow by as much as 20%-50% to 360-585* billion pieces as a result of the protracted nature of the outbreak, which is still ongoing. While gloves are widely consumed in countries around the world, glove production is still concentrated in Southeast Asia and China. MARGMA estimated that in 2019, 63% of the global glove supply came from Malaysia and 18% came from Thailand, while China and Indonesia accounted for 10% and 3% of global production, respectively.

*Source: *Malaysian Rubber Glove Manufacturers Association "MARGMA" and 2020 Market Report, HIDA Research & Analytics*

Our business strategy and progress of expansion plan

Upstream Business – approximately 7,200 hectares of rubber plantations

As of 31 December 2020, we had approximately 7,200 hectares of rubber plantations in 19 provinces of Thailand, with the majority located in the north and northeast. Some of the rubber trees on our plantations have been providing yields since 2015, facilitating the raw material sourcing in our core midstream operations. We estimate that in 2020, the rubber trees that can be tapped will make up around 25% of total rubber trees, up from 11% in 2019. We have received Forest Management Certification and Chain-of-Custody Certification from the Forest Stewardship Council (FSC), making us the world's first fully integrated NR producer to be recognized by the FSC throughout the supply chain.

Midstream Business – maintaining profitability and moving toward "STA 20"

As of 31 December 2020, we had 2.84 million tons per annum in installed production capacity from 36 production facilities (32 in Thailand, 3 in Indonesia, and 1 in Myanmar). We have introduced more automation to our production process in order to improve efficiency, reduce energy consumption and become more environmentally friendly. We have launched the application "SRITRANG FRIENDS" to facilitate raw material procurement. In the long run, we are focused on maintaining relationships with our existing customers as well as increasing market share amid industry volatility. We intend to eventually achieve "STA 20," or to capture a market share of 20% of "global NR consumption." (In 2020, our market share was 8% of global NR consumption.)

*Note: *The engineering capacity is derived from the specifications certified by the supplier of the processing machinery. Our engineering capacity includes the engineering capacity of Thaitech Rubber Corporation Limited.*



- **STERILE GRADE**
- **STANDARD GRADE**
- **PREMIUM GRADE**



Downstream Business – reaching an annual installed production capacity of 50 billion pieces by 2022 and 80 billion pieces by 2024

Sri Trang Gloves (Thailand) Public Company Limited (“STGT”), one of Sri Trang Group’s flagship companies, engages in the production and distribution of latex and nitrile examination and industrial gloves to customers in over 140 countries around the world. STGT has offices in Thailand, China and USA. With an annual installed production capacity of 33 billion pieces as of 31 December 2021, STGT is Thailand’s biggest glove producer and is ranked among the world’s leading producers.

STGT completed an initial public offering (IPO) and its shares started trading on the Stock Exchange of Thailand on 2 July 2020. STGT received Baht 14.6 billion in IPO proceeds (net of expenses), which will be used toward the planned capacity expansion to serve the global demand for gloves. STGT intends to achieve an annual production capacity of 50 billion pieces by 2022, and 80 billion pieces by 2024, with new capacity first coming from the new Surat Thani plants (SR)– SR2 in 1Q21 and SR3 in 2Q21. The remainder of the IPO proceeds will be used for the SAP installation to improve efficiency and loan repayment as well as working capital. After the IPO from 3Q20 onwards, STA still remains a major shareholder of STGT with 56.2% in direct and indirect shareholding.



THE AUDIT COMMITTEE REPORT

The Audit Committee, appointed by the Board of Directors of Sri Trang Agro-Industry Public Company Limited (the "Company"), consists of three independent directors, as follows:

- | | |
|-------------------------------|---------------------------------|
| 1. Mr. Kriang Yanyongdilok | Chairman of the Audit Committee |
| 2. Mr. Samacha Potavorn | Audit Committee member |
| 3. Miss Anusra Chittmittrapap | Audit Committee member |

The Audit Committee performs its duties and responsibilities as assigned by the Board of Directors of the Company. In the year 2020, the Audit Committee convened a total of eight meetings, The Audit Committee attended all of the quorum meetings and, where the agendas were relevant, meetings were also attended by the senior management, the manager of the internal audit department and the auditors. The duties and responsibilities performed by the Audit Committee can be summarized as follows:

- Reviewed the quarterly and year-end financial statements for the year 2020 together with the auditor, the Chief Financial Officer (CFO) and the management to ensure that they are accurate and comply with the generally accepted accounting principles. In determining the accuracy of the financial statements, there were discussions and exchanges of opinion throughout the meetings prior to submitting the financial statements to the executive directors of the Company for approval. In the Audit Committee's meeting no. 1/2021, held on 15 February 2021, there was a meeting between Audit Committee and external auditor without management participation which the external auditor did not have any significant observations.
- Considered the internal audit plan and reviewed the results of internal audit conducted by the internal audit department as well as the sufficiency, appropriateness and effectiveness of the internal control system and risk management system.
- Ensured that the Company complied with the relevant laws and regulations and the principles of good corporate governance as well as its Articles of Association and the regulations of the SEC and the SET and that the Company adequately disclosed information.
- Reviewed the entering into and disclosure of related party transactions that may lead to conflicts of interest between the interested parties and the Company and its subsidiaries. The review concluded that the Company complied with all the laws and regulations of the SET regarding related party transactions.
- Submitted the names of the persons to be appointed the Company's auditors and the proposed auditing fees for the year 2021 to the Board of Directors in order to obtain approval from the Company's shareholders during the 2021 Annual General Meeting of Shareholders. In performing this duty, the Audit Committee considered the track record and the independence of the auditors and the appropriateness of the remuneration.

In conclusion, it is the opinion of the Audit Committee that the Company's operations in the past year have sufficient and appropriate internal control system and risk management system, that the financial statements were prepared in accordance with the generally accepted accounting principles and that the Company has complied with all the laws and the regulations of the SEC and the SET relating to its business operations. In the performance of its duties the Audit Committee were accorded full independence and discretion and there were no limitations on its access to information.

Yours sincerely,

Mr. Kriang Yanyongdilok
Chairman of the Audit Committee
February 2021

REPORT OF THE BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL REPORTS

The Board of Directors is responsible for the stand-alone financial statements of Sri Trang Agro-Industry Public Company Limited and the consolidated financial statements of Sri Trang Agro-Industry Public Company Limited and its subsidiaries as well as the financial information stated in the Company's 2020 Annual Report. The financial statement ended on December 31, 2020 was prepared in accordance with the generally accepted accounting standards by using appropriate and consistent accounting policy including careful consideration and reasonableness. The important information was adequately disclosed in the notes to the financial statements to transparently reflect the actual financial position, operating results and cash flow for the understanding of shareholders and investors. The financial statements have been audited by EY Office Limited and all the related information was provided to the auditors for supporting their opinion in accordance with the auditing standards.

The Board of Directors recognized their duties and responsibilities for supervising the efficient preparation of financial report and have instituted risk management system and appropriate internal control system for both operation and related information systems to ensure the accuracy and completeness of the financial information and to prevent fraud or mismanagement and to protect the Company's assets.

In this regard, the Board also appointed an Audit Committee to review the accuracy and reliability of the financial reports, the effectiveness of the internal audit and internal control system as well as the risk management system, along with the appropriateness and completeness of information disclosure regarding related party transactions and to state their opinion in the Audit Committee Report in the Annual Report.

From the corporate governance practices mentioned above, the Board is of the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance that the stand-alone financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 are accurate, reliable and in compliance with generally accepted accounting practices and all the relevant legal guidelines and policies.

Mr. Viyavood Sincharoenkul
Chairman and Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sri Trang Agro-Industry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sri Trang Agro-Industry Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sri Trang Agro-Industry Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries and of Sri Trang Agro-Industry Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

Revenue from sales of goods is significant to the financial statements. The Coronavirus disease 2019 pandemic has a direct impact on the competition in the rubber glove market and selling prices of rubber gloves. Moreover, the Group has a large number of customers under a variety of conditions. As a result, revenue from sale of goods is a significant account which directly affects the Group's operating results.

I assessed and tested the effectiveness of the Group's internal controls relating to the revenue cycle, examining supporting documents on a sampling basis for actual sale transactions occurring during the year, expanding the scope of audit near the end of the reporting period and testing sale transactions with respect to the accuracy and timing of revenue recognition. I also

examined credit notes issued by the Group after the period end and performed analytical procedures on disaggregated data, including reconciliation of sales to cash receipts, to detect possible irregularities in sale transactions throughout the period, particularly accounting entries made through journal vouchers.

Financial Instruments

The Group has entered into financial instruments with numerous counterparties that are financial institutions, in order to mitigate its exposure to fluctuations in rubber prices, foreign exchange rates and interest rates. It presents the fair value of such financial instruments in the statement of financial position, and recognises material gains or losses on financial instruments in profit or loss of the statement of comprehensive income. Management therefore relies on valuation techniques and models suggested by the counterparties, in which most of the inputs used are observable in the relevant market. Differences in the assumptions used in the calculation may therefore affect the fair value of such financial instruments presented in the financial statements.

I gained an understanding of the transactions and the process of recording the fair value of financial instruments, and the accounting records related to financial instruments. Moreover, I recalculated the fair value of such financial instruments, sent confirmation requests to counterparties to determine the completeness of the recording of the transactions and verified supporting documents, on a sampling basis, for actual transactions occurring during the year. In addition, I tested the appropriateness of the fair values by comparing them to available market inputs. Moreover, I examined the information disclosed in the notes to the financial statements for appropriateness and completeness.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on

Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 16 February 2021

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Report and consolidated financial statements

31 December 2020



STATEMENT OF FINANCIAL POSITION

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	26,446,683,536	2,381,822,723	298,780,383	190,156,195
Trade and other receivables	9	9,260,149,876	4,978,433,863	2,886,595,893	2,592,916,467
Amounts due from future brokers		801,544,051	729,665,751	-	30,384,003
Inventories	10	19,031,541,468	13,493,550,977	10,075,612,645	7,221,648,620
Current portion of long-term loans to subsidiaries	7	-	-	597,348,000	839,347,600
Derivative financial instruments	39.1	235,945,051	62,616,087	173,362,103	27,014,973
Other current assets	11	1,599,102,740	896,717,549	72,815,215	26,096,713
Non-current assets held for sale	12	-	-	307,402,970	-
Total current assets		<u>57,374,966,722</u>	<u>22,542,806,950</u>	<u>14,411,917,209</u>	<u>10,927,564,571</u>
Non-current assets					
Fixed deposits pledged as collateral	3, 13, 14	-	701,500	-	-
Long-term loans to subsidiaries, net of current portion	7	-	-	-	599,534,000
Other non-current financial assets	3, 14	97,086,142	-	96,071,528	-
Investments in subsidiaries	15	-	-	18,705,637,813	18,673,335,673
Investments in associates	16	507,741,337	499,600,353	142,500,000	157,568,800
Investment in a joint venture	17	431,884,363	396,391,528	134,716,526	134,716,526
Long-term investments	3, 14	-	109,898,445	-	109,726,337
Investment properties	18	193,600,198	190,331,553	75,663,125	75,663,125
Property, plant and equipment	19	27,243,331,530	27,801,517,575	7,707,942,980	8,530,038,383
Right-of-use assets	3, 4.2, 25	273,158,309	-	114,209,614	-
Economic tree plantations	20	2,390,231,063	2,246,720,190	13,938,754	13,025,646
Intangible assets - Computer software	21	451,342,005	385,901,094	338,848,102	356,550,652
Goodwill	22	3,174,667,132	3,174,667,132	-	-
Withholding tax deducted at source		492,219,875	660,045,134	386,383,967	462,202,209
Deferred tax assets	32	269,818,457	284,240,626	-	-
Other non-current assets		217,175,166	38,044,369	11,583,615	11,918,138
Total non-current assets		<u>35,742,255,577</u>	<u>35,788,059,499</u>	<u>27,727,496,024</u>	<u>29,124,279,489</u>
Total assets		<u>93,117,222,299</u>	<u>58,330,866,449</u>	<u>42,139,413,233</u>	<u>40,051,844,060</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	23	4,635,946,027	2,528,644,697	988,045,291	987,831,101
Short-term borrowings from financial institutions	24	22,162,290,499	16,948,937,304	15,889,794,000	13,502,988,000
Current portions of:					
- Long-term borrowings from financial institutions	24	2,328,352,364	2,621,766,985	1,554,136,000	1,674,276,400
- Debenture	24	1,455,000,000	-	1,455,000,000	-
- Finance lease liabilities	3	-	20,727,960	-	3,496,674
- Lease liabilities	3, 4.2, 25	115,706,540	-	58,005,394	-
Short-term loan from a subsidiary	7	-	-	145,000,000	160,000,000
Income tax payable		1,399,708,727	152,301,474	-	-
Derivative financial instruments	39.1	139,406,892	143,244,779	63,000,451	70,355,004
Other current liabilities		183,957,212	56,775,301	88,173,474	16,421,118
Total current liabilities		32,420,368,261	22,472,398,500	20,241,154,610	16,415,368,297
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	24	5,996,840,314	7,873,898,511	471,350,000	2,027,976,000
- Debenture	24	-	1,455,000,000	-	1,455,000,000
- Finance lease liabilities	3	-	16,320,705	-	3,190,780
- Lease liabilities	3, 4.2, 25	137,145,778	-	55,298,123	-
Derivative financial instruments	39.1	44,471,537	-	-	-
Provision for retirement benefit obligations	26	440,267,971	384,950,854	136,673,521	126,247,714
Deferred tax liabilities	32	647,918,723	606,693,364	96,228,324	50,877,308
Other non-current liabilities		33,291,499	33,218,344	-	-
Total non-current liabilities		7,299,935,822	10,370,081,778	759,549,968	3,663,291,802
Total liabilities		39,720,304,083	32,842,480,278	21,000,704,578	20,078,660,099

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
1,535,999,998 ordinary shares of Baht 1 each		<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>
Issued and fully paid-up					
1,535,999,998 ordinary shares of Baht 1 each		1,535,999,998	1,535,999,998	1,535,999,998	1,535,999,998
Premium on ordinary shares		10,851,951,634	10,851,951,634	10,851,951,634	10,851,951,634
Surplus from the change in the ownership interests in subsidiaries	15.2	6,087,887,261	288,463,490	-	-
Retained earnings					
Appropriated - statutory reserve	27	153,600,000	153,600,000	153,600,000	153,600,000
Unappropriated		16,795,645,402	8,413,145,159	6,702,074,215	5,429,641,988
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax	28	3,815,836,066	3,964,398,998	1,895,167,475	1,994,351,161
Surplus (deficit) on changes in fair value through other comprehensive income of investments in equity - net of income tax	3	(66,260)	7,544,783	(84,667)	7,639,180
Cash flow hedge reserve - net of income tax	3, 4.1	(19,987,589)	-	-	-
Exchange differences on translation of financial statements in foreign currency		<u>(1,149,629,226)</u>	<u>(1,096,075,583)</u>	-	-
Equity attributable to equity holders of the Company		38,071,237,286	24,119,028,479	21,138,708,655	19,973,183,961
Non-controlling interests of the subsidiaries	15.2	<u>15,325,680,930</u>	<u>1,369,357,692</u>	-	-
Total shareholders' equity		<u>53,396,918,216</u>	<u>25,488,386,171</u>	<u>21,138,708,655</u>	<u>19,973,183,961</u>
Total liabilities and shareholders' equity		<u>93,117,222,299</u>	<u>58,330,866,449</u>	<u>42,139,413,233</u>	<u>40,051,844,060</u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues from sales of goods and services	33	75,478,744,621	60,286,372,366	32,885,620,441	32,645,630,698
Cost of sales and services		(53,697,457,457)	(55,431,991,295)	(29,559,739,751)	(30,374,277,996)
Gross profit		21,781,287,164	4,854,381,071	3,325,880,690	2,271,352,702
Other income	29	347,299,550	279,200,501	137,057,991	157,348,506
Dividend income		2,093,094	1,855,939	1,438,635,594	652,409,758
Selling and distribution expenses		(3,127,819,248)	(3,011,555,239)	(1,836,827,566)	(1,995,062,828)
Administrative expenses		(1,654,928,043)	(1,559,041,085)	(636,233,909)	(664,551,541)
Gain on exchange rates		267,817,291	354,646,962	121,440,344	185,389,319
Loss on change in fair value of investment properties		-	(2,366,652)	-	-
Loss from disposal of investments in a subsidiary		-	-	-	(179,231,169)
Gain (loss) from disposal of investments in an associate	16.1	192,977	-	(6,713,800)	-
Other gain (loss)	30	(80,872,178)	(261,474,084)	267,614,490	(216,907,847)
Profit from operating activities		17,535,070,607	655,647,413	2,810,853,834	210,746,900
Share of profit from investments in associates and a joint venture		168,585,842	132,348,965	-	-
Finance income		51,323,881	34,947,069	56,431,385	78,571,918
Finance cost		(690,930,984)	(890,589,762)	(333,555,363)	(454,751,073)
Profit (loss) before income tax		17,064,049,346	(67,646,315)	2,533,729,856	(165,432,255)
Income tax	32	(1,667,479,505)	15,574,213	(48,988,231)	33,904,880
Profit (loss) for the year		15,396,569,841	(52,072,102)	2,484,741,625	(131,527,375)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(57,659,888)	(302,678,100)	-	-
Loss on change in value of available-for-sale investments - net of income tax	3	-	(3,679,685)	-	(3,564,890)
Loss on cash flow hedges - net of income tax	3	(7,072,137)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(64,732,025)	(306,357,785)	-	(3,564,890)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in surplus on revaluation of assets - net of income tax		(6,345,600)	(1,621,914)	(6,345,600)	-
Actuarial gain (loss) - net of income tax		(11,496,930)	20,345,467	452,515	19,738,699
Loss on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	3	(7,611,043)	-	(7,723,847)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(25,453,573)	18,723,553	(13,616,932)	19,738,699
Other comprehensive income for the year		(90,185,598)	(287,634,232)	(13,616,932)	16,173,809
Total comprehensive income for the year		15,306,384,243	(339,706,334)	2,471,124,693	(115,353,566)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to:				
Owners of the Company	9,531,213,266	(148,535,523)	<u>2,484,741,625</u>	<u>(131,527,375)</u>
Non-controlling interests of the subsidiaries	5,865,356,575	92,132,024		
Former interests before restructuring of the subsidiary	<u>-</u>	<u>4,331,397</u>		
	<u>15,396,569,841</u>	<u>(52,072,102)</u>		
Total comprehensive income attributable to:				
Owners of the Company	9,446,216,545	(433,008,002)	<u>2,471,124,693</u>	<u>(115,353,566)</u>
Non-controlling interests of the subsidiaries	5,860,167,698	88,970,271		
Former interests before restructuring of the subsidiary	<u>-</u>	<u>4,331,397</u>		
	<u>15,306,384,243</u>	<u>(339,706,334)</u>		
Earnings per share	34			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>6.21</u>	<u>(0.10)</u>	<u>1.62</u>	<u>(0.09)</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Consolidated financial statements																				
	Attributable to the equity holders of the Company																				
	Other components of shareholders' equity																				
	Surplus (deficit) on changes in fair value through other comprehensive income																				
	Surplus (deficit) from the change in the ownership interests in subsidiaries			Retained earnings		Surplus on revaluation of assets - net of income tax		Cash flow hedge reserve - net of income tax		Exchange differences on translation of financial statements in foreign currency		Total other components of shareholders' equity		Total equity attributable to equity holders of the Company		Equity attributable to non-controlling interests of the subsidiaries		Former interests before restructuring of the subsidiary		Total shareholders' equity	
Issued and paid-up share capital	Premium on ordinary shares			Appropriated - statutory reserve	Unappropriated																
1,535,999,998	10,851,951,634	(173,134,488)		153,600,000	9,019,098,813	4,102,659,313	11,224,468	-	(796,207,126)	3,317,676,655	24,705,190,612	394,583,851	1,311,504,955	26,411,279,418							
-	-	-	-	-	(148,535,523)	-	-	-	-	-	(148,535,523)	92,132,024	4,331,397	(52,072,102)							
-	-	-	-	-	20,345,467	(1,621,914)	(3,679,685)	-	(299,516,346)	(304,817,945)	(284,472,478)	(3,161,753)	-	(287,634,231)							
-	-	-	-	-	(128,190,056)	(1,621,914)	(3,679,685)	-	(299,516,346)	(304,817,945)	(433,008,001)	88,970,271	4,331,397	(339,706,333)							
-	-	-	-	-	136,638,401	(136,638,401)	-	-	-	(136,638,401)	-	-	-	-							
-	-	-	-	-	(614,399,999)	-	-	-	-	-	(614,399,999)	-	-	(614,399,999)							
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,190)							
-	-	461,245,867	-	-	-	-	-	-	-	-	461,245,867	854,590,485	(1,315,836,352)	-							
-	-	-	-	-	-	-	-	-	(352,111)	(352,111)	-	-	-	-							
-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,216,275							
1,535,999,998	10,851,951,634	288,463,490		153,600,000	8,413,145,159	3,964,399,998	7,544,783	-	(1,096,075,583)	2,875,868,198	24,119,028,479	1,369,357,692	-	25,488,386,171							
1,535,999,998	10,851,951,634	288,463,490		153,600,000	8,413,145,159	3,964,398,998	7,544,783	-	(1,096,075,583)	2,875,868,198	24,119,028,479	1,369,357,692	-	25,488,386,171							
-	-	-	-	-	23,112,168	-	-	(23,112,168)	-	(23,112,168)	-	-	-	-							
1,535,999,998	10,851,951,634	288,463,490		153,600,000	8,436,257,327	3,964,398,998	7,544,783	(23,112,168)	(1,096,075,583)	2,852,756,030	24,119,028,479	1,369,357,692	-	25,488,386,171							
-	-	-	-	-	9,531,213,266	-	-	-	-	-	9,531,213,266	5,865,356,575	-	15,396,569,841							
-	-	-	-	-	(8,442,524)	(6,345,600)	(7,611,043)	(6,380,966)	(56,236,588)	(76,554,197)	(84,996,721)	(5,188,877)	-	(90,185,598)							
-	-	-	-	-	9,522,770,742	(6,345,600)	(7,611,043)	(6,380,966)	(56,236,588)	(76,554,197)	9,446,216,545	5,860,167,698	-	15,306,384,243							
-	-	-	-	-	142,217,332	(142,217,332)	-	-	-	(142,217,332)	-	-	-	-							
-	-	-	-	-	(1,305,599,999)	-	-	-	-	-	(1,305,599,999)	-	-	(1,305,599,999)							
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(782,410,499)							
-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,753,441							
-	-	5,799,423,771	-	-	-	-	-	-	2,682,945	12,168,490	5,811,592,261	8,856,812,598	-	14,668,404,859							
1,535,999,998	10,851,951,634	6,087,887,261		153,600,000	16,795,645,402	3,815,836,066	(66,260)	(19,987,589)	(1,149,629,226)	2,646,152,991	38,071,237,286	15,325,680,930	-	53,396,918,216							

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

Separate financial statements

	Other components of shareholders' equity										Total shareholders' equity
	Retained earnings					Other components of shareholders' equity					
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets - net of income tax	Surplus (deficit) on changes in fair value through other comprehensive income	Investments in equity of shareholders' equity - net of income tax	Total other components of shareholders' equity	Total shareholders' equity		
Balance as at 1 January 2019	1,535,999,998	10,851,951,634	153,600,000	6,092,271,684	2,057,910,140	11,204,070	2,069,114,210	20,702,937,526			
Loss for the year	-	-	-	(131,527,375)	-	-	-	(131,527,375)			
Other comprehensive income for the year	-	-	-	19,738,699	-	(3,564,890)	(3,564,890)	16,173,809			
Total comprehensive income for the year	-	-	-	(111,788,676)	-	(3,564,890)	(3,564,890)	(115,353,566)			
Amortisation on asset revaluation	-	-	-	63,558,979	(63,558,979)	-	(63,558,979)	-			
Dividend paid (Note 36)	-	-	-	(614,399,999)	-	-	-	(614,399,999)			
Balance as at 31 December 2019	1,535,999,998	10,851,951,634	153,600,000	5,429,641,988	1,994,351,161	7,639,180	2,001,990,341	19,973,183,961			
Balance as at 1 January 2020	1,535,999,998	10,851,951,634	153,600,000	5,429,641,988	1,994,351,161	7,639,180	2,001,990,341	19,973,183,961			
Profit for the year	-	-	-	2,484,741,625	-	-	-	2,484,741,625			
Other comprehensive income for the year	-	-	-	452,515	(6,345,600)	(7,723,847)	(14,069,447)	(13,616,932)			
Total comprehensive income for the year	-	-	-	2,485,194,140	(6,345,600)	(7,723,847)	(14,069,447)	2,471,124,693			
Amortisation on asset revaluation	-	-	-	92,838,086	(92,838,086)	-	(92,838,086)	-			
Dividend paid (Note 36)	-	-	-	(1,305,599,999)	-	-	-	(1,305,599,999)			
Balance as at 31 December 2020	1,535,999,998	10,851,951,634	153,600,000	6,702,074,215	1,895,167,475	(84,667)	1,895,082,808	21,138,708,655			

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before income tax	17,064,049,346	(67,646,315)	2,533,729,856	(165,432,255)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:				
Unrealised gain on exchange rates	(17,967,914)	(128,250,642)	(2,201,371)	(10,998,134)
Unrealised gain on revaluation of derivative financial instruments	(148,661,759)	(31,173,519)	(153,701,683)	(34,913,207)
Share-based payment expenses	21,753,441	-	-	-
Allowance for expected credit losses/doubtful debts (reversal)	2,157,057	(8,324,705)	(939,025)	-
Reduction of inventory cost to net realisable value (reversal)	30,707,852	(133,379,310)	43,848,318	(74,061,551)
Expenses for retirement benefit obligations	45,887,178	111,695,156	12,473,951	42,492,645
Depreciation	2,717,553,906	2,405,643,654	871,077,987	832,262,806
Amortisation - economic tree plantations	9,351,303	6,440,800	403,186	426,803
Amortisation - intangible assets	74,472,376	74,193,925	66,306,466	60,741,704
Allowance for impairment loss of long-term investments	-	22,000,000	-	22,000,000
Loss on fair value adjustments of other financial instruments	4,000,000	-	4,000,000	-
Write-off withholding tax deducted at source	38,404,456	42,615,112	34,990,288	42,615,112
Finance income	(51,323,881)	(34,947,069)	(56,431,385)	(78,571,918)
Finance cost	690,930,984	890,589,762	333,555,363	454,751,073
Loss from disposal of investments in a subsidiary	-	-	-	179,231,169
Dividend income	(2,093,094)	(1,855,939)	(1,438,635,594)	(652,409,758)
Share of profit from investments in associates and a joint venture	(168,585,842)	(132,348,965)	-	-
Loss on disposal and write-off of property, plant and equipment, right-of-use assets, economic tree plantations and intangible assets	85,783,688	25,689,317	3,876,242	6,330,863
Loss (gain) on disposal of investment in an associate	(192,977)	-	6,713,800	-
Loss on change in fair value of investment properties	-	2,366,652	-	-
Profit from operating activities before changes in operating assets and liabilities	20,396,226,120	3,043,307,914	2,259,066,399	624,465,352
Operating assets (increase) decrease				
Trade and other receivables	(4,251,967,172)	1,019,572,306	(291,723,847)	650,439,700
Amounts due from future brokers	(71,878,300)	246,609,000	30,384,003	915,802
Inventories	(5,568,698,343)	(908,388,179)	(2,897,812,343)	(1,084,007,446)
Other current assets	(660,104,761)	(388,007,820)	9,033,811	34,511,959
Other non-current assets	(179,130,797)	11,199,461	334,523	4,470,774
Operating liabilities increase (decrease)				
Trade and other payables	2,063,335,443	(262,245,097)	1,695,846	(425,205,543)
Other current liabilities	127,181,911	17,292,982	71,752,356	(1,084,854)
Provision for retirement benefit obligations	(4,107,778)	(37,164,793)	(1,482,500)	(2,421,060)
Other non-current liabilities	73,155	-	-	-
Cash flows provided by operating activities	11,850,929,478	2,742,175,774	(818,751,752)	(197,915,316)
Cash received from interest income	32,776,975	35,953,184	56,630,911	81,615,120
Cash paid for interest income	(722,805,507)	(947,877,998)	(335,352,079)	(458,987,321)
Cash received for withholding tax deducted at source refund	167,260,678	126,024,746	50,045,714	17,873,443
Cash paid for income tax	(372,922,646)	(380,309,019)	(65,203,056)	(64,347,895)
Net cash flows provided by (used in) operating activities	10,955,238,978	1,575,966,687	(1,112,630,262)	(621,761,969)

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Decrease in fixed deposits pledged as collateral	-	26,726,258	-	-
Dividends received	118,883,094	39,513,739	1,438,635,594	652,409,758
Cash received from repayment of long-term loan to a subsidiary	-	-	839,347,600	968,544,000
Cash paid for investment in a subsidiary	-	-	(196,400,000)	(353,339,825)
Cash received from disposal of investment in a subsidiary	-	-	-	31
Cash received from disposal of property, plant and equipment, economic tree plantations and intangible assets	28,942,551	15,507,402	80,947,287	3,231,450
Cash paid for purchases of property, plant and equipment, economic tree plantations and intangible assets	(2,494,577,476)	(4,003,668,056)	(268,373,445)	(312,789,562)
Cash received from disposal of investment in an associate	8,355,000	-	8,355,000	-
Net cash flows provided by (used in) investing activities	<u>(2,338,396,831)</u>	<u>(3,921,920,657)</u>	<u>1,902,512,036</u>	<u>958,055,852</u>
Cash flows from financing activities				
Increase in short-term borrowings from financial institutions	5,253,574,488	1,293,115,341	2,386,806,000	2,182,730,000
Increase in short-term loan from a subsidiary	-	-	-	160,000,000
Repayment of short-term loan from a subsidiary	-	-	(15,000,000)	(300,000,000)
Proceeds from long-term borrowings	2,347,000,000	3,068,000,000	-	-
Repayments of long-term borrowings	(4,517,276,400)	(2,162,525,600)	(1,674,276,400)	(1,142,525,600)
Repayments of debentures	-	(810,000,000)	-	(810,000,000)
Repayments of lease liabilities	(146,213,468)	(21,469,756)	(74,183,539)	(3,788,275)
Dividend paid	(1,304,603,647)	(614,368,335)	(1,304,603,647)	(614,368,335)
Dividend paid by the subsidiaries	(782,410,499)	(3,190)	-	-
Cash received from increase in share capital of a subsidiary	14,609,276,074	31,216,275	-	-
Net cash flows provided by (used in) financing activities	<u>15,459,346,548</u>	<u>783,964,735</u>	<u>(681,257,586)</u>	<u>(527,952,210)</u>
Decrease in translation adjustments	<u>(11,327,882)</u>	<u>(315,351,209)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>24,064,860,813</u>	<u>(1,877,340,444)</u>	<u>108,624,188</u>	<u>(191,658,327)</u>
Cash and cash equivalents at beginning of the year	<u>2,381,822,723</u>	<u>4,259,163,167</u>	<u>190,156,195</u>	<u>381,814,522</u>
Cash and cash equivalents at end of the year	<u>26,446,683,536</u>	<u>2,381,822,723</u>	<u>298,780,383</u>	<u>190,156,195</u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	12,827,530	89,526,109	-	-
Purchases of assets by entering into lease agreements	70,207,839	9,794,526	31,641,322	1,589,000
Increase in retention	11,549,798	23,169,751	-	-

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

1. General information

Sri Trang Agro-Industry Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of natural rubber products such as ribbed smoked sheets, concentrated latex, block rubber, and other products. In addition, the Group is engaged in the manufacture and distribution of natural gloves and provides engineering, logistics and IT services. The registered office of the Company is at 10 Soi 10, Phetkasem Road, Hat Yai, Songkhla, Thailand.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Sri Trang Agro-Industry Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u>	<u>2019</u>
			(%)	(%)
<u>Subsidiaries directly owned by the Company</u>				
PT Sri Trang Lingga Indonesia	Manufacture of block rubber products	Indonesia	90.00	90.00
Anvar Parawood Co., Ltd.	Manufacture of processed rubber wood	Thailand	99.94	99.94
Rubberland Products Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			(%)	(%)
Namhua Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Sadao P.S. Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Startex Rubber Co., Ltd.	Investment holding	Thailand	99.99	99.99
Premier System Engineering Co., Ltd.	Providing engineering services	Thailand	99.99	99.99
Starlight Express Transport Co., Ltd.	Providing of logistics services	Thailand	99.99	99.99
Sri Trang Rubber & Plantation Co., Ltd.	Rubber plantation	Thailand	99.99	99.99
Shi Dong Shanghai Rubber Co., Ltd.	Distribution of rubber products	China	100.00	100.00
Sri Trang Gloves (Thailand) Plc.	Manufacture of medical gloves	Thailand	56.18	81.08
Sri Trang IBC Co., Ltd.	Providing of IT Services	Thailand	99.99	99.99

Subsidiaries indirectly owned by the Company

Held by Startex Rubber Co., Ltd.

Sri Trang International Pte Ltd.	Distribution of rubber products	Singapore	99.99	99.99
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Held by Sri Trang International Pte Ltd.

Shi Dong Investments Pte Ltd.	Investment holding	Singapore	99.99	99.99
Sri Trang Indochina (Vietnam) Co., Ltd.	Distribution of rubber products	Vietnam	99.99	99.99
Sri Trang Ayeyar Rubber Industry Co., Ltd.	Manufacture of block rubber products	Myanmar	58.99	58.99

Held by Shi Dong Investments Pte Ltd.

PT Star Rubber	Manufacture of block rubber products	Indonesia	98.99	98.99
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Held by Sri Trang Gloves (Thailand) Plc.

Shidong Shanghai Medical Equipment Co., Ltd.	Distribution of gloves	China	56.18	81.08
Sri Trang USA, Inc.	Distribution of gloves	USA	56.18	81.08

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
 - f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - h) Former interests before restructuring of the subsidiary represent the portion of profit or loss and net assets of former shareholders before the restructuring and are presented separately in consolidated profit or loss and within equity in the consolidated statement of financial position.
 - i) A change in the ownership interest of subsidiaries of the Group, without a loss of control, are recorded as "Surplus (deficit) from the changes in the ownership interests in subsidiaries" within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, a joint venture and associates under the cost method net of allowance for impairment loss (if any).

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2020) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards does not have any significant impact on the Group's financial statements resulted from the following items.

- Recognition of credit losses
- Recognition of derivatives - The Group already measured at their fair value.
- The Group measures investments in equity instruments of a non-listed company and classifies the investments as financial assets at fair value through profit or loss.
- The Group changes the presentation of financial assets and liabilities in the financial statements.

The Group applies hedge accounting for certain derivatives during the current period (Note 4.1).

Furthermore, the Group elected to early adopt the amendments to TFRS 9 and TFRS 7 relating to interest rate benchmark reform in 2020. These amendments are effective for fiscal years beginning on or after 1 January 2021. These amendments provide reliefs which enable the Group's hedge accounting to continue during the period of uncertainty, before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate. The relevant details are disclosed in Note 39.1 to the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

Cumulative effects of the initial adoption of this new financial reporting standards are disclosed in Note 4.2 to the financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of the initial adoption of new financial reporting standards

As described in Note 3 a) to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effects of the initial adoption of new financial reporting standards are recognised as an adjustment to the retained earnings as at 1 January 2020 without restatement of the comparative information.

4.1 Financial instruments

As at 1 January 2020, financial assets and liabilities were classified and measured in accordance with TFRS 9 by amortised cost, except for derivative financial instruments were classified and measured by fair value through profit or loss, or fair value through other comprehensive income for the effective portion of the hedging instrument.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

The impacts on the beginning balance of retained earnings of 2020 from the initial adoption of the financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 December 2019	1 January 2020
Recognition of cash flow hedges		
Retained earnings - unappropriated	8,413,145	8,436,257
Cash flow hedge reserve - net of income tax	-	(23,112)

4.2 Leases

The Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately prior to the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	305,029	126,759
Less: Short-term leases and leases of low-value assets	(67,988)	(5,164)
Add: Option to extend lease term	94,079	53,070
Less: Contracts reassessed as service agreements	(9,958)	(1,194)
Less: Others	(8,539)	(8,071)
Less: Deferred interest expenses	(13,141)	(6,785)
Increase in lease liabilities due to TFRS 16 adoption	299,482	158,615
Liabilities under finance lease agreements as at		
31 December 2019	37,049	6,687
Lease liabilities as at 1 January 2020	336,531	165,302
Weighted average incremental borrowing rate (percent per annum)	2.95 - 10.85	2.95 - 10.85
Comprise of:		
Current lease liabilities	134,890	68,487
Non-current lease liabilities	201,641	96,815
	336,531	165,302

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

Right-of-use assets in accordance with TFRS 16 initially adopted as at 1 January 2020 are as follows.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land and land improvement	7,776	4,605
Buildings and building improvement	179,561	83,680
Motor vehicles	174,046	78,535
Equipment	1,214	1,214
Total right-of-use assets	362,597	168,034

5. Significant accounting policies

5.1 Revenue and expense recognition

The Group recognises revenue when the revenue and related costs can be reliably measured; it is probable that future economic benefits will flow to the entity, which relates to these transactions as follows.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, and discounts.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Group's engineers or project managers.

The recognised revenue which is not yet due per the contacts has been presented under caption of "Unbilled receivables" in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position. Advance received from customers are recognised as revenue when the Group perform under the contract.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

Finance income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the carrying amount of a financial asset net of the allowance for expected credit loss allowance (if any).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Rental income

Rental income is recognised on an accrual basis based on a straight-line basis over the lease term.

5.2 Government Grants

The Group recognises government grants when all attached conditions have been met and there is reasonable assurance that the grants will be received. The Group recognises those government grants as income in profit or loss, included in other income.

5.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.4 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, or rebates.

The cost of finished goods and work in process are measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads based on the normal operating capacity, but excluding borrowing costs. Raw materials, chemicals, spare parts and factory supplies are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion finished goods and the estimated costs necessary to make the sale.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

5.5 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company will classify assets held for sale when the sale is highly probable, which is completed within one year from the date of the classification. In addition, the asset is available for immediate sale in its present condition.

5.6 Investments in subsidiaries, a joint ventures and associates

Investments in a joint venture and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, a joint venture and associates in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value estimated by an independent professional appraiser. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

When there is a change in the use of investment property, if the investment property recorded at fair value is transferred to owner-occupied property or inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property recorded at fair value, any difference between the carrying amount of the property and its fair value at the date of the change in use is treated in the same manner as a revaluation, in accordance with the stated accounting policy for property, plant and equipment.

5.8 Property, plant and equipment and depreciation

Land and building are stated at revalued amount. Other assets are stated at cost less accumulated depreciation and allowance for loss on impairment of asset (if any).

Such subsequent cost may include the cost of replacing part of the buildings and equipment, only when it is probable that future economic benefits are expected from its use will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus is amortised to retained earnings on a straight-line basis over the remaining useful lives of the related assets, and can neither be offset against deficit nor used for dividend payment.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Land improvements	-	5 - 43 years
Buildings and structures	-	5 - 50 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

The assets will be tested for impairment whenever there is an indication. The residual values and useful lives of assets are reviewed at each reporting period, and adjusted if appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

5.9 Economic tree plantations

Bearer plants, which consist of rubber trees for extraction of latex, oil palm trees for harvesting and economic trees (e.g. Teak, Padauk, Rosewood and Makha) for sale of lumber are stated at cost less accumulated amortisation and allowance for impairment loss (if any).

Costs mainly comprise costs of land clearing, land terracing and drainage, planting, weeding and fertilizing, which are incurred from the immature period until the rubber trees, palm trees and economic trees are ready for commercial harvesting at approximately 7 years for rubbers, 3 years for palms and 5 years for economic trees are capitalised as rubber, palm and economic trees plantation costs. The Group amortises these costs to costs of production after the rubber and palm are commercially harvested, using a straight-line basis, over a period of 25 years. And, the Group transfers cost of mature economic trees to be biological assets.

Amortisation is recognised as expenses in profit or loss.

No amortisation is provided on immature rubber, palm plantation and economic trees costs.

Biological assets consist of latex produced inside the rubber trees, palm fruit on trees, and trunk of economic trees under growth period are measured at their fair value less costs to sell.

Agricultural produce is rubber latex, harvested palm fruit and lumber of economic trees which are measured at their fair value less costs to sell at the point of harvest.

Gains or losses on changes in fair value of biological assets and agricultural produce are recognised in profit or loss.

5.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

5.11 Intangible assets - Computer software

Intangible assets - Computer software is recognised at cost. Following the initial recognition, the Intangible assets - Computer software is carried at cost less accumulated amortisation and allowance for impairment loss (if any).

Intangible assets - Computer software with finite useful lives of 3 - 10 years is amortised on a systematic basis over the economic useful lives and tested for impairment whenever there is an indication that the Intangible assets - Computer software may be impaired. The amortisation period and the amortisation method of such Intangible assets - Computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

No amortisation is provided on computer software under installation.

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5.12 Business combinations and goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of group of cash-generating unit that is expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each group of cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss and will not be reversed in future periods.

Business combinations under common control

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities is presented as "Surplus (deficit) on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

5.13 Leases

At inception of contract, the Group assesses whether the contract is a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group recognises right-of-use assets and lease liabilities for all lease at the date the underlying asset is available for use (the commencement date of the lease). However, the Group recognised rental expenses on a straight-line basis over the lease term not more than 12 months or leases of low-value assets.

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Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, allowance for impairment losses (if any), and adjusted for remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any reimbursement or other compensation received from a lessor.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the lease term or estimated useful lives of the asset, if ownership of the leased asset is transferred to the Group at the end of the lease term as follows.

Land and land improvement	-	1 - 2 years
Buildings and building improvement	-	3 years
Motor vehicles	-	1 - 3 years
Equipment	-	1 - 5 years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, which discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and is remeasured if there is a change in the lease.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

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5.14 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, joint ventures and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

5.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gain and loss on exchange are included in profit or loss.

5.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset and computer software whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property and plant was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, a reversal of that impairment loss is recognised in profit or loss but shall not exceed the impairment loss was previously recognised in profit or loss, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

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5.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees in Thailand have jointly established a provident fund. The fund is monthly contributed by employees and by the Group in Thailand. The fund's assets are held in a separate trust fund and contributions of the Group in Thailand are recognised as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law of each country. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

5.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.19 Share-based payments with equity-settled transactions

The Group recognises share-based payment transactions on the date on which the options are granted, based on the fair value of the options. They are recorded to expenses over the expected lives of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating the fair value of share-based payment transactions requires the exercise of judgement to make valuations, as well as appropriate assumptions regarding various matters, such as the expected life of the share options, share price volatility and dividend yield.

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5.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.21 Financial instruments

Accounting policies adopted since 1 January 2020

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect cash flows with the contractual terms. The cash flows are solely payments of principal and interest on the principal amount outstanding complied with the period specified in the contract.

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Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Moreover, Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivative financial instruments, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on the equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

The Group's financial liabilities are initially recognised at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortised cost, except for derivative liabilities as described in Note 5.22 to the financial statements. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred neither all the risks nor rewards of the asset but has transferred control over it.

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A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group recognises a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

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- e) Investments in a joint venture and associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries, a joint venture and associates in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.22 Derivatives and hedge accounting

The Group has entered into contracts of derivative financial instruments as follows.

- Foreign exchange options and forward foreign exchange contracts to hedge its foreign currency risks
- Interest rate swaps to hedge its interest rate risks
- Rubber options, rubber futures and physical forward contracts to hedge its commodity price risks

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets or financial liabilities by considering the fair value of the derivatives.

Derivatives are presented as non-current assets or liabilities and current assets or liabilities by considering the remaining maturity with more than or less than 12 months respectively.

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Hedge accounting for cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The Group prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the relationships between the hedging instruments and hedged items, including the nature of the risks being hedged, how the Group assesses the hedge effectiveness, analysis of the causes of hedge ineffectiveness and how the hedge ratio is determined.

The Group considers of the hedge effectiveness by comparing the critical terms between hedging instruments and hedged items. If the critical terms match, the hedging relationship is expected to be highly effective.

5.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows.

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment

The Group measures land and buildings at revalued amounts. Such amounts are determined by the independent professional appraiser using the market approach for land and the depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimations.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and to record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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7. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2020	2019	2020	2019
Transactions with subsidiaries				
Sales of goods	-	-	8,091,431	5,454,269
Purchases of goods	-	-	2,225,358	3,498,160
Service income	-	-	164,895	167,436
Dividend income	-	-	1,333,494	614,330
Rental income	-	-	193	244
Interest income	-	-	56,243	75,777
Service expenses	-	-	476,421	501,941
Rental expenses	-	-	799	4,869
Interest expenses	-	-	1,504	1,633
Transactions with associates				
Sales of goods	17,625	19,798	-	-
Purchases of goods	165	164	5	37
Service income	26,452	30,813	2,650	8,263
Dividend income	116,790	12,155	103,050	10,725
Rental income	400	400	-	-
Service expenses	33	34	-	-
Transactions with a joint venture				
Purchases of goods	1,932,800	1,648,734	-	-
Service income	10,820	14,386	10,780	14,361
Dividend income	-	25,503	-	25,503
Transactions with directors and related parties				
Purchases of fixed assets	94,700	-	-	-

The pricing policies of the Group are as follows.

- (1) Sales/purchases of goods are made at market prices or reference to market prices.
- (2) Service and rental income/expenses are based on contract prices.
- (3) Dividend income is made with announced payment rate.
- (4) Interest income/expenses are charged at rates with reference to loan agreements.
- (5) Sales/purchases of fixed assets are based on contract prices which reference to market prices.

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Outstanding balances arising from sales/purchases of goods, providing/receiving of services and other income/expenses

As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related parties were as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Trade accounts receivable (Note 9)				
Subsidiaries	-	-	621,622	376,906
Associates	4,018	1,919	223	133
Joint venture	-	1	-	-
	<u>4,018</u>	<u>1,920</u>	<u>621,845</u>	<u>377,039</u>
Other receivables (Note 9)				
Subsidiaries	-	-	16,418	16,150
Associates	716	2,334	-	-
Joint venture	-	44	-	44
	<u>716</u>	<u>2,378</u>	<u>16,418</u>	<u>16,194</u>
Advance payments for goods (Note 9)				
Subsidiaries	-	-	-	26,899
	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,899</u>
Trade accounts payable (Note 23)				
Subsidiaries	-	-	142,757	215,530
Associates	10	21	-	21
Joint venture	34,722	7,694	-	-
	<u>34,732</u>	<u>7,715</u>	<u>142,757</u>	<u>215,551</u>
Other payables (Note 23)				
Subsidiaries	-	-	8,921	15,001
	<u>-</u>	<u>-</u>	<u>8,921</u>	<u>15,001</u>

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Outstanding balances arising from loans to subsidiaries

As at 31 December 2020 and 2019, the balances of loans between the Company and subsidiaries were as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Interest receivables (Note 9)				
Subsidiaries	-	-	168	367
Long-term loans				
Subsidiaries	-	-	597,348	1,438,882

As at 31 December 2020 and 2019, long-term loans to subsidiaries were unsecured and were summarised as below.

		Separate financial statements			
		As at 31 December 2020			
Relationship		Principle		Interest rates %	Borrowing periods
		Million USD	(Equivalent) Million Baht		
PT Star Rubber	An indirect subsidiary	20	597	5.05	3 years
		Separate financial statements			
		As at 31 December 2019			
Relationship		Principle		Interest rates %	Borrowing periods
		Million USD	(Equivalent) Million Baht		
PT Sri Trang Lingga Indonesia	A direct subsidiary	23	690	4.18 - 4.30	3 years
PT Star Rubber	An indirect subsidiary	25	749	4.18 - 5.05	3 years
Total		48	1,439		

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Movements in the balance of long-term loans to subsidiaries during the year ended 31 December 2020 were as follows.

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 December 2020
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Unrealised loss on exchange rate	
Long-term loans					
Subsidiaries	1,438,882	-	(839,348)	(2,186)	597,348

Outstanding balances arising from loans from a subsidiary

As at 31 December 2020 and 2019, the Company had the balance of a short-term loan from Startex Rubber Co., Ltd. (a direct subsidiary) amounting to Baht 145 million and Baht 160 million respectively, which was subjected to interest at the rate of 1.0 percent per annum. The loan was unsecured and was repayable on call.

Movements in the balance of short-term loans from subsidiaries during the year ended 31 December 2020 were as follows.

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 31 December 2020
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	
Short-term loan				
Subsidiary	160,000	-	(15,000)	145,000

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses of its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	299,388	238,934	60,863	47,509
Post-employment benefits	9,483	29,633	3,138	8,013
Share-based payment benefits	12,506	-	-	-
Total	321,377	268,567	64,001	55,522

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 37 to the financial statements.

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8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	60,398	30,303	9,324	10,464
Bank deposits	26,386,286	2,351,520	289,456	179,692
Total	26,446,684	2,381,823	298,780	190,156

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 3.25 percent per annum (2019: between 0.05 and 4.00 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade accounts receivable - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	4,018	1,920	621,845	376,848
Past due				
Up to 30 days	-	-	-	191
Total trade accounts receivable - related parties	4,018	1,920	621,845	377,039
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	8,111,952	4,189,371	2,028,242	1,860,778
Past due				
Up to 30 days	463,710	392,819	126,278	214,480
31 - 60 days	13,529	47,265	13,365	25,584
61 - 90 days	863	6,292	51	3,491
91 - 120 days	1,972	19,143	-	9,632
121 - 365 days	3,525	8,783	907	123
Over 365 days	39,273	59,110	30,443	37,907
Total	8,634,824	4,722,783	2,199,286	2,151,995
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(35,274)	(33,117)	(26,697)	(27,636)
Total trade accounts receivable - unrelated parties, net	8,599,550	4,689,666	2,172,589	2,124,359
Total trade accounts receivable, net	8,603,568	4,691,586	2,794,434	2,501,398

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	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 7)	716	2,378	16,418	16,194
Other receivables - unrelated parties	97,813	115,492	16,140	15,740
Interest receivables - related parties (Note 7)	-	-	168	367
Advance payments for goods - related parties (Note 7)	-	-	-	26,899
Prepaid expenses and advance payments for goods				
- unrelated parties	558,052	168,978	59,436	32,318
Total other receivables	656,581	286,848	92,162	91,518
Total trade and other receivables, net	9,260,150	4,978,434	2,886,596	2,592,916

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Reduction of cost to net					
	Cost		realisable value		Inventories, net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	5,988,723	4,500,138	(7,095)	(23,992)	5,981,628	4,476,146
Work in process	3,820,907	3,196,861	(27,596)	(62,272)	3,793,311	3,134,589
Raw materials, packaging, and chemicals	8,943,210	5,469,390	(93,288)	(10,952)	8,849,922	5,458,438
Spare parts and supplies	426,414	444,167	(19,734)	(19,789)	406,680	424,378
Total	19,179,254	13,610,556	(147,713)	(117,005)	19,031,541	13,493,551

	(Unit: Thousand Baht)					
	Separate financial statements					
	Reduction of cost to net					
	Cost		realisable value		Inventories, net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	2,783,130	1,992,551	(300)	(5,155)	2,782,830	1,987,396
Work in process	2,112,936	1,636,140	-	-	2,112,936	1,636,140
Raw materials, packaging, and chemicals	5,174,630	3,541,617	(47,799)	-	5,126,831	3,541,617
Spare parts and supplies	54,018	56,594	(1,002)	(98)	53,016	56,496
Total	10,124,714	7,226,902	(49,101)	(5,253)	10,075,613	7,221,649

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During the years 2020 and 2019, reduction of cost to net realisable value was summarised as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Recorded amount was included in				
cost of sales	31	-	44	-
Reversal and reduced the amount				
of inventories recognised as				
cost of sales	-	(133)	-	(74)

Additional information

Information on inventory balances of the Group, for only ribbed smoked sheets, concentrated latex and block rubber, as at 31 December 2020 and 2019 is as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Inventories at net realisable value (NRV)*	16,061,791	12,341,229	10,328,030	7,566,209
Inventories at lower of cost or net				
realisable value (NRV) - as measured and				
included in the financial statements	15,505,784	11,379,981	9,905,671	7,018,544
Difference	556,007	961,248	422,359	547,665

* For reporting purposes, inventories are stated at the lower of cost or net realisable value, while for inventory management purposes the Group uses net realisable value (NRV) which is the estimated selling price in the ordinary course of business less the necessary costs of completion finished goods and the estimated costs necessary to make the sale. The use of different valuation methods for these two purposes resulted in a difference at the reporting date.

Under Thai Financial Reporting Standards, such differences are not allowed to be recognised 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.

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11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Refundable value-added tax	1,557,020	848,191	69,234	18,607
Prepaid withholding tax	10,790	24,262	-	-
Input tax waiting for tax invoice or not yet due	31,293	24,265	3,581	7,490
Total other current assets	1,599,103	896,718	72,815	26,097

12. Non-current assets held for sale

On 13 November 2020, the Company's Board of Director meeting passed resolutions approving the sale of ordinary shares of subsidiaries and land and buildings thereon of the Company to Sri Trang Gloves (Thailand) Plc. (a subsidiary) ("STGT") which were summarised as follows.

1. Approval for sale of the 419,996 ordinary shares of Premier System Engineering Co., Ltd. (a subsidiary) ("PSE") at a par value of Baht 100, a proportion of 83.9992 percent of all shares with voting rights, for a total of Baht 941 million (in comparison with the report of independent financial advisor).
2. Approval for sale of the 399,994 ordinary shares of Sadao P.S. Rubber Co., Ltd. (a subsidiary) ("PS") at a par value of Baht 100, a proportion of 99.9985 percent of all shares with voting rights, for a total of Baht 147 million (in comparison with the report of the independent professional appraiser).
3. Approval for sale of land and buildings thereon located in Patew, Chumporn from the Company, for Baht 177 million (in comparison with the report of the independent professional appraiser).

Subsequently, in January 2021, the Company received the full payment from STGT. In addition, the Company completely transferred its ownership of the ordinary shares and land and buildings thereon to STGT in the same month.

The Company classified investments of PSE and PS as well as the land and buildings thereon to be non-current assets held for sale, with the total approximate carrying amount of Baht 307 million.

13. Restricted bank deposits

The balances represent bank deposits of a domestic subsidiary which were pledged as collateral for contract compliance with government agencies.

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14. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019*</u>	<u>2020</u>	<u>2019*</u>
Financial assets at amortised cost				
Fixed deposits pledged as collateral	701	701	-	-
Equity instruments designated at FVOCI				
Investments in equity instruments of listed companies	32,385	41,899	32,072	41,726
Equity instruments designated at FVTPL				
Investment in equity instrument of a non-listed company	64,000	68,000	64,000	68,000
Total other current financial assets	<u>97,086</u>	<u>110,600</u>	<u>96,072</u>	<u>109,726</u>

* The balances as at 31 December 2019 were presented as restricted bank deposits and long-term investments, which were reclassified to other non-current financial assets as described in Note 3 to the financial statements.

15. Investments in subsidiaries

15.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Million Baht)	
							Dividend received during the year	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			(%)	(%)				
Subsidiaries								
PT Sri Trang Lingga Indonesia	359	359	90.00	90.00	330	330	-	-
Anvar Parawood Co., Ltd.	10	10	99.94	99.94	26	26	-	-
Rubberland Products Co., Ltd.	1,600	1,600	99.99	99.99	1,935	1,935	148	330
Namhwa Rubber Co., Ltd.	500	500	99.99	99.99	560	560	-	-
Sadao P.S. Rubber Co., Ltd. (Note 12)	40	40	99.99	99.99	-	54	-	-
Startex Rubber Co., Ltd.	2,198	2,198	99.99	99.99	2,196	2,196	20	-
Premier System Engineering Co., Ltd.	50	50	83.99	82.00	-	100	213	246
(Note 12)								
Starlight Express Transport Co., Ltd.	15	15	79.99	76.67	41	39	46	38
Sri Trang Rubber & Plantation Co., Ltd.	6,909	6,725	99.99	99.99	6,909	6,725	-	-
Shi Dong Shanghai Rubber Co., Ltd.	155	155	100.00	100.00	155	155	-	-
Sri Trang Gloves (Thailand) Plc.	1,429	990	50.74	73.24	6,551	6,551	906	-
Sri Trang IBC Co., Ltd.	2	2	99.99	99.99	2	2	-	-
Total					<u>18,706</u>	<u>18,673</u>	<u>1,333</u>	<u>614</u>

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15.1.1 Details of investments in subsidiaries that have material non-controlling interests.

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(%)	(%)						
Sri Trang Gloves (Thailand) Plc. *	43.82	18.92	15,280	1,264	5,921	109	782	-

* The consolidated financial statements of Sri Trang Gloves (Thailand) Public Company Limited

15.1.2 Summarised financial information that based on amounts before inter-company elimination of a subsidiary that has material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Sri Trang Gloves (Thailand) Plc.	
	<u>2020</u>	<u>2019</u>
Current assets	33,138	4,312
Non-current assets	13,884	12,696
Current liabilities	5,825	2,773
Non-current liabilities	5,926	6,186

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Sri Trang Gloves (Thailand) Plc.	
	<u>2020</u>	<u>2019</u>
Revenue	30,405	11,994
Profit	14,327	554
Other comprehensive income	(10)	(3)
Total comprehensive income	14,317	551

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Summarised information about cash flow

	(Unit: Million Baht)	
	For the year ended 31 December	
	Sri Trang Gloves (Thailand) Plc.	
	2020	2019
Cash flow provided by operating activities	13,611	1,343
Cash flow used in investing activities	(2,051)	(3,315)
Cash flow provided by financing activities	12,035	2,000
Translation adjustment	12	(20)
Net increase (decrease) in cash and cash equivalents	23,607	8

15.2 Sri Trang Gloves (Thailand) Public Company Limited (“STGT”)

Offering of newly-issued ordinary shares

During 23 to 25 June 2020, STGT offered 438,780,000 newly-issued ordinary shares with a par value of Baht 1 each, as follows.

1. The initial public offering (IPO) of 432,780,000 shares at an offer price of Baht 34 per share, amounting to Baht 14,714,520,000
2. The directors, executives, and/or employees of the Company and the Company's subsidiaries of 2,000,000 shares at an offer price of Baht 34 per share, amounting to Baht 68,000,000
3. The STGT ESOP of 4,000,000 shares at an offer price of 90 percent of Baht 34 (the IPO price) per share, amounting to Baht 122,400,000

As at 31 December 2020, STGT had outstanding newly-issued ordinary shares offered under the STGT ESOP as follows:-

Offering period	Number of newly-issued ordinary shares	Offering price per share
The first year after the IPO	Not more than 30 percent, or 6,000,000 shares*	90 percent of the market price
The second year after the IPO	Not more than 30 percent, or 6,000,000 shares*	90 percent of the market price

* The number of shares had been revised as described in section of the change in the par value of the ordinary shares

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Receipt of payment for newly-issued ordinary shares and registration of the increase in issued and paid-up share capital

On 29 June 2020, STGT received full payment of the additional capital and registered the increase of its issued and paid-up share capital from Baht 990,000,000 (990,000,000 ordinary shares with a par value of Baht 1 each) to Baht 1,428,780,000 (1,428,780,000 ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on the same date.

As a result, the shareholdings of the Company and Rubberland Products Co., Ltd. in STGT decreased from 73.24 percent and 7.84 percent to 50.74 percent and 5.44 percent, respectively, non-controlling interests of STGT increased Baht 8,857 million, and surplus from the change in the ownership interests in STGT increased to Baht 5,799 million.

The Stock Exchange of Thailand approved the 1,428,780,000 ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted as from 2 July 2020.

Share-based payment under STGT ESOP

As discussed under the heading of “Offering of newly-issued ordinary shares”, STGT had 12,000,000 shares remaining from the offer of new ordinary shares under the STGT ESOP scheme which were offered at a price equal to 90 percent of the market price, which met the criteria for a share-based payment.

STGT recognised share-based payment expenses amounting to Baht 21.8 million for the year ended 31 December 2020.

The change in the par value of the ordinary shares

On 25 December 2020, the Extraordinary General Meeting of STGT’s shareholders passed resolutions approving the change in the par value of the ordinary shares of STGT from Baht 1 each to Baht 0.5 each. As a result, STGT’s registered share capital of Baht 1,434,780,000 comprises 2,869,560,000 ordinary shares of Baht 0.5 each and STGT’s registered and paid-up share capital of Baht 1,428,780,000 comprises 2,857,560,000 ordinary shares of Baht 0.5 each. STGT registered the change in a par value with the Ministry of Commerce on 28 December 2020.

Capacity expansion projects

On 25 December 2020, the Extraordinary General Meeting of STGT’s shareholders passed resolutions approving the following important matters.

1. Approval of the acquisition of the ordinary shares of Premier System Engineering Co., Ltd. (a subsidiary) from the Company 83.9992 percent and from Rubberland Products Co., Ltd. (a subsidiary) 16.0000 percent of all shares with voting rights, for a total of Baht 1,120 million (in comparison with the report of independent financial advisor).

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2. Approval of the acquisition of the ordinary shares of Sadao P.S. Rubber Co., Ltd. (a subsidiary) from the Company 99.9985 percent of all shares with voting rights, for Baht 147 million (in comparison with the report of the independent professional appraiser).
3. Approval of the purchase of land and buildings thereon located in Sadao, Songkhla from Anvar Parawood Co., Ltd. (a subsidiary), for Baht 69 million (in comparison with the report of the independent professional appraiser).
4. Approval of the purchase of land and buildings thereon located in Patew, Chumporn from the Company, for Baht 177 million (in comparison with the report of the independent professional appraiser).

Dividend payment

On 16 February 2021, STGT's Board of Directors meeting passed resolutions to approve a dividend payment in respect of operating results of 2020 to shareholders of Baht 2.0 per share, totaling of Baht 5,715.12 million. STGT will propose STGT's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2021.

15.3 Sri Trang Rubber & Plantation Co., Ltd. ("SRP")

On 19 September 2019, the Board of Directors of the Company passed resolutions to approve the increase in SRP's registered share capital amounting to Baht 250 million for operation in 2020. During the current year, the Company paid Baht 184 million for the additional capital. Therefore, the separate financial statements as at 31 December 2020, the Company had investments in SRP of Baht 6,909 million.

Subsequently, on 16 February 2021, the Board of Directors of the Company passed resolutions to approve the increase in SRP's registered share capital amounting to Baht 160 million for operation in 2021.

15.4 Sadao P.S. Rubber Co., Ltd. ("PS")

On 20 July 2020, the Company's Board of Director meeting passed resolutions to acquire all investments in subsidiaries held by PS, namely Starlight Express Transport Co., Ltd. And Premier System Engineering Co., Ltd. The purchase prices, which were based on the net book value of each company, were Baht 1 million and Baht 11 million respectively.

Subsequently, in August 2020, the Company completed acquisition and transferred ownership of these investments.

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16. Investments in associates

16.1 Details of associates:

Associates	Nature of business	Country of incorporation	Shareholding percentage		(Unit: Thousand Baht)			
					Consolidated	Separate	financial statements	financial statements
					Carrying amounts		Cost	
					based on equity method			
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
Semperflex Asia Co., Ltd.	Manufacture of hydraulic hoses	Thailand	42.50	42.50	507,741	491,440	142,500	142,500
(Shareholding held by the Company 37.50% and by a subsidiary 5.00%)								
Pattana Agro Futures Co., Ltd.	Futures broker	Thailand	-	40.00	-	8,160	-	15,069
Total					507,741	499,600	142,500	157,569

On 14 May 2020, the Company's Board of Director meeting passed resolutions to approve the disposal of the investment in Pattana Agro Futures Co., Ltd. to a shareholder of that company. Subsequently, on June 2020, the Company transferred ownership of the investment to the purchaser, and recognised a gain from the sale amounting to Baht 0.2 million in the consolidated financial statements (Separate financial statements: loss on sales amounting to Baht 6.7 million).

16.2 Share of comprehensive income and dividend received

During the years, the Group has recognised its share of profit from investments in associate companies and dividend income in the consolidated financial statements and dividend income in the separate financial statements as follows.

Associates	(Unit: Thousand Baht)					
	Consolidated		Separate			
	financial statements		financial statements			
	Share of profit from		Dividend received		Dividend received	
	investments in associates	Dividend received	Dividend received			
	during the years	during the years	during the years			
	2020	2019	2020	2019	2020	2019
Semperflex Asia Co., Ltd.	133,091	116,797	116,790	12,155	103,050	10,725
Pattana Agro Futures Co., Ltd.	2	39	-	-	-	-
Total	133,093	116,836	116,790	12,155	103,050	10,725

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16.3 Summarised financial information about a material associate

Summarised information about financial position

	(Unit: Thousand Baht)	
	Semperflex Asia Co., Ltd.	
	<u>2020</u>	<u>2019</u>
Current assets	1,139,003	1,014,186
Non-current assets	270,954	306,413
Current liabilities	(178,950)	(129,378)
Non-current liabilities	(20,003)	(17,967)
Net assets	1,211,004	1,173,254
Shareholding percentage (%)	42.50%	42.50%
Share of net assets	514,677	498,633
Adjustments on consolidated financial statements	(6,936)	(7,193)
Carrying amounts of the associate based on equity method	507,741	491,440

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	Semperflex Asia Co., Ltd.	
	<u>2020</u>	<u>2019</u>
Revenue	1,166,586	1,322,626
Profit	313,156	274,816
Other comprehensive income	577	(1,869)
Total comprehensive income	313,733	272,947

16.4 Semperflex Asia Co., Ltd.

On 18 January 2017, the meeting of the Company's Board of Directors passed a resolution to enter into the Umbrella agreement, the Share Sale and Purchase agreement, Call Option agreement between the Company and Semperit Technische Produkte Gesellschaft m.b.H. ("Semperit") which collectively was the Demerger agreement for all associates and joint ventures, in which the Company had invested with Semperit both locally and abroad.

The Company granted a call option to Semperit for the acquisition of Semperflex Asia Co., Ltd. totalling 1,615,000 shares, representing 42.50 percent of paid-in capital of Semperflex Asia Co., Ltd. from the Company and its subsidiary, at the exercise price of USD 51 million, and with a condition to pay all dividend from profit contribution after the acquisition date. The exercise period is between 30 June 2019 and 30 June 2026.

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17. Investment in a joint venture

17.1 Details of investment in a joint venture

Investment in a joint venture represents investment in entity which is jointly controlled by the Company and other companies. Details of this investment is as follows.

							(Unit: Thousand Baht)	
Joint venture	Nature of business	Country of incorporation	Shareholding percentage	Consolidated financial statements		Separate financial statements		
				Carrying amounts based on equity method		Cost		
				<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
			(%)	(%)				
Thaitech Rubber Corp., Ltd.	Manufacture of rubber products	Thailand	42.505	42.505	431,884	396,391	134,717	134,717

17.2 Share of comprehensive income and dividend received

During the years, the Group recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

Joint venture	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in a joint venture during the years		Dividend received during the years	
	2020	2019	2020	2019
Thaitech Rubber Corp., Ltd.	35,493	15,513	-	25,503

17.3 Summarised financial information about a material joint venture

Summarised information about financial position

	(Unit: Thousand Baht)	
	Thaitech Rubber Corp., Ltd.	
	2020	2019
Current assets	2,204,590	1,676,785
Non-current assets	1,077,487	1,117,094
Current liabilities	(2,414,635)	(2,005,614)
Non-current liabilities	(19,019)	(16,061)
Net assets	828,423	772,204
Shareholding percentage (%)	42.505%	42.505%
Share of net assets	360,622	328,225
Adjustments on consolidated financial statements	71,262	68,166
Carrying amounts of the joint venture based on equity method	431,884	396,391

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Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	Thaitech Rubber Corp., Ltd.	
	<u>2020</u>	<u>2019</u>
Revenue	5,617,895	5,515,033
Profit	80,391	21,367
Other comprehensive income	(5,418)	(16,060)
Total comprehensive income	74,973	5,367

18. Investment properties

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	190,332	201,528	75,663	75,663
Transfer from fixed assets (Note 19)	3,713	-	-	-
Loss on change in fair value	-	(2,367)	-	-
Translation adjustment	(445)	(8,829)	-	-
Net book value at end of year	<u>193,600</u>	<u>190,332</u>	<u>75,663</u>	<u>75,663</u>

The investment properties of the Group are land not used in operations and office building held for rent. The Group has not determined whether being held as owner-occupied property or for short-term capital gain appreciation.

The Group's land not being used in operations and office building for rent were revalued by an independent professional appraiser. The revaluation was based on market approach and sales comparison approach between the investment property with the same characteristic in market or same location respectively.

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19. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Revaluation basis		Cost basis			
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation
As at 1 January 2019						
Cost / Revalued amount	12,166,570	7,161,646	12,901,806	1,129,568	703,657	1,279,354
Less Accumulated depreciation	(919,881)	(877,303)	(5,826,270)	(779,462)	(502,487)	-
Less Allowance for impairment	(49,700)	-	(5,556)	-	-	-
Net book value	11,196,989	6,284,343	7,069,980	350,106	201,170	1,279,354
						26,381,942
For the year ended 31 December 2019						
Net book value at beginning of year	11,196,989	6,284,343	7,069,980	350,106	201,170	1,279,354
Additions	24,379	6,855	136,939	75,169	25,220	3,691,880
Transfers in (out)	176,246	646,319	1,078,401	20,435	16,847	(1,938,248)
Transfer to intangible assets (Note 21)	-	-	-	-	-	(1,251)
Disposals and write-off, net	(4,103)	(3,764)	(30,421)	(1,675)	(1,100)	(72)
Additions of revaluation	360	5,382	-	-	-	-
Reductions of revaluation	(2,266)	-	-	-	-	-
Depreciation for the year (Note 31)	(242,868)	(475,178)	(1,487,455)	(119,451)	(80,692)	-
Depreciation capitalised to assets (Note 20)	(57,789)	(5,049)	(2,889)	(3,710)	-	-
Reversal of allowance for impairment	-	-	-	-	-	50,992
Translation adjustment, net	(13,219)	(31,574)	(18,621)	(4,727)	(1,960)	(7,766)
Net book value at end of year	11,077,729	6,427,334	6,745,934	316,147	159,485	3,074,889
						27,801,518

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(Unit: Thousand Baht)

	Consolidated financial statements					
	Revaluation basis		Cost basis			Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation
As at 31 December 2019						
Cost / Revalued amount	12,343,649	7,773,689	13,938,112	1,197,096	739,922	3,074,889
Less Accumulated depreciation	(1,216,220)	(1,346,355)	(7,186,622)	(880,949)	(580,437)	-
Less Allowance for impairment	(49,700)	-	(5,556)	-	-	-
Net book value	11,077,729	6,427,334	6,745,934	316,147	159,485	3,074,889
						27,801,518
For the year ended 31 December 2020						
Net book value at beginning of year	11,077,729	6,427,334	6,745,934	316,147	159,485	3,074,889
Adjustments of TFRS 16 adoption (Note 4.2)	-	-	-	(62,373)	-	-
Additions	142,703	17,505	123,928	31,930	20,886	1,948,439
Transfers in (out)	72,134	823,138	2,469,003	2,577	17,776	(3,384,628)
Transfer to other assets, net (Note 20, 21)	-	-	-	-	-	(4,592)
Transfer to investment properties (Note 18)	-	(3,713)	-	-	-	(3,713)
Disposals and write-off, net	(1,951)	(70,125)	(33,475)	(198)	(1,088)	(160)
Reductions of revaluation	(7,932)	-	-	-	-	-
Depreciation for the year (Note 31)	(240,857)	(493,325)	(1,677,955)	(82,206)	(72,056)	-
Depreciation capitalised to assets (Note 20)	(52,414)	(4,947)	(2,273)	(3,280)	-	-
Interest capitalized to assets	-	-	-	-	-	56,500
Translation adjustment, net	(32,911)	(45,511)	(5,990)	(611)	(89)	(45)
Net book value at end of year	10,956,501	6,650,356	7,619,172	201,986	124,914	1,690,403
						27,243,332

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(Unit: Thousand Baht)

	Separate financial statements					
	Revaluation basis	Cost basis			Assets under	
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	construction and installation
						Total
As at 1 January 2019						
Cost / Revalued amount	4,321,874	2,860,101	4,611,482	300,501	391,256	12,827,667
<u>Less</u> Accumulated depreciation	(341,177)	(353,374)	(2,504,345)	(228,435)	(301,558)	(3,728,889)
<u>Less</u> Allowance for impairment	-	-	(5,556)	-	-	(5,556)
Net book value	3,980,697	2,506,727	2,101,581	72,066	89,698	9,093,222
For the year ended 31 December 2019						
Net book value at beginning of year	3,980,697	2,506,727	2,101,581	72,066	89,698	9,093,222
Additions	6,972	1,517	30,677	2,978	5,289	278,629
Transfers in (out)	64,753	176,103	209,863	-	5,652	-
Disposals and write-off, net	(2,729)	(2,359)	(4,118)	-	(272)	(9,550)
Depreciation for the year (Note 31)	(114,940)	(178,366)	(474,145)	(29,050)	(35,762)	(832,263)
Net book value at end of year	3,934,753	2,503,622	1,863,858	45,994	64,605	8,530,038
As at 31 December 2019						
Cost / Revalued amount	4,388,271	3,033,637	4,814,455	294,091	400,023	13,047,683
<u>Less</u> Accumulated depreciation	(453,518)	(530,015)	(2,945,041)	(248,097)	(335,418)	(4,512,089)
<u>Less</u> Allowance for impairment	-	-	(5,556)	-	-	(5,556)
Net book value	3,934,753	2,503,622	1,863,858	45,994	64,605	8,530,038

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The Group arranged for independent professional appraisers to appraise the value of certain assets in 2017 and 2018 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land and land improvements were revalued using the market approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment, and highest best use. The most significant input into this valuation approach is price per Rai and size of land.
- Buildings and structures were revalued the depreciated replacement cost approach. Replacement value is calculated from construction prices in the market to build the similar characteristics of properties in close proximity and adjusted for depreciation which calculated from utilised period and remaining expected useful lives. The most significant input into this valuation approach is construction price per square meter, utility spaces and useful lives of buildings.

The asset revaluation surplus net of applicable deferred income tax was credited to other components of shareholder's equity.

Had the land, land improvement, building and structures been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2020 and 2019 would have been as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land and land improvements	7,515,683	7,525,141	2,002,263	2,119,576
Buildings and structures	5,254,123	4,840,673	1,646,092	1,762,614

As at 31 December 2020, a subsidiary had an outstanding balance of new plants under construction amounting to Baht 1,586 million (2019: Baht 2,734 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 57 million (2019: Baht 51 million) were capitalised during the year ended 31 December 2020. The weighted average rates of 2.17% - 3.78% have been used to determine the amount of borrowing costs eligible for capitalisation. (2019: 2.87% - 3.78% per annum)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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As at 31 December 2020 and 2019, certain items of buildings and equipment had been fully depreciated but were still in use as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
The gross carrying amount before				
deducting accumulated depreciation				
and allowance for impairment loss	5,582	5,151	2,122	2,098

As at 31 December 2019, two subsidiaries mortgaged their property plant and equipment with a net book value of Baht 168 million as collateral against credit facilities, short-term and long-term borrowings received from a commercial bank. Subsequently, in the current year, the subsidiaries redeemed all the collateral pledged with a financial institution as described in Note 24 to the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Unit: Thousand Baht)

	Consolidated financial statements				
	Rubber plantations		Palm and other plantations		Economic tree plantations
	Mature	Immature	Mature	Immature	
As at 1 January 2019					
Cost	137,569	1,907,447	12,424	806	13,681
<u>Less Accumulated amortisation</u>	(14,422)	-	(6,013)	-	-
Net book value	123,147	1,907,447	6,411	806	13,681
					2,071,927
					(20,435)
					2,051,492
For the year ended 31 December 2019					
Net book value at beginning of year	123,147	1,907,447	6,411	806	13,681
Acquisition	-	125,112	-	5,050	2,070
Transfer in (out)	164,864	(164,864)	-	-	-
Amortisation (Note 31)	(5,780)	-	(661)	-	-
Depreciation capitalised to assets (Note 19)	-	68,674	-	-	763
Net book value at end of year	282,231	1,936,369	5,750	5,856	16,514
					2,246,720
As at 31 December 2019					
Cost	302,432	1,936,369	12,424	5,856	16,514
<u>Less Accumulated amortisation</u>	(20,201)	-	(6,674)	-	-
Net book value	282,231	1,936,369	5,750	5,856	16,514
					2,273,595
					(26,875)
					2,246,720

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	Consolidated financial statements						(Unit: Thousand Baht)
	Rubber plantations		Palm and other plantations		Economic tree plantations		
	Mature	Immature	Mature	Immature	- Immature	Total	
For the year ended 31 December 2020							
Net book value at beginning of year	282,231	1,936,369	5,750	5,856	16,514	2,246,720	
Acquisition	-	92,629	-	824	3,976	97,429	
Transfer in (out)	285,793	(285,793)	-	-	-	-	
Transfer from fixed assets (Note 19)	710	-	-	-	-	710	
Disposals and write-off, net	-	(7,438)	(754)	-	-	(8,192)	
Amortisation (Note 31)	(8,756)	-	(595)	-	-	(9,351)	
Depreciation capitalised to assets (Note 19)	-	62,139	-	-	776	62,915	
Net book value at end of year	559,978	1,797,906	4,401	6,680	21,266	2,390,231	
As at 31 December 2020							
Cost	588,935	1,797,906	11,476	6,680	21,266	2,426,263	
Less Accumulated amortisation	(28,957)	-	(7,075)	-	-	(36,032)	
Net book value	559,978	1,797,906	4,401	6,680	21,266	2,390,231	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Unit: Thousand Baht)

	Separate financial statements				
	Rubber plantations		Palm and other plantations		Total
	Mature	Immature	Immature	Mature	
As at 1 January 2019					
Cost	3,584	2,968	5,731	806	13,089
<u>Less Accumulated amortisation</u>	(2,187)	-	(2,592)	-	(4,779)
Net book value	1,397	2,968	3,139	806	8,310
For the year ended 31 December 2019					
Net book value at beginning of year	1,397	2,968	3,139	806	8,310
Acquisition	-	93	-	5,050	5,143
<u>Amortisation (Note 31)</u>	(91)	-	(336)	-	(427)
Net book value at end of year	1,306	3,061	2,803	5,856	13,026
As at 31 December 2019					
Cost	3,584	3,061	5,731	5,856	18,232
<u>Less Accumulated amortisation</u>	(2,278)	-	(2,928)	-	(5,206)
Net book value	1,306	3,061	2,803	5,856	13,026

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	Separate financial statements				(Unit: Thousand Baht)
	Rubber plantations		Palm and other plantations		
	Mature	Immature	Immature	Mature	
				Total	
For the year ended 31 December 2020					
Net book value at beginning of year	1,306	3,061	2,803	5,856	13,026
Acquisition	-	492	-	824	1,316
Transfer in (out)	460	(460)	-	-	-
Amortisation (Note 31)	(103)	-	(300)	-	(403)
Net book value at end of year	1,663	3,093	2,503	6,680	13,939
As at 31 January 2020					
Cost	4,043	3,093	5,732	6,680	19,548
<u>Less</u> Accumulated amortisation	(2,380)	-	(3,229)	-	(5,609)
Net book value	1,663	3,093	2,503	6,680	13,939

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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21. Intangible assets - Computer software

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2019		
Cost	680,687	594,963
<u>Less</u> Accumulated amortisation	(254,770)	(199,383)
Net book value	425,917	395,580
For the year ended 31 December 2019		
Net book value at beginning of year	425,917	395,580
Additions	33,485	21,725
Transfers from fixed assets (Note 19)	1,251	-
Write-off, net	(62)	(12)
Amortisation (Note 31)	(74,194)	(60,742)
Translation adjustment	(496)	-
Net book value at end of year	385,901	356,551
As at 31 December 2019		
Cost	712,606	616,612
<u>Less</u> Accumulated amortisation	(326,705)	(260,061)
Net book value	385,901	356,551
For the year ended 31 December 2020		
Net book value at beginning of year	385,901	356,551
Additions	136,134	48,605
Transfers from fixed assets (Note 19)	3,882	-
Write-off, net	(111)	(2)
Amortisation (Note 31)	(74,472)	(66,306)
Translation adjustment	8	-
Net book value at end of year	451,342	338,848
As at 31 December 2020		
Cost	838,418	663,287
<u>Less</u> Accumulated amortisation	(387,076)	(324,439)
Net book value	451,342	338,848

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22. Goodwill

For the propose of annually impairment testing for goodwill, the Group determined the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period. The cash flow projections after the fifth-year period are extrapolated using the estimated growth rates stated below. The terminal growth rate does not exceed the long-term average growth rate for the business in which the cash generating units operate.

Key assumptions used in the value in use calculation of the cash generating units are summarised below:

Terminal growth rate at the year-end that the	
projection were prepared.	0.0% per annum
Pre-tax discount rate	10.9% per annum

The management determined expected operations and future cash flow projections based on factors including historical operating results, expected market growth and economic growth. The discount rate is a pre-tax rate that reflects the risks specific to cash generating units.

The management determined that goodwill is not impaired.

23. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Trade payables - related parties (Note 7)	34,732	7,715	142,757	215,551
Trade payables - unrelated parties	1,475,782	1,041,799	287,327	258,377
Other payables - related parties (Note 7)	-	-	8,921	15,001
Other payables - unrelated parties	1,224,542	887,490	282,635	288,041
Advance receipt for goods and others	1,900,890	591,641	266,405	210,861
Total trade and other payables	4,635,946	2,528,645	988,045	987,831

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24. Borrowings

Movements in the borrowing account for the year ended 31 December 2020 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2019	28,936,651	18,666,928
Adjustments of TFRS 16 adoption (Note 4.2)	299,482	158,615
Additions in short-term borrowings from financial institutions	5,253,574	2,386,806
Additions of long-term borrowings from financial institutions	2,347,000	-
Repayments of long-term borrowings from financial institutions	(4,517,276)	(1,674,276)
Amortisation of finance fee	2,294	-
Additions of finance lease liabilities	70,208	31,641
Decrease of finance lease liabilities	(11,015)	(9,456)
Repayments of finance lease liabilities	(146,213)	(74,184)
Unrealised loss on exchange rates	(541)	(2,490)
Translation adjustment	(38,829)	-
Balance as at 31 December 2020	32,195,335	19,483,584

Short-term and long-term borrowings from financial institutions

As at 31 December 2019, certain of short-term borrowings of local subsidiaries totaling Baht 28 million were secured by certain of land, land improvement, building and structures, machinery and equipment thereon of subsidiaries as described in Note 19 the financial statements. According to a condition of the borrowing agreements, the Company and the subsidiaries are not allowed to create any encumbrance on their assets, except for encumbrances created with the prior consent of the banks and permitted liens.

Subsequently, in 2020, the subsidiaries terminated the credit facility and redeemed all collateral pledged with the financial institutions.

An overseas subsidiary had credit facilities and balances of short-term borrowing with an overseas financial institution and the standby-letters of credit of a commercial bank which were guaranteed by the Company (Note 38) (in January 2021, STGT has guaranteed short-term borrowings on behalf of the Company) as follows:

	Consolidated financial statements			
	31 December 2020		31 December 2019	
	Million US Dollar	(Equivalent) Million Baht	Million US Dollar	(Equivalent) Million Baht
	(Audited)			
Credit facilities	10	300	15	452
Balance of short-term borrowings	-	-	9	264

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24.1 Long-term loans from financial institutions

As at 31 December 2020 and 2019, the Group had entered into long-term borrowing agreements with commercial banks with details as follows.

No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Outstanding balances as at 31 December			
					Consolidated financial statements		Separate financial statements	
					2020	2019	2020	2019
					(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>The Company</u>								
1	Baht 3,800 Million granted in 2012	10 years	MLR less fixed rate per annum	Principal is repayable quarterly from September 2012 and interest is repayable monthly.	1,421,350	2,246,350	1,421,350	2,246,350
2	USD 15 Million granted in 2017	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly	-	242,650	-	242,650
3	USD 20 Million granted in 2017	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	-	606,626	-	606,626
4	USD 20 Million granted in 2018	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	604,136	606,626	604,136	606,626
<u>Subsidiaries</u>								
1	Baht 1,200 Million granted in 2017	6 years	6M THBFIX plus fixed rate per annum	Principal is repayable quarterly from December 2017 and interest is repayable monthly.	-	895,000*	-	-
2	Baht 3,000 Million granted in 2017	7 years	MLR less fixed rate per annum	Principal is repayable quarterly from March 2018 and interest is repayable quarterly.	-	1,392,000	-	-

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No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Outstanding balances as at 31 December			
					Consolidated financial statements		Separate financial statements	
					2020 (Thousand Baht)	2019 (Thousand Baht)	2020 (Thousand Baht)	2019 (Thousand Baht)
3	Baht 950 Million granted in 2018	7 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from September 2018 and interest is repayable quarterly.	810,000	880,000	-	-
4	Baht 700 Million granted in 2018	4 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from June 2019 and interest is repayable quarterly.	427,000	583,000	-	-
5	Baht 1,623 Million granted in 2018	7 years	6M THB FIX plus fixed rate per annum	Principal is repayable quarterly from December 2019 and interest is repayable quarterly.	1,393,000**	1,603,000**	-	-
6	Baht 1,445 Million granted in 2019	7 years 9 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2020 and interest is repayable quarterly.	1,325,000	1,445,000	-	-
7	Baht 1,000 Million granted in 2020	6 years	6M THB FIX plus fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly.	880,000	-	-	-
8	Baht 2,000 Million granted in 2020	6 years 1 months	MLR less fixed rate per annum	Principal is repayable quarterly from June 2021 and interest is repayable quarterly.	1,467,000	-	-	-
9	Baht 1,500 Million granted in 2020	6 years 2 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly after the first drawdown of the loan	***	-	-	-
Total					8,327,486 (2,294)	10,500,252 (4,587)	2,025,486	3,702,252
	Less Deferred financial service fee				8,325,192	10,495,665	2,025,486	3,702,252
	Long-term borrowing - net				(2,328,352)	(2,621,767)	(1,554,136)	(1,674,276)
	Less Current portion of long-term borrowing				5,996,840	7,873,898	471,350	2,027,976
	Long-term borrowing - net from current portion							

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In addition, the borrowing agreements of the Group contain certain covenants that, among other things, require the Group to maintain financial ratios.

* The Group manages interest rate risk of the credit facilities by entering into interest rate swap contracts with fixed rate per annum.

** The Group manages interest rate risk of the partial credit facilities by entering into interest rate swap contracts with fixed rate per annum.

*** The Group does not draw down the first principle as at 31 December 2020.

During the current year, a local subsidiary made an early repayment of long-term loans totaling Baht 2,093 million and canceled the credit facilities.

In addition, the subsidiary terminated the related interest rate swap contract and reversed unrealised losses of Baht 23 million from changes in the fair value of the interest rate swap in other comprehensive income.

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24.2 Debentures

The debentures are unsubordinated and unsecured debentures, with interest payable every 6 months.

						(Unit: Thousand Baht)	
Debentures	Issued date	Matured date	Quantity (Units)	Par value (Baht per unit)	Interest rate (Percent per annum)	Consolidated financial statements/ Separate financial statements	
						2020	2019
STA215A	18 May 2016	18 May 2021	1,455,000	1,000	3.10	1,455,000	1,455,000
<u>Less</u> current portion						1,455,000	-
Debentures, net of current portion						-	1,455,000
Fair value						1,460,571	1,463,776

25. Lease

25.1 The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 1 - 5 years.

A) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Land and land improvement	Buildings and building improvement	Motor vehicles	Equipment	Total
1 January 2020	-	-	-	-	-
Adjustments of TFRS 16 adoption					
(Note 4.2)	7,776	179,561	174,046	1,214	362,597
Additions	1,849	12,932	55,427	-	70,208
Write-off, net	(1,424)	(8,143)	(875)	-	(10,442)
Depreciation for the year (Note 31)	(5,132)	(59,117)	(86,264)	(642)	(151,155)
Translation adjustment	(12)	2,316	(354)	-	1,950
31 December 2020	3,057	127,549	141,980	572	273,158

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(Unit: Thousand Baht)

	Separate financial statements				
	Land and land improvement	Buildings and building improvement	Motor vehicles	Equipment	Total
1 January 2020	-	-	-	-	-
Adjustments of TFRS 16 adoption (Note 4.2)	4,605	83,680	78,535	1,214	168,034
Additions	1,860	-	29,781	-	31,641
Write-off, net	(1,007)	(7,933)	-	-	(8,940)
Depreciation for the year (Note 31)	(4,193)	(27,789)	(43,901)	(642)	(76,525)
31 December 2020	1,265	47,958	64,415	572	114,210

B) Lease liabilities

(Unit: Thousand Baht)

	As at 31 December 2020	
	Consolidated financial statements	Separate financial statements
Lease payments	264,428	117,265
Less: Deferred interest expenses	(11,576)	(3,692)
Total	252,852	113,303
Less: Portion due within one year	(115,706)	(58,005)
Lease liabilities - net of current portion	137,146	55,298

A maturity analysis of lease payments is disclosed in Note 39.2 under the liquidity risk.

C) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation of Right-of-use assets	151,155	76,525
Interest payments on lease liabilities	10,228	4,331
Expense relating to leases of low-value assets	100,085	43,070

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26. Provision for retirement benefit obligations

Provision for retirement benefit obligations, which represents compensation payable to employees after they retire, was as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for retirement benefit obligations				
at beginning of year	384,951	335,441	126,248	118,116
Included in profit or loss:				
Current service cost	36,011	38,276	10,375	14,281
Interest cost	9,876	12,000	2,099	3,720
Former Service cost	-	61,420	-	24,492
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	491	(30,135)	-	(12,821)
Financial assumptions changes	19,517	21,802	3,905	3,887
Experience adjustments	(6,470)	(16,688)	(4,471)	(15,740)
Benefits paid during the year	(4,108)	(37,165)	(1,483)	(2,421)
Transfer employee to subsidiaries	-	-	-	(7,266)
Provision for retirement benefit obligations				
at end of year	440,268	384,951	136,674	126,248

The Group expects to pay Baht 6 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million) (2019: Baht 5 million, separate financial statements: Baht 2 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit was 17 years (Separate financial statements: 17 years) (2019: 17 years, separate financial statements: 17 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		(Unit: percent per annum) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	0.4 - 3.0	1.2 - 2.5	0.4 - 3.0	1.2 - 2.5
Future salary increase rate	3.0 - 4.0	3.0 - 4.0	3.0 - 4.0	3.0 - 4.0
Turnover rate	0.0 - 35.0	0.0 - 35.0	0.0 - 35.0	0.0 - 35.0

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The result of sensitivity analysis for significant assumptions that affect the present value of the provision for retirement benefit obligations as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)				
As at 31 December 2020				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(51,565)	59,924	(13,976)	15,784
Salary increase rate	59,329	(51,112)	15,775	(13,807)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(25,209)	30,129	(8,660)	10,398

(Unit: Thousand Baht)				
As at 31 December 2019				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(46,489)	55,323	(13,541)	15,886
Salary increase rate	53,840	(46,219)	15,388	(13,413)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(23,711)	28,416	(8,392)	10,109

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. The statutory reserve has fully been set aside.

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28. Revaluation surplus

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance at beginning of year - net of income tax	3,964,399	4,102,659	1,994,351	2,057,910
Decrease from revaluation of assets				
- net of income tax	(6,346)	(1,622)	(6,346)	-
Decrease from sale/write-off of assets				
- net of income tax	(37,466)	-	(32,503)	-
<u>Less</u> depreciation on assets revaluation				
- net of income tax	(104,751)	(136,638)	(60,335)	(63,559)
Balance at end of year - net of income tax	<u>3,815,836</u>	<u>3,964,399</u>	<u>1,895,167</u>	<u>1,994,351</u>

29. Other income

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Income from insurance claim	77,113	100,077	46,922	42,654
Income from computer software	140	5,639	2,734	22,067
Rental income	20,537	14,315	1,219	981
Income of production waste sales	62,080	19,698	2,368	1,306
Income of factory supply sales	4,954	6,755	4,351	7,617
Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand	82,485	46,386	2,535	-
Income from guaranteed loans	-	-	14,869	12,727
Office service income	1	-	46,322	20,931
Others	99,990	86,331	15,738	49,066
Total other income	<u>347,300</u>	<u>279,201</u>	<u>137,058</u>	<u>157,349</u>

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30. Other gain (loss)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Gain (loss) from rubber derivative financial instruments	4,912	(450,090)	271,490	(311,867)
Loss from disposals and write-off fixed assets	(85,784)	(25,689)	(3,876)	(6,331)
Total other gain (loss), net	<u>(80,872)</u>	<u>(475,779)</u>	<u>267,614</u>	<u>(318,198)</u>

31. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Changes in inventories of finished goods and work in progress	(2,130,572)	(159,785)	(1,267,374)	(27,759)
Raw materials and consumables used	45,786,812	43,038,353	22,794,655	20,713,755
Reduction of inventory cost to net realisable value (reversal)	30,708	(133,379)	43,848	(74,062)
Salaries and wages and other employee benefits	3,946,595	3,408,288	825,135	899,630
Depreciation	2,566,399	2,405,644	794,553	832,263
Amortisation - economic tree plantations	9,351	6,441	403	427
Amortisation - intangible assets	74,472	74,194	66,306	60,742
Amortisation - right-of-use assets	151,155	-	76,525	-
Transportation and distribution expense	1,478,726	1,473,904	641,693	703,505
Energy expense	3,025,153	2,525,169	554,458	548,340
Cess expense*	1,180,181	1,122,777	838,297	822,961

* The cess expense is a fee charged to exporters of natural rubber products for the rubber replanting aid fund managed by the Office of the Rubber Authority of Thailand (RAOT) for the purpose of replanting support. Such fee is calculated based on exported quantity at the price on export dates multiplied by a fixed rate as agreed.

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32. Income tax

Income tax for the years ended 31 December 2020 and 2019 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	1,495,538	217,282	-	(650)
Income tax directly related to share holders' equity	59,129	-	-	-
Adjustment in respect of income tax of previous year	(15,101)	-	233	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>127,914</u>	<u>(232,856)</u>	<u>48,755</u>	<u>(33,255)</u>
Income tax reported in the statement of comprehensive income	<u><u>1,667,480</u></u>	<u><u>(15,574)</u></u>	<u><u>48,988</u></u>	<u><u>(33,905)</u></u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax on loss from the change in value of available-for-sale investments	(1,903)	(920)	(1,931)	(891)
Deferred tax on loss from revaluation of land and buildings	(1,586)	(382)	(1,586)	-
Deferred tax on actuarial gain (loss)	(2,041)	4,675	113	4,935
Deferred tax relating to loss on cash flow hedges	(8,894)	-	-	-
Deferred tax on exchange differences from translating foreign currency financial statements	<u>1,286</u>	<u>13,792</u>	<u>-</u>	<u>-</u>
	<u><u>(13,138)</u></u>	<u><u>17,165</u></u>	<u><u>(3,404)</u></u>	<u><u>4,044</u></u>

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The reconciliation between accounting profit (loss) and tax expense (income) is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	17,064,049	(67,646)	2,533,710	(165,432)
Applicable tax rate	17 - 25%	17 - 25%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	3,484,108	(37,288)	506,746	(33,086)
Share of profit from investments in associates and joint venture	(33,717)	(26,470)	-	-
Unused tax losses and deductible temporary difference were not recognised during the year	173,280	183,451	800	160,831
Utilisation of previously unused tax losses and deductible temporary unrecognised difference	(159,210)	-	(117,542)	-
Adjustment in respect of income tax of previous year	(15,101)	-	233	-
Effects of:				
Promotional privileges (Note 33)	(1,704,631)	(48,111)	(23,958)	(311)
Exemption of income	(42,820)	(7,842)	(293,862)	(130,482)
Non-deductible expenses	76,920	74,030	26,901	44,811
Additional expense deductions allowed	(100,028)	(114,359)	(48,814)	(74,706)
Tax at concessionary rate of 10% see note (a)	(14,428)	(16,904)	-	-
Others	3,107	(22,081)	(1,516)	(962)
Total	(1,781,880)	(135,267)	(341,249)	(161,650)
Income tax reported in the profit or loss	1,667,480	(15,574)	48,988	(33,905)

Additional information

- (a) On 11 May 2005, the Ministry of Trade and Industry of Singapore awarded the Global Trader Programme status to a subsidiary of the Group for the period from 1 April 2005 to 31 December 2009. Under this programme, income derived from qualifying trading transactions of approved products is taxed at the concessionary rate of 10%. On 16 February 2015, this status was extended from 1 January 2020 to 31 December 2024.

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The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets				
Unused tax losses	644,925	796,380	362,525	410,235
Unrealised losses on derivative financial instruments	23,165	13,041	12,602	13,980
Allowance for diminution in value of inventories	65,009	27,673	5,352	380
Cumulative loss from assets revaluation and allowance for asset impairment	44,455	45,466	16,934	17,711
Provision for retirement benefit obligations	86,391	79,967	27,334	25,249
Cash flow hedge reserve - net of income tax	8,894	-	-	-
Others	20,336	22,386	67	46
Total	893,175	984,913	424,814	467,601
Deferred tax liabilities				
Assets revaluation surplus	1,218,401	1,281,616	473,792	498,587
Fair value estimation of investment properties	12,578	12,578	12,578	12,578
Unrealised gains on derivative financial instruments	39,969	10,951	34,672	5,403
Others	328	2,221	-	1,910
Total	1,271,276	1,307,366	521,042	518,478
Deferred tax liabilities, net	(378,101)	(322,453)	(96,228)	(50,877)
Deferred tax assets (liabilities) presented in the statements of financial position:				
Deferred tax asset	269,818	284,240	-	-
Deferred tax liabilities	(647,919)	(606,693)	(96,228)	(50,877)
	(378,101)	(322,453)	(96,228)	(50,877)

As at 31 December 2020, the Group had deductible temporary differences and unused tax losses totaling Baht 1,853 million (the Company only: Baht 793 million) (2019: Baht 2,303 million, the Company only: Baht 809 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The Group has the unused tax losses amounting to Baht 1,756 million which will expire by 2024 (the Company only: Baht 757 million by 2024).

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33. Promotional privileges

The Group is granted certain privileges on its manufactures of concentrated latex, block rubber Skim Crepe and rubber gloves, which included among others, as follows:

- Exemption from payment of import duty on imported machinery and equipment as approved by BOI committee
- Exemption from payment of income tax for the periods of 5 to 8 years starting from the commencement date of the promoted business, and 50 percent reduced from the normal income tax rate for the next 3 to 5 years after the period of exemption from payment of income tax is expired

As a promoted industry, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

The Group operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales and service income						
Domestic sales and service income	6,129,043	5,532,918	13,549,531	15,274,840	19,678,574	20,807,758
Export sales and service income	36,163,034	15,900,182	45,198,100	47,395,741	81,361,134	63,295,923
Total sales and service income	42,292,077	21,433,100	58,747,631	62,670,581	101,039,708	84,103,681
Elimination					(25,560,963)	(23,817,309)
Total					75,478,745	60,286,372

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales and service income						
Domestic sales and service income	4,227,135	4,381,693	8,373,007	7,453,094	12,600,142	11,834,787
Export sales and service income	11,271,504	10,464,836	9,013,974	10,346,008	20,285,478	20,810,844
Total sales and service income	15,498,639	14,846,529	17,386,981	17,799,102	32,885,620	32,645,631

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34. Earnings per share

Basic earnings per share is calculated by dividing the profit (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years.

The basic earnings per share are as follows.

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to owners of the Company (Thousand Baht)	9,531,213	(148,536)	2,484,742	(131,527)
Weighted average number of ordinary shares (Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Basic earnings (losses) per share (Baht)	6.21	(0.10)	1.62	(0.09)

35. Segment information

The chief operating decision-maker has been identified as the Managing Director. The Managing Director reviews the Group's internal reporting regularly in order to assess performance and allocate resources. The Managing Director measures the business based on a measure of segment profit, which is derived on a basis consistent with the measurement of profit for the year in the consolidated financial statements.

Operating segments are defined as components of the Group for which separate financial statements available on a company basis are evaluated regularly by the chief operating decision-maker.

There are three reportable segments as follows:

- 1) Natural Rubber Products: This segment is engaged in manufacture, sale and trading of ribbed smoked sheets, concentrated latex and block rubbers.
- 2) Gloves: this segment also includes the manufacture and sale of powdered and powder-free latex examination gloves
- 3) Other Businesses:
 - Plantation: This is engaged in plantations including rubber, palm, temperate fruits and economic trees.
 - Engineering Business: This is engaged in the engineering services including research and development of machinery and production processes, and also providing information system services.
 - Logistics services and other services: These services are provided mainly to the Group, with minor services provided externally.
 - Other Rubber Products: This segment is engaged in manufacture, sale of escalator handrails, rubber injection-moulded goods, and high-pressure hydraulic hoses.

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Financial information by products and services for the years ended 31 December 2020 and 2019 has been presented as follows:

For the year ended 31 December 2020

(Unit: Thousand Baht)

	Natural rubbers	Gloves	Others	Elimination	Consolidated financial statements
Revenues					
Revenues from external customers	44,678,063	30,750,423	50,259	-	75,478,745
Inter-segment revenues	16,553,019	6,245,352	2,762,592	(25,560,963)	-
Total revenues	61,231,082	36,995,775	2,812,851	(25,560,963)	75,478,745
Other income and expenses					
Depreciation and amortisation	(1,586,107)	(1,132,295)	(82,976)	-	(2,801,378)
Finance income	78,175	39,185	2,111	(68,147)	51,324
Finance cost	(630,016)	(142,152)	(1,779)	83,016	(690,931)
Share of profit from investments in associates and a joint venture	35,493	-	133,093	-	168,586
Segment profit					
Profit (loss) before income tax	2,424,726	16,513,259	47,865	(1,921,801)	17,064,049
Income tax	(48,506)	(1,632,378)	(13,984)	27,389	(1,667,479)
Profit (loss) for the period	2,376,220	14,880,881	33,881	(1,894,412)	15,396,570
Total assets	59,859,216	46,233,238	12,474,069	(25,449,301)	93,117,222

For the year ended 31 December 2019

(Unit: Thousand Baht)

	Natural rubbers	Gloves	Others	Elimination	Consolidated financial statements
Revenues					
Revenues from external customers	48,043,607	12,194,772	47,993	-	60,286,372
Inter-segment revenues	17,356,871	2,948,698	3,511,740	(23,817,309)	-
Total revenues	65,400,478	15,143,470	3,559,733	(23,817,309)	60,286,372
Other income and expenses					
Depreciation and amortisation	(1,550,389)	(854,591)	(81,299)	-	(2,486,279)
Finance income	113,193	5,296	2,880	(86,422)	34,947
Finance cost	(793,788)	(194,266)	(1,684)	99,148	(890,590)
Share of profit (loss) from investments in associates and a joint venture	15,513	-	116,836	-	132,349
Segment profit					
Profit (loss) before income tax	(334,072)	737,072	118,908	(589,554)	(67,646)
Income tax	115,652	(82,976)	(17,632)	530	15,574
Profit (loss) for the period	(218,420)	654,096	101,276	(589,024)	(52,072)
Total assets	55,814,974	14,599,624	12,032,298	(24,116,030)	58,330,866

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Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Revenue from external customers		
Thailand	8,564,442	11,028,004
China	26,856,336	20,298,760
USA	7,803,335	3,734,084
Singapore	6,517,835	6,685,407
Japan	3,922,242	3,235,983
Others	21,814,555	15,304,134
Total	<u>75,478,745</u>	<u>60,286,372</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	32,995,140	32,762,123
Indonesia	2,111,127	2,558,913
Others	269,084	182,783
Total	<u>35,375,351</u>	<u>35,503,819</u>

Major customers

The Group has no major customer with revenue of 10 percent or more of an entity's revenues.

36. Dividends

		(Unit: Million Baht)	
<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
Final dividends for 2018	Annual General Meeting of the shareholders on 30 April 2019	<u>614.4</u>	<u>0.40</u>
Interim dividends for 2019	Board of Directors' meeting on 16 April 2020	<u>537.6</u>	<u>0.35</u>
Interim dividends for 2020	Board of Directors' meeting on 13 November 2020	<u>768.4</u>	<u>0.50</u>

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37. Commitments and contingent liabilities

	(Unit: Million Baht)	
	31 December 2020	
	Consolidated financial statements	Separate financial statements
Sales and purchases commitments*		
Purchases from		
Joint venture	715	-
Third parties	95	-
Sales to		
Subsidiaries	-	4,680
Third parties	15,319	8,543
Capital commitments - purchase of fixed assets	3,265	13
Guarantees on borrowings of subsidiaries		
(USD 5 million)	150	150
(IDR 1,178 billion)	2,515	2,515
Guarantees and contingent liabilities		
Bank guarantees for electricity usage and		
sales of goods	162	66
Credit facility of standby-letters of credit		
(USD 5 million)	150	150
Letters of credit with overseas suppliers		
(USD 16.7 million)	505	-
The future aggregate minimum payments under non-cancellable lease and service agreements		
Not later than 1 year	41	2
Later than 1 year but not later than 5 years	60	2

* The Group is committed to certain sales and purchases of natural rubber. Some of the contractual prices are fixed, and settled at future dates, and some of the contractual prices are not fixed at the contract date. However, the values of these commitments are presented at the fixed contractual prices, or the market prices at the end of the period in cases where the contract price is not fixed at the contract date.

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38. Fair value measurements

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	32,385	-	-	32,385
Equity instrument designated at fair value				
through profit or loss	-	-	64,000	64,000
Derivative financial instruments (Note 39.1)	77,669	158,276	-	235,945
Property and plant	-	-	17,606,857	17,606,857
Investment properties	-	-	193,600	193,600
Liabilities measured at fair value				
Derivative financial instruments (Note 39.1)	30,577	153,301	-	183,878
Liabilities for which fair value are disclosed				
Debentures	-	1,460,571	-	1,460,571

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale financial assets				
- equity securities	41,898	-	-	41,898
Derivative financial instruments (Note 39.1)	17,065	45,551	-	62,616
Property and plant	-	-	17,505,063	17,505,063
Investment properties	-	-	190,332	190,332
Liabilities measured at fair value				
Derivative financial instruments (Note 39.1)	92,304	50,941	-	143,245
Liabilities for which fair value are disclosed				
Debentures	-	1,463,776	-	1,463,776

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(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value through other comprehensive income	32,072	-	-	32,072
Equity instrument designated at fair value through profit or loss	-	-	64,000	64,000
Derivative financial instruments (Note 39.1)	67,037	106,325	-	173,362
Property and plant	-	-	5,946,285	5,946,285
Investment properties	-	-	75,663	75,663
Liabilities measured at fair value				
Derivative financial instruments (Note 39.1)	21,454	41,546	-	63,000
Liabilities for which fair value are disclosed				
Debentures	-	1,460,571	-	1,460,571

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale financial assets				
- equity securities	41,726	-	-	41,726
Derivative financial instruments (Note 39.1)	12,185	14,830	-	27,015
Property, plant and equipment	-	-	6,438,375	6,438,375
Investment properties	-	-	75,663	75,663
Liabilities measured at fair value				
Derivative financial instruments (Note 39.1)	65,453	4,902	-	70,355
Liabilities for which fair value are disclosed				
Debentures	-	1,463,776	-	1,463,776

During the current period, there was no transfer within the fair value hierarchy.

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39. Financial instruments

39.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange options	23,050	10,815	10,023	4,331
Rubber options	9,612	1,691	9,612	1,691
Forward foreign exchange contracts	125,614	31,313	86,690	8,808
Rubber futures	77,669	17,065	67,037	12,185
Physical forward contracts	-	1,732	-	-
Total derivative assets	235,945	62,616	173,362	27,015
Current derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange options	92,706	4,057	37,968	2,662
Rubber options	4,286	2,240	2,020	2,240
Forward foreign exchange contracts	11,838	16,139	1,558	-
Rubber futures	30,577	92,304	21,454	65,453
Interest rate swap	-	28,505	-	-
Total current derivative liabilities	139,407	143,245	63,000	70,355
Non - current derivative liabilities				
Derivatives liabilities designated as hedging instruments				
Interest rate swap	44,471	-	-	-
Total non - current derivative liabilities	44,471	-	-	-
Total derivative liabilities	183,878	143,245	63,000	70,355

Derivative financial instruments are measured at fair value with hierarchy level 2, except for rubber futures were measured at fair value with hierarchy level 1.

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Derivatives not designated as hedging instruments

The Group has entered into contracts of derivative financial instruments as follows.

- Foreign exchange options and forward foreign exchange contracts to hedge its foreign currency risks
- Rubber options, rubber futures and physical forward contracts to hedge its commodity price risks

The contracts are entered into for periods consistent with the underlying transactions, generally from 2 months to 6 months.

Derivatives designated as hedging instruments

As at 31 December 2020, the Group had an interest rate swap agreement to hedge the exposure to cash flow volatility which the Group has to pay. The Group receives a variable rate of interest and pays fixed rate of interest.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable interest rate loan (i.e., interest rate, notional amount, maturity and payment dates). The Group has established a hedge ratio of 1:1.

Effect from interest rate benchmark reform

The Group has exposures to benchmark InterBank Offered Rates ("IBORs") on its financial instruments that will be reformed within 31 December 2021. The Group anticipates that IBORs reform will impact its risk management and hedge accounting. The Group elects to early adopt the amendments to TFRS 9 and TFRS 7 relating to interest rate benchmark reform in 2020. These amendments are effective for fiscal years beginning on or after 1 January 2021. These amendments provide reliefs which enable the Group's hedge accounting to continue during the period of uncertainty.

However, the Group monitors and evaluates the effect of IBORs reform and adhere to International Swaps and Derivatives Association (ISDA) protocol to transit to alternative benchmark rates after the IBORs reform. If the counterparties agree to adhere to ISDA protocol, the Company and the counterparties are not required to revise a bilateral contract.

39.2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Thus, risk management plan for the Group focusing on the fluctuation of financial market to reduce the effect of risk to the Group's operations. The Group used financial instruments to protect potential risk.

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Risk management is carried out under supervision by the Group management, who identifies, evaluates and hedges financial risks. In addition, the Group applies hedge accounting for interest rate swap to leverage risk of volatility of interest rate.

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography, product type, customer type and customer rating.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

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((Unit: Thousand Baht))

Consolidated financial statements as at 31 December 2020							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	6,423,548	-	-	17,261,506	2,761,630	26,446,684	0.05 - 3.25
Trade and other receivables	-	-	-	-	9,260,150	9,260,150	-
Amounts due from future brokers	801,544	-	-	-	-	801,544	(1)
Deposits at bank with restrictions	-	701	-	-	-	701	1.25
Equity Instruments - Listed company	-	-	-	-	32,385	32,385	-
Equity Instruments - Non Listed company	-	-	-	-	64,000	64,000	-
Total	7,225,092	701		17,261,506	12,118,165	36,605,464	
Financial liabilities							
Trade and other payables	-	-	-	-	4,635,946	4,635,946	-
Short-term borrowings from financial institutions	22,162,290	-	-	-	-	22,162,290	(1) , (2)
Debentures	1,455,000	-	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions	604,136	-	-	7,721,057	-	8,325,193	(1) , (2) , (3)
Total	24,221,426	-	-	7,721,057	4,635,946	36,578,429	

((Unit: Thousand Baht))

Consolidated financial statements as at 31 December 2019							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	639,332	-	-	943,785	798,706	2,381,823	0.05 - 4.00
Trade and other receivables	-	-	-	-	4,978,434	4,978,434	-
Amounts due from future brokers	729,666	-	-	-	-	729,666	(1)
Deposits at bank with restrictions	-	701	-	-	-	701	1.25
Long-term investments	-	-	-	-	109,898	109,898	-
Total	1,368,998	701	-	943,785	5,887,038	8,200,522	
Financial liabilities							
Trade and other payables	-	-	-	-	2,528,645	2,528,645	-
Short-term borrowings from financial institutions	15,560,241	-	-	1,388,696	-	16,948,937	(1) , (2) , (4)
Debentures	-	1,455,000	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions	849,276	606,626	-	9,039,763	-	10,495,665	(1) , (2) , (3)
Total	16,409,517	2,061,626	-	10,428,459	2,528,645	31,428,247	

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	Fixed interest rates					Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing		
Financial Assets							
Cash and cash equivalent	-	-	-	116,911	181,869	298,780	0.30 - 0.60
Trade and other receivables	-	-	-	-	2,886,596	2,886,596	-
Long-term loans to subsidiaries	597,348	-	-	-	-	597,348	(1)
Equity Instruments - Listed company	-	-	-	-	32,072	32,072	-
Equity Instrument - Non Listed company	-	-	-	-	64,000	64,000	-
Total	597,348	-	-	116,911	3,164,537	3,878,796	
Financial liabilities							
Trade and other payables	-	-	-	-	988,045	988,045	-
Short-term borrowings from financial institutions	15,889,794	-	-	-	-	15,889,794	(1)
Short-term borrowings from subsidiaries	145,000	-	-	-	-	145,000	(1)
Debentures	1,455,000	-	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions	604,136	-	-	1,421,350	-	2,025,486	(1) , (2)
Total	18,093,930	-	-	1,421,350	988,045	20,503,325	

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Separate financial statements as at 31 December 2019

	Fixed interest rates						Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing	Total	
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	47,728	142,428	190,156	0.3 - 0.6
Trade and other receivables	-	-	-	-	2,592,916	2,592,916	-
Amounts due from future brokers	30,384	-	-	-	-	30,384	(1)
Long-term loans to subsidiaries	839,348	599,534	-	-	-	1,438,882	(1)
Long-term investments	-	-	-	-	109,726	109,726	-
Total	869,732	599,534	-	47,728	2,845,070	4,362,064	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	987,831	987,831	-
Short-term borrowings from financial institutions	13,502,988	-	-	-	-	13,502,988	(1)
Short-term borrowings from subsidiaries	160,000	-	-	-	-	160,000	(1)
Debentures	-	1,455,000	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions	849,276	606,626	-	2,246,350	-	3,702,252	(1) , (2)
Total	14,512,264	2,061,626	-	2,246,350	987,831	19,808,071	

(1) Fixed rate per annum

(2) MLR less fixed rate per annum

(3) THBFIX6M plus fixed rate per annum

(4) LIBOR plus fixed rate per annum

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Interest rate sensitivity analysis

The Group's interest rate risk arises from borrowings. Borrowings on which interest is charged at floating rates expose the Group to risk in respect of interest cash flows.

If the interest rate changes by 0.75% per annum (2019: 0.25% per annum), with all other variables held constant, the impact of floating rate borrowings on profit before tax would be as follows:

	(Unit: Thousand Baht)			
	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Impact to profit before tax				
in the statements of comprehensive income				
- Decrease in interest rate by 0.75%				
Pre-tax profit increase	57,908	-	10,660	-
- Increase in interest rate by 0.75%				
Pre-tax profit decrease	(57,908)	-	(10,660)	-
- Decrease in interest rate by 0.25%				
Pre-tax profit increase	-	15,374	-	5,616
- Increase in interest rate by 0.25%				
Pre-tax profit decrease	-	(15,374)	-	(5,616)
Impact to shareholders' equity				
in the statements of financial position				
- Decrease in interest rate by 0.75%				
shareholders' equity increase	(23,599)	-	-	-
- Increase in interest rate by 0.75%				
shareholders' equity decrease	23,599	-	-	-

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	208.4	102.4	92.1	72.6	30.0371	30.1540
Japan yen	1,081.9	987.6	-	-	0.2907	0.2759
Singapore dollar	0.6	0.7	2.7	0.2	22.6632	22.3245
China renminbi	89.8	61.8	-	-	4.6187	4.3147

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	64.4	92.9	30.5	59.1	30.0371	30.1540
Singapore dollar	-	0.1	-	-	22.6632	22.3245

In addition, the Group's exposures to foreign currency risk arises from investments in overseas subsidiaries companies and an indirect joint venture which are unhedged. The management of the Group intends to hold such investments for the long term, and has no plans to dispose of them in the future.

Foreign currency sensitivity analysis

The Group operates internationally and is exposed to foreign exchange risk in respect of various foreign currencies, primarily the US Dollar and Indonesian Rupiah. Foreign exchange risk arises from commercial transactions, net investment in foreign operations and borrowings. If the exchange rate of the Thai Baht changes by 3.10% (2019: 2.56%) against the US Dollar and by 5.25% (2019: 3.76%) against the Indonesian Rupiah, with all other variables held constant, profit before tax and shareholders' equity would be affected as follows:

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	(Unit: Thousand Baht)			
	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Impact to profit before tax				
in the statements of comprehensive income				
THB against USD				
- Weakened	231,716	47,599	21,309	(4,111)
- Strengthened	(231,716)	(47,599)	(21,309)	4,111
THB against IDR				
- Weakened	(129,634)	(40,497)	-	-
- Strengthened	129,634	40,497	-	-
Impact to shareholders' equity				
in the statements of financial position				
THB against USD				
- Weakened	(212,532)	(148,149)	-	-
- Strengthened	212,532	148,149	-	-
THB against IDR				
- Weakened	56,921	35,684	-	-
- Strengthened	(56,921)	(35,684)	-	-

Risk from fluctuation in raw materials and finished goods prices

The Group is exposed to commodity price risk from the natural rubber industry. The Group have managed the risks arising from price fluctuations by managing raw material sourcing using rubber options, rubber futures, and physical forward contracts to hedge the risk from fluctuation in such prices.

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Commodity price sensitivity analysis

The Group uses derivative instruments to manage commodity price risk exposure. If the price of natural rubber changes by 1.52% (2019: 2.23%), with all other variables held constant, profit before tax for the years would be affected as follows:

	(Unit: Thousand Baht)			
	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Impact to profit before tax				
in the statements of comprehensive income				
- Decrease in price of natural rubber				
Pre-tax profit decrease	(53,287)	(53,846)	(43,704)	(39,117)
- Increase in price of natural rubber				
Pre-tax profit increase	53,287	53,846	43,704	39,117

Liquidity risk

The Group monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Group's maturity grouping based on the remaining periods at the date of statements of financial position to the contractual maturity date based on notional amount. The positive figures represent cash to be inflows and negative figures represent cash to be outflows due to be mature.

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The amounts disclosed below are the contractual undiscounted cash flows.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2020				
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(24,711,383)	-	-	-	(24,711,383)
Trade accounts payable	(1,510,514)	-	-	-	(1,510,514)
Accrued expenses	(1,224,543)	-	-	-	(1,224,543)
Long-term borrowings					
from financial institutions	(2,544,794)	(1,454,465)	(4,663,962)	(246,861)	(8,910,082)
Debentures	(1,472,053)	-	-	-	(1,472,053)
Finance lease liabilities	(122,722)	(96,344)	(45,362)	-	(264,428)
Derivative financial instruments					
- Interest rate swaps	-	-	(1,393,000)	-	(1,393,000)
- Rubber futures (Buy)	(424,304)	-	-	-	(424,304)
- Rubber futures (Sell)	2,299,445	-	-	-	2,299,445
- Forward foreign exchange contracts (Buy)	(894,195)	-	-	-	(894,195)
- Forward foreign exchange contracts (Sell)	8,825,829	-	-	-	8,825,829
- Foreign exchange options (Buy)	(32,650,328)	-	-	-	(32,650,328)
- Foreign exchange options (Sell)	4,220,213	-	-	-	4,220,213
- Rubber options (Buy)	(379,508)	-	-	-	(379,508)
- Rubber options (Sell)	408,655	-	-	-	408,655

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(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2019					
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(17,274,989)	-	-	-	(17,274,989)
Trade accounts payable	(1,049,514)	-	-	-	(1,049,514)
Accrued expenses	(887,490)	-	-	-	(887,490)
Long-term borrowings					
from financial institutions	(2,823,648)	(3,110,558)	(5,032,589)	(930,476)	(11,897,271)
Debentures	(45,105)	(1,472,177)	-	-	(1,517,282)
Finance lease liabilities	(21,981)	(9,679)	(7,462)	-	(39,122)
Derivative financial instruments					
- Cross currency swap	-	-	-	(1,696,500)	(1,696,500)
- Rubber futures (Buy)	(252,219)	-	-	-	(252,219)
- Rubber futures (Sell)	1,972,101	-	-	-	1,972,101
- Forward foreign exchange contracts (Buy)	(924,411)	-	-	-	(924,411)
- Forward foreign exchange contracts (Sell)	3,209,776	-	-	-	3,209,776
- Physical forward contracts (Buy)	60,213	-	-	-	60,213
- Foreign exchange options (Buy)	(7,327,422)	-	-	-	(7,327,422)
- Foreign exchange options (Sell)	2,713,860	-	-	-	2,713,860
- Rubber options (Buy)	(137,864)	-	-	-	(137,864)
- Rubber options (Sell)	68,932	-	-	-	68,932

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	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(18,375,093)	-	-	-	(18,375,093)
Trade accounts payable	(430,084)	-	-	-	(430,084)
Accrued expenses	(291,473)	-	-	-	(291,473)
Long-term borrowings					
from financial institutions	(1,589,389)	(474,427)	-	-	(2,063,816)
Debentures	(1,472,053)	-	-	-	(1,472,053)
Finance lease liabilities	(60,604)	(43,983)	(12,679)	-	(117,266)
Derivative financial instruments					
- Rubber futures (Buy)	231,043	-	-	-	231,043
- Rubber futures (Sell)	(2,159,029)	-	-	-	(2,159,029)
- Forward foreign exchange contracts (Sell)	4,802,293	-	-	-	4,802,293
- Foreign exchange options (Buy)	(13,787,029)	-	-	-	(13,787,029)
- Foreign exchange options (Sell)	1,832,263	-	-	-	1,832,263
- Rubber options (Buy)	(379,508)	-	-	-	(379,508)
- Rubber options (Sell)	370,328	-	-	-	370,328

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(Unit: Thousand Baht)

	Separate financial statements as at 31 December 2019				
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(13,818,860)	-	-	-	(13,818,860)
Trade accounts payable	(473,928)	-	-	-	(473,928)
Accrued expenses	(303,042)	-	-	-	(303,042)
Long-term borrowings					
from financial institutions	(1,802,977)	(1,599,246)	(475,163)	-	(3,877,386)
Debentures	(45,105)	(1,472,177)	-	-	(1,517,282)
Finance lease liabilities	(3,735)	(1,775)	(1,578)	-	(7,088)
Derivative financial instruments					
	(163,322)	-	-	-	(163,322)
- Rubber futures (Buy)					
- Rubber futures (Sell)	1,379,771	-	-	-	1,379,771
- Forward foreign exchange contracts (Sell)	666,403	-	-	-	666,403
- Foreign exchange options (Buy)	(3,844,635)	-	-	-	(3,844,635)
- Foreign exchange options (Sell)	1,447,392	-	-	-	1,447,392
- Rubber options (Buy)	(137,864)	-	-	-	(137,864)
- Rubber options (Sell)	68,932	-	-	-	68,932

39.3 Fair values of financial instruments

Since the majority of the Group' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group has considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

40. Financial instruments by category

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2020			
	Assets at fair value			Total
	Through the profit and loss	Through the comprehensive income	Other financial assets	
Assets as per statement of financial position				
Cash and cash equivalents	-	-	26,446,684	26,446,684
Derivative financial instruments	235,945	-	-	235,945
Trade accounts receivable, net	-	-	9,260,150	9,260,150
Amounts due from future brokers	-	-	801,544	801,544
Non - current other financial assets	64,000	32,385	701	97,086
Total	299,945	32,385	36,509,079	36,841,409

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2020			
	Liabilities			Total
	Liabilities at fair value through the profit and loss	Liabilities at fair value through the comprehensive income	Other financial liabilities	
Liabilities as per statement of financial position				
Trade accounts payable	-	-	4,635,946	4,635,946
Short-term borrowings from financial institutions	-	-	22,162,290	22,162,290
Derivative financial instruments	139,407	44,471	-	183,878
Long-term borrowings from financial institutions	-	-	8,325,193	8,325,193
Debentures	-	-	1,455,000	1,455,000
Total	139,407	44,471	36,578,429	36,762,307

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2019			
	Assets at fair value			
	Through the Through the profit and loss	Through the comprehensive income	Other financial assets	Total
Assets as per statement of financial position				
Cash and cash equivalents	-	-	2,381,823	2,381,823
Derivative financial instruments	62,616	-	-	62,616
Trade accounts receivable, net	-	-	4,691,586	4,691,586
Amounts due from future brokers	-	-	729,666	729,666
Fixed deposits pledged as collateral	-	-	701	701
Long-term investments	-	41,898	68,000	109,898
Total	62,616	41,898	7,871,776	7,976,290

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2019		
	Liabilities		
	at fair value		
	through the profit	Other	
	and loss	financial liabilities	Total
Liabilities as per statement of financial position			
Trade accounts payable	-	1,049,514	1,049,514
Short-term borrowings from financial institutions	-	16,948,937	16,948,937
Derivative financial instruments	143,245	-	143,245
Long-term borrowings from financial institutions	-	10,495,665	10,495,665
Debentures	-	1,455,000	1,455,000
Total	143,245	29,949,116	30,092,361

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2020		
	Assets at fair value		
	Through the profit and loss	Through the comprehensive income	Other financial assets
			Total
Assets as per statement of financial position			
Cash and cash equivalents	-	-	298,780
Derivative financial instruments	173,362	-	-
Trade accounts receivable, net	-	-	2,886,596
Long-term borrowings to subsidiaries	-	-	597,348
Non - current Other financial assets	64,000	32,072	-
Total	237,362	32,072	3,782,724

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2020		
	Liabilities at fair value		
	through the profit and loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Trade accounts payable	-	988,045	988,045
Short-term borrowings from financial institutions	-	15,889,794	15,889,794
Derivative financial instruments	63,000	-	63,000
Long-term borrowings from financial institutions	-	2,025,486	2,025,486
Debentures	-	1,455,000	1,455,000
Total	63,000	20,358,325	20,421,325

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019		
	Assets at fair value		
	Through the profit and loss	Through the comprehensive income	Other financial assets
			Total
Assets as per statement of financial position			
Cash and cash equivalents	-	-	190,156
Derivative financial instruments	27,015	-	-
Trade accounts receivable, net	-	-	2,501,398
Amounts due from future brokers	-	-	30,384
Long-term borrowings to subsidiaries	-	-	1,438,882
Long-term investments	-	41,726	68,000
Total	27,015	41,726	4,228,820

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019		
	Liabilities at fair value		
	through the profit and loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Trade accounts payable	-	473,928	473,928
Short-term borrowings from financial institutions	-	13,502,988	13,502,988
Derivative financial instruments	70,355	-	70,355
Long-term borrowings from financial institutions	-	3,702,252	3,702,252
Debentures	-	1,455,000	1,455,000
Total	70,355	19,134,168	19,204,523

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

41. Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if any) or to historical information about counterparty default rates:

Group 1: New other customers/related parties (less than 6 months)

Group 2: Existing customers/related parties (more than 6 months) with no defaults in the past

Group 3: Existing customers/related parties (more than 6 months) with some defaults in the past that were fully recovered

Maintenance margins are held with high quality counterparties with no history of default. None of the financial assets that are fully performing had been renegotiated during the financial year.

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deposits held at call with banks				
Aa1	721,168	270,661	-	-
Aa3	371,507	303,902	136	136
A1	1,122,109	269,818	436	1,888
Ba3	-	3,762	-	-
Baa1	23,632,543	1,283,503	286,942	175,730
Baa2	443,291	108,924	1,941	1,938
No rating	95,668	110,950	1	-
Total deposits held at call with banks	<u>26,386,286</u>	<u>2,351,520</u>	<u>289,456</u>	<u>179,692</u>

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade accounts receivable				
Counterparties without external credit rating				
Group 1	621,341	374,014	123,618	169,301
Group 2	7,952,147	4,317,557	2,049,195	1,955,190
Group 3	14	14	-	-
Total unimpaired trade accounts receivable	<u>8,573,502</u>	<u>4,691,585</u>	<u>2,172,813</u>	<u>2,124,491</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2020

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Derivative financial instruments				
Counterparties with external credit rating				
Aa1	81,643	15,700	67,037	11,704
Aa2	-	-	-	-
Aa3	65	721	-	-
Baa1	144,625	40,881	96,713	13,139
Counterparties without external credit rating				
Group 2	9,612	5,314	9,612	2,172
Total derivative financial instruments				
(Note 39.1)	<u>235,945</u>	<u>62,616</u>	<u>173,362</u>	<u>27,015</u>

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Fixed deposits pledged as collateral				
Baa1	701	701	-	-
Total fixed deposits pledged as collateral				
(Note 13)	<u>701</u>	<u>701</u>	<u>-</u>	<u>-</u>

42. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

43. Events after the reporting period

On 16 February 2021, the Company's Board of Directors meeting passed resolutions to approve a dividend payment in respect of operating results of 2020 to shareholders of Baht 1.75 per share, totaling of Baht 2,688 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2021.

44. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2021.

AUDITOR'S REMUNERATION



Audit Fee

The audit fee for the year 2020 of STA and its subsidiaries located in Thailand amounted to Baht 11.4 million, which consisted of the fee for the audit of stand-alone financial statements in the amount of Baht 6.1 million and the fee for the audit of STA's subsidiaries located in Thailand in the amount of Baht 5.3 million.

Non-Audit Fee

The non-audit fee for the year 2020 of STA and its subsidiaries was for the BOI and tax consultancy services in the amount of Baht 1.9 million, of which the Company paid in the amount of Baht 1.0 million and the rest will be paid upon completion of the service which was agreed upon in the past financial year.

GENERAL INFORMATION



Information of the Company



Name of the Company (Thai)	:	บริษัท ศรีตรังแอกโรอินดัสทรี จำกัด (มหาชน)
Name of the Company (English)	:	Sri Trang Agro-Industry Public Company Limited
Head Office	:	10 Soi 10, Phetkasem Road, Hatyai, Songkhla, 90110 Thailand
Telephone	:	66-7434-4663 (Automatic 14 Lines)
Fax	:	66-7434-4677, 66-7423-7423, 66-7423-7832
Type of Business	:	Production and export of RSS, TSR and Concentrated Latex
Registration No.	:	0107536001656
Website	:	www.sritranggroup.com
Type of Shares	:	Ordinary shares
Registered Capital	:	Baht 1,535,999,998
Paid-up Capital	:	Baht 1,535,999,998
Issued Shares	:	1,535,999,998 shares with a par value of Baht 1 each

Information of juristic persons in which the Company holds more than 10% of the issued shares of such juristic persons as of 31 January 2021



1. Nam Hua Rubber



Head Office	:	10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, 90110 Thailand
Branch Office	:	1. 99 Moo 3 Samnuk Kham Subdistrict, Sadao District, Songkhla Province, 90120 Thailand 2. 41 Moo 3 Samnuk Kham Subdistrict, Sadao District, Songkhla Province, 90120 Thailand
Type of Business	:	Production and export of RSS, TSR and Concentrated Latex
Telephone	:	66-7437-9984-6, 66-7437-9988-9
Fax	:	66-7437-9987
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 4,999,994 shares or 99.99%



2. Anvar Parawood



Head Office	:	101 Moo 3, Padangbazar Road, Samnuk Kham Subdistrict, Sadao District, Songkhla Province, 90120 Thailand
Branch office	:	1. 369 Moo 7, Huay Nang Subdistrict, Huay Yod District, Trang Province, 92130 Thailand 2. 395 Moo 2, Nonsomboon Subdistrict, Mueang Bungkarn District, Bungkarn Province, 38000 Thailand 3. 28 Moo 11, Nongpra Subdistrict, Wangthong District, Phitsanulok Province, 65130 Thailand
Type of Business	:	Lumber production and manufacture of wooden furniture
Telephone	:	66-7437-9978-9
Fax	:	66-7437-9976
Type of shares	:	Ordinary shares

Total number of shares directly held by STA : 9,994 shares or 99.94%



3. Rubberland Products



Head Office	:	109 Kanjanavanit Road, Pahtong Subdistrict, Hatyai District, Songkhla Province, 90230 Thailand
Branch Office	:	1. 10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, 90110 Thailand 2. 17th Floor, Park Venture Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok, 10330 Thailand 3. 338 Moo 2, Nonsomboon Subdistrict, Mueang Bungkan District, Bungkan Province, 38000 Thailand 4. 338 Moo 1, Kokma Subdistrict, Prakonchai District, Buriram Province, 31140 Thailand 5. 188 Moo 10, Bangsaiyai Subdistrict, Mueang Mukdahan Subdistrict, Mukdahan Province, 49000 Thailand
Type of Business	:	Production of Concentrated Latex/ Block rubber
Telephone	:	66-7429-1223-4, 66-7429-1755, 66-7429-1476
Fax	:	66-7429-1477
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 15,999,994 shares or 99.99%



4. Sri Trang Gloves (Thailand) Public Company Limited



Head Office	:	110 Kanjanavanit Road, Pahtong Subdistrict Hatyai District, Songkhla Province, 90230 Thailand
Branch Office	:	1. 10 Soi 10, Phetkasem Road, Hatyai Subdistrict Hatyai District, Songkhla Province, 90110 Thailand 2. 17 th Floor, Park Venture Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok, 10330 Thailand 3. 109/2 Kanjanavanit Road, Pahtong Subdistrict, Hatyai District, Songkhla Province, 90230 Thailand 4. 352 Kanjanavanit Road, Pahtong Subdistrict, Hatyai District, Songkhla Province, 90230 Thailand 5. 189 Moo 7, Plaiwas Subdistrict, Karnchanadit District, Surat Thani Province, 84160 Thailand 6. 39/1 Moo 9, Tungkai Subdistrict, Yantakao District, Trang Province, 92140 Thailand 7. 85 Moo 6, Khuan Thani, Kantang, Trang, 92110, Thailand
Type of Business	:	Production of examination and industrial gloves
Telephone	:	66-7447-1471, 66-7429-1648-9, 66-7429-1471-5, 66-7520-1199
Fax	:	66-7429-1650, 66-7520-1150
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 1,450,211,700 shares or 50.75%



Subsidiaries of Sri Trang Gloves (Thailand) Public Company Limited



Shi Dong Shanghai Medical Equipment



Head Office	:	5 th Floor, Block B of W Square, No. 1686 Wuzhong Road, Minhang District, Shanghai, China 201103
Type of Business	:	Distribution of rubber gloves in PRC
Telephone	:	8621-64137860-616
Fax	:	8621-64137315
Type of Shares	:	Ordinary shares
Total number of shares directly held by STGT : 100.00%		





Subsidiaries of Sri Trang Gloves (Thailand) Public Company Limited



Sri Trang USA



Head Office : 5820 West Cypress Street, Suite H, Tampa, Florida, 33607-1785, United States

Type of Business : Distribution of gloves in the United States

Telephone : 1-813-606-4301

Fax : 1-813-606-4314

Type of Shares : Common stock

Total number of shares directly held by STGT : 100.00%



Premier System Engineering



Head Office : 123 Moo 8, Kanjanavanit Road, Ban Phu Subdistrict, Hatyai District, Songkhla Province, 90250 Thailand

Type of Business : Engineering services, design, produce, sell, installation and maintenance machineries

Telephone : 66-7422-2900-9

Fax : 66-7422-2910-12

Type of Shares : Ordinary shares

Total number of shares directly held by STGT : 99.9%



Sadao P.S. Rubber



Head Office : 207/1 Padangbazar Road, Sadao Subdistrict, Sadao District, Songkhla Province, 90120 Thailand

Type of Business : Production of RSS

Telephone : 66-7446-0483-5, 66-86489-5264-5

Fax : 66-7446-0484

Type of Shares : Currently cease the operation to produce and distribute RSS

Total number of shares directly held by STGT : 99.9%



5. Semperfex Asia



Head Office	:	110/1 Kanjanavanit Road, Pahtong Subdistrict, Hatyai District, Songkhla Province, 90230 Thailand
Branch Office	:	10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, 90110 Thailand
Type of Business	:	Production of high-pressure Hydraulic hoses
Telephone	:	66-7447-1231-5
Fax	:	66-7447-1230
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 1,425,000 shares or 37.50%



6. Starlight Express Transport



Head Office	:	13/1 Jingjit Road, Thupthiang Subdistrict, Mueang District, Trang Province, 92000 Thailand
Type of Business	:	Provision of domestic logistics services
Telephone	:	66-7550-2900-2
Fax	:	66-7550-2903
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 114,998 shares or 76.66%



7. Startex Rubber



Head Office	:	36/82 PS Tower 23Fl. Sukhumvit 21 Road (Asoke), Klong Toe Nua Subdistrict, Watana District, Bangkok, 10110 Thailand
Type of Business	:	Ownership and management of rubber and oil palm plantations and investment
Telephone	:	662-259-2964-71
Fax	:	662-259-2958
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 26,349,998 shares or 99.99%



8. Thai Tech Rubber



Head Office	:	2 Juti Utit 3 Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, 90110 Thailand
Type of Business	:	Production of block rubber
Telephone	:	66-7423-0768, 66-7423-0406-7, 66-7423-9063-4
Fax	:	66-7423-8650
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 255,028 shares or 42.50%



9. Sri Trang Rubber & Plantation

Head Office	:	121 Moo 4 Nhongpakrang Subdistrict, Mueng Chiang Mai District, Chiang Mai Province, 50000 Thailand
Type of Business	:	Ownership and management of rubber plantation
Telephone	:	66-5310-6198, 66-5310-6199
Fax	:	66-5310-6196, 66-5310-6197
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 65,549,993 shares or 99.99%



10. Sri Trang International



Head Office	:	1 Wallich Street, No. 25-02, Guoco Tower, 078881, Singapore
Type of Business	:	Distribution of natural rubber and gloves in Singapore
Telephone	:	65-6532-5210, 65-6532-5321
Fax	:	65-6532-7501
Type of Shares	:	Ordinary shares

Total number of shares directly held by Startex Rubber : 61,000,000 shares or 100.00%



11. PT Sri Trang Lingga



Head Office	:	Jalan TPA2, RT.26 & 29 Keramasan, Palembang, South Sumatera, Palembang, 30259, Indonesia
Type of Business	:	Production of block rubber
Telephone	:	62-711-445-666
Fax	:	62-711-445-222
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 18,000 shares or 90.00%



12. Shi Dong Investments



Head Office	:	1 Wallich Street, No. 25-02, Guoco Tower, 078881, Singapore
Type of Business	:	Investment holding in PT Star Rubber
Telephone	:	65-6532-5210, 65-6532-5321
Fax	:	65-6532-7501
Type of Shares	:	Ordinary shares

Total number of shares directly held by Sri Trang International : 48,000,000 shares or 100.00%



12. PT Star Rubber



Head Office	:	Jalan Trans Kalimantan KM. 16, Desa Jawa Tengah Kec. Sungai Ambawang, Kab Kubu Raya-Kalbar, Pontianak 78393, Kalimantan Barat, PO Box 7864, Indonesia
Branch Office	:	Jl. Lintas Sumatera Km. 52, RT. 005 Desa Sirih Sehapur, Kec. Jujuhan, Kab. Muara Bungo, 37257, Jambi, Indonesia
Type of Business	:	Production of block rubber
Telephone	:	62-561-724-888, 62-561-724-591-2
Fax	:	62-561-724-593
Type of Shares	:	Ordinary shares

Total number of shares directly held by Shi Dong Investment Pte. Ltd. : 41,400 shares or 99.00%



13. Shi Dong Shanghai



Head Office	:	5F East, Block B of W Square, No. 1686 Wuzhong Road, Minhang District, Shanghai, China 201103
Type of Business	:	Distribution of natural rubber and gloves in PRC
Telephone	:	86-21-6413-7860
Fax	:	86-21-6413-7315
Type of Interest	:	Equity

Total interest held by STA : USD 5,000,000 or 100.00%





14. Sri Trang Indochina



Head Office	:	Room no. 7.01A, 7 th Floor, Vietnam Business Center Building, 57-59 Ho Tung Mau Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Type of Business	:	Trading and exporting the rubber products
Telephone	:	848-3821-6869
Fax	:	848-3821-6877
Type of Shares	:	Ordinary shares

Total number of shares directly held by Sri Trang International : 48,000,000 shares or 100.00%



15. Sri Trang Ayeyar



Head Office	:	Mudon Crumb Rubber Factory, 828/1221 Kankalay Plot, Kyone Phite Village, Mudon Township (12081) Mawlamyine, Mon State, Myanmar
Type of Business	:	Production of block rubber
Telephone	:	959-9638-82676
Fax	:	N/A
Type of Shares	:	Ordinary shares

Total number of shares directly held by Sri Trang International : 59.00%



16. Thai Rubber Joint Venture Limited



Head Office	:	67/25 Bangkhunnon Road, Bangkhunon, Bangkoknoi, Bangkok, Thailand, 10700
Type of Business	:	Domestic and international trade of rubber
Telephone	:	N/A
Fax	:	N/A
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 16.67%



17. Sri Trang IBC



Head Office	:	10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, 90110 Thailand
Type of Business	:	Services including technical, innovation, IT, and special advice
Telephone	:	66-7434-4663
Fax	:	N/A
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 99,997 shares or 99.99%

REFERENCES



1. Share Registrar



Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand

Telephone 66-2009-9000

Fax 66-2009-9991

TSD Call Center 66-2009-9999



2. Singapore Transfer Agent



Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623

Telephone 65-6536-5355

Fax 65-6536-1360



3. Auditor



Mr. Supachai Panyawattano, Certified Public Accountant (Thailand) No. 3930 or

Miss Krongkaew Limkittikun, Certified Public Accountant (Thailand) No. 5874 or

Mr. Nuttawut Santiphet, Certified Public Accountant (Thailand) No. 5730

EY Office Limited 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 Thailand

Telephone 66-2264-9090

Fax 66-2264-0789



4. Debenture Registrar for STA No. 1/2016



Siam Commercial Public Company Limited

9 Ratchadapisek Road, Chatuchak, Bangkok, 10900 Thailand

Telephone 66-2256-2323

Fax 0-2256-2414



5. Legal Advisor



Weerawong, Chinnavat & Partners LTD.

540 Mercury Tower, 22nd floor, Ploenchit Rd., Lumpini, Pathumwan, Bangkok, 10330, Thailand

Telephone 66-2264-8000

Fax 66-2657-2222

DEFINED TERMS AND ABBREVIATIONS

In this document, unless the context otherwise requires, references to “our Company”, “the Company” or “STA” refer to Sri Trang Agro-Industry Public Company Limited; references to “we”, “us”, “our”, “ourselves”, and “Group” refer to the Company and its consolidated subsidiaries taken as a whole.



WORD

MEAN

Our Group Companies and Other Entities

Anvar Parawood	:	Anvar Parawood Company Limited
Company or STA	:	Sri Trang Agro-Industry Public Company Limited
Nam Hua Rubber	:	Nam Hua Rubber Company Limited
NBR	:	Nitrile Rubber
Pattana Agro Futures	:	Pattana Agro Futures Company Limited
Premier System Engineering	:	Premier System Engineering Company Limited
PT Sri Trang Lingga	:	PT Sri Trang Lingga Indonesia
PT Star Rubber	:	PT Star Rubber Indonesia
Rubberland Products	:	Rubberland Products Company Limited
Sadao P.S. Rubber	:	Sadao P.S. Rubber Company Limited
Semperflex Asia or SAC	:	Semperflex Asia Corporation Limited
Semperit	:	Semperit Technische Produkte Gesellschaft m.b.H., a subsidiary of Semperit AG Holding
Shi Dong Investments	:	Shi Dong Investments Pte. Ltd.
Shi Dong Shanghai	:	Shi Dong Shanghai Rubber Co., Ltd.
Shi Dong Shanghai Medical Equipment	:	Shi Dong Shanghai Medical Equipment Co., Ltd.
Sri Trang Ayeyar	:	Sri Trang Ayeyar Rubber Industry Company Limited
Sri Trang Holding or STH	:	Sri Trang Holdings Co., Ltd.
Sri Trang IBC	:	Sri Trang IBC Co., Ltd.
Sri Trang Indochina	:	Sri Trang Indochina (Vietnam) Co., Ltd.
Sri Trang International	:	Sri Trang International Pte. Ltd.
Sri Trang Gloves (Thailand) PLC or STGT	:	Sri Trang Gloves (Thailand) Public Co., Ltd. or Sri Trang Gloves (Thailand) Co., Ltd.
Sri Trang Rubber & Plantation	:	Sri Trang Rubber and Plantation Company Limited
Sri Trang USA	:	Sri Trang USA, Inc.
Starlight Express Transport	:	Starlight Express Transport Company Limited
Startex Rubber	:	Startex Rubber Corporation Limited
Thai Tech Rubber	:	Thaitech Rubber Corporation Limited

General

CDP	:	The Central Depository (Pte) Limited
Code of Corporate Governance	:	Singapore Code of Corporate Governance 2012
Concentrated Latex	:	Liquid latex with a dry rubber content of approximately 60.0%
Listing Manual	:	The listing manual of the SGX-ST
Natural Rubber Products	:	RSS, TSR and Concentrated Latex
Office of the SEC	:	The office of the SEC

WORD**MEAN**

OTC	:	Over the counter
Other Finished Products	:	Finished products, including high-pressure hydraulic hoses, escalator handrails and various rubber and plastic parts which are mainly used in electrical appliances
PLCA	:	The Public Limited Companies Act B.E. 2535 (1992) of Thailand, as amended from time to time
RSS	:	Ribbed smoked sheet
RAOT	:	Rubber Authority of Thailand
SEC	:	The Securities and Exchange Commission of Thailand
SEC Act	:	The Securities and Exchange Act. B.E. 2535 (1992) of Thailand, as amended from time to time
SET	:	The Stock Exchange of Thailand
SGX-ST	:	Singapore Exchange Securities Trading Limited
SICOM	:	Singapore Commodity Exchange Limited
STR	:	Standard Thai rubber
Thai GAAP	:	Generally accepted accounting principles in Thailand
TSD	:	The Thailand Securities Depository Co., Ltd.
TSR	:	Technically specified rubber, which includes STR and SIR

Currencies and Measurements

Baht	:	The lawful currency of Thailand
IDR or Indonesian Rupiah	:	The lawful currency of Indonesia
MYR or Malaysian Ringgit	:	The lawful currency of Malaysia
SGD or Singapore dollar	:	The lawful currency of the Republic of Singapore
US\$ or US Dollar	:	The lawful currency of the U.S.

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