



SRI TRANG
GLOVES THAILAND

「 Touch Of Life™ 」



Annual Report 2020

Sri Trang Gloves (Thailand) Public Company Limited



**Our priority is to deliver the 「Touch of Life™」
and sustainable world.**

We are committed to conducting business with transparency and fairness to produce quality and environmentally friendly products that deserve to be call the 「Touch of Life™」 and we care about all stakeholders in the supply chain, from upstream to downstream. Not just for the people but for every life in this beautiful world.



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VISION, MISSION CORE VALUE



Mission

Year 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. Meanwhile, these factors could create business opportunity to our downstream business, which is rubber gloves, in order to grow steadily in line with continuous capacity expansion and to generate sustainable profitability to Srirang group.

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!



Core value

Specialty and Teamwork

In Giving

“Touch Of Life”

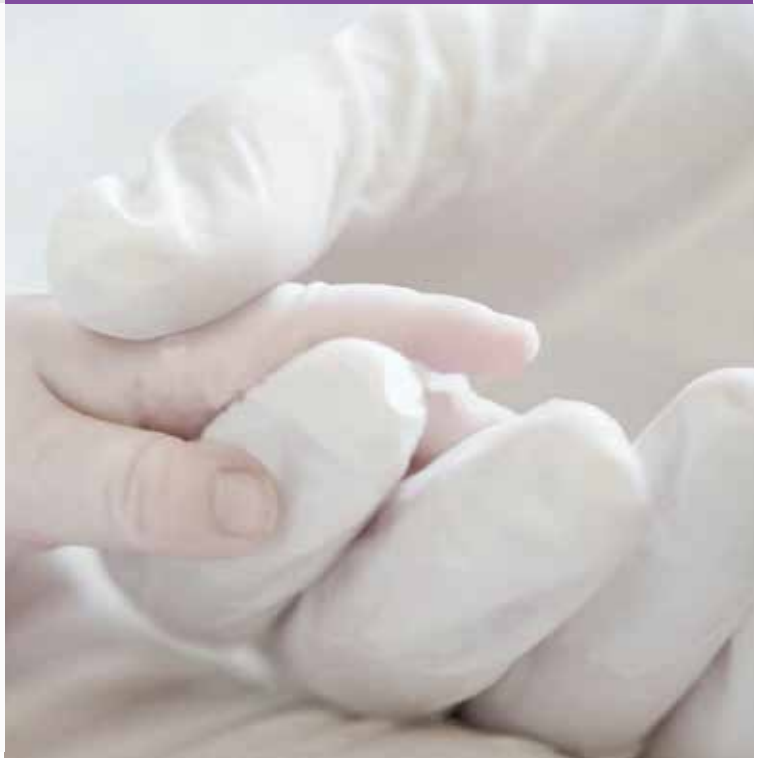


Vision

Deliver the

「Touch of Life」

on a Global Scale.



「Touch Of Life™」



In life, every touch has a meaning.



From the first day of our born into this world,
a pair of gloves takes us to our mother's embrace.
As we move through stages of life, gloves protect us in
every step of life. Across industries, from medical to food
and manufacturing of many products, gloves have
become an essential part of our life.



MESSAGE FROM CHAIRMAN

STGT may have only been listed on the Stock Exchange of Thailand for less than a year, but has been producing and distributing gloves to customers worldwide for more than 30 years. After years of steady growth, STGT is now the world's third largest glove producer, producing and distributing high quality gloves to customers in over 140 countries and proudly representing Thailand on the global stage.

While gloves are still predominantly used for medical purposes, in the current environment of heightened health and hygiene awareness, they are widely used in various industries and sectors of society and have even become a household mainstay. Although a majority of what STGT produce are classified as medical gloves, our product portfolio encompasses a wide range of gloves that suit a variety of applications and preferences.

Aside from a focus on innovative production technology that satisfies international standards, STGT is proudly environmentally-conscious. About 65% of the gloves produced by STGT are latex gloves, which are biodegradable and do not leave toxic contaminants in the environment. Our use of woodchips, which are biomass, as fuel in our production process means we are minimizing our fossil fuel consumption and our contribution to global warming. In addition, our production of latex gloves, which uses as raw material concentrated latex, helps boost demand for natural rubber and creates value-added products that are exported around the world, benefiting rubber farmers as well as Thailand's economy.

A combination of our production capacity expansion plan and marketing prowess allowed us to capitalize on the surge in demand for gloves following the outbreak of COVID-19 and led us to post a record performance in 2020. For 2021, the Board of Directors meeting on December 2020 approved quarterly dividend payment at the payout rate of at least 50% of net profit. This should make STGT an attractive dividend stock in the eyes of potential investors.

STGT is committed to the principles of good corporate governance and is focused on growth to strengthen our leading position in the global glove industry. We operate with transparency and take account of all stakeholders. We believe that our ESG compliance practices would lead to a sustainable growth.

On behalf of the Board of Directors of STGT, I would like to thank all stakeholders, including the governmental agencies that have supported and promoted Thai businesses, contributing to Thailand's economic growth. I would like to thank our customers and suppliers who have trusted in our products and services. Thank you my fellow directors, management and all employees who have been working with dedication and contributed to the success of STGT. Thank you financial institutions and all shareholders who have placed their trust in STGT. We believe that we can move forward as a leading company on the Stock Exchange of Thailand and a key player in the global glove industry.

“

STGT has been producing and distributing gloves to customers worldwide for more than 30 years. After years of steady growth,

STGT is now the world's third largest glove producer, producing and distributing high quality gloves to customers **over 140 countries**

”

Prof. Dr. Weerakorn Ongsakul

Chairman of the Board of Directors

Sri Trang Gloves (Thailand) Public Company Limited



MESSAGE FROM THE CEO

Year 2020 was a year unlike any other. It was the year that saw STGT reaching an important milestone with the completion of an initial public offering of shares on the Stock Exchange of Thailand on 2 July 2020. It was also the year of the “New Normal” as the outbreak of COVID-19 wrought many major changes, including a heightened awareness of health and hygiene among the global population. As a result, glove consumption is now no longer limited to the healthcare industry. Since the start of the outbreak, gloves have become widely used in various industries and different sectors of society globally. This paradigm shift in behavior led STGT to post a record performance and is expected to drive a sustained increase in glove demand that will contribute to our performance in the coming years.

Throughout over 30 years that STGT has been operating, we have continuously strengthened our operations through production capacity expansion and production innovation, to satisfy the global demand that has been growing every year and to expand our customer base in all continents. We remain committed to this strategy and are on track to reach 80 billion pieces in annual production capacity within 2024, and 100 billion pieces by 2026.

As CEO, I would like to extend my thanks to the Board of Directors, management and all employees who have been working tirelessly throughout the years, overcoming a multitude of challenges, to make STGT a

global player that we are today. I would like to thank our customers, suppliers, shareholders, financial institutions and all stakeholders who have always supported and trusted in STGT. With conviction, I am committed to steering STGT forward as a key player in the global glove industry.



We remain committed to this strategy
and are on track to reach
**80 billion pieces in annual production
capacity within 2024,
and 100 billion pieces
by 2026**



Ms. Jarinya Jirojkul

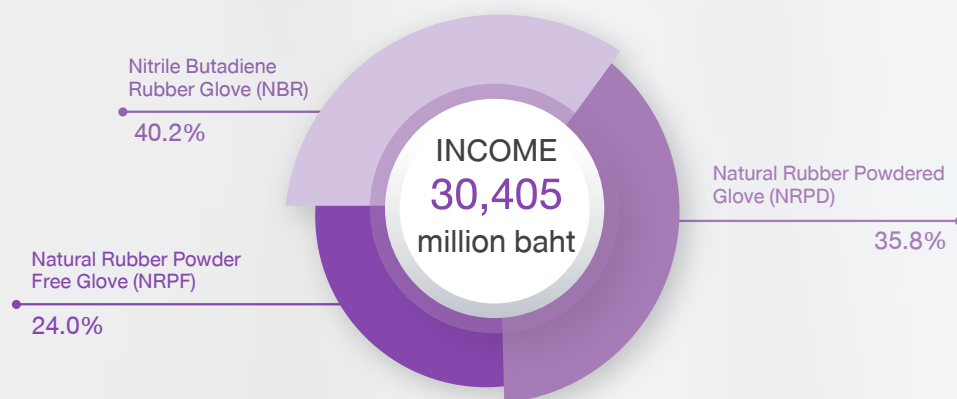
Chief Executive Officer

Sri Trang Gloves (Thailand) Public Company Limited



FINANCIAL HIGHLIGHTS

REVENUE STRUCTURE



STATEMENT OF COMPREHENSIVE INCOME

(UNIT : Baht million)	FY 2018	FY 2019	FY 2020
Revenue from sale of goods and services	10,988.6	11,994.2	30,405.1
EBITDA	1,981.9	1,707.7	17,160.4
Profit (loss) before tax	1,187.4	717.9	15,946.5
Profit (loss) attribute to owners of the Company	981.6	613.9	14,400.9

STATEMENT OF FINANCIAL POSITION

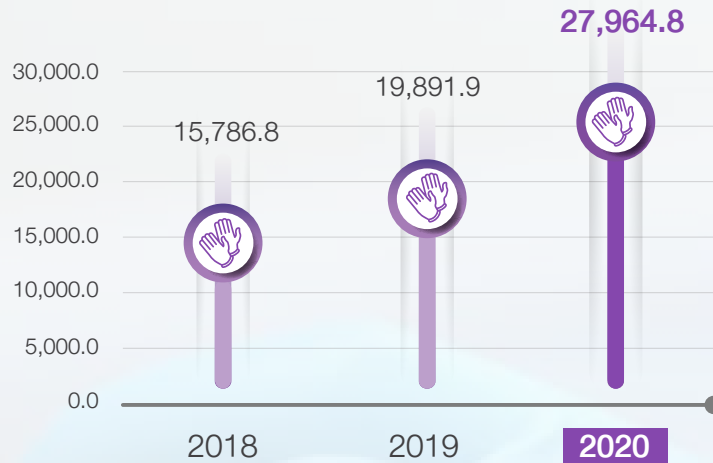
(UNIT : Baht million)	FY 2018	FY 2019	FY 2020
Total assets	10,651.8	13,216.1	43,293.4
Total liabilities	6,862.4	8,814.1	11,595.9
Total equities	3,789.4	4,402.0	31,697.5

FINANCIAL RATIOS

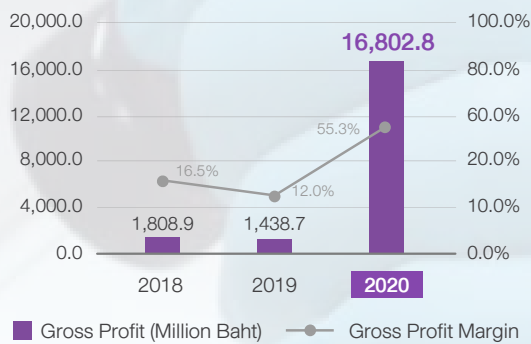
(UNIT : Baht million)	FY 2018	FY 2019	FY 2020
Gross profit margin (%)	16.5	12.0	55.3
EBITDA margin (%)	18.0	14.2	56.4
Net profit margin (%)	8.9	5.0	47.4
Net debt to equity ratio (times)	1.8	2.0	0.2
Interest bearing debt to equity ratio (times)	1.4	1.6	0.2
Return on Equity (%)	25.9	13.9	45.4
Return on Asset (%)	9.2	4.6	33.3
Dividend Payout Ratio (%)	50.9	0.0	54.8

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

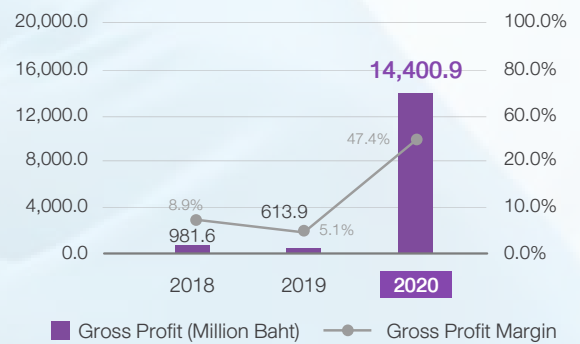
Sales Volume (Million pieces)



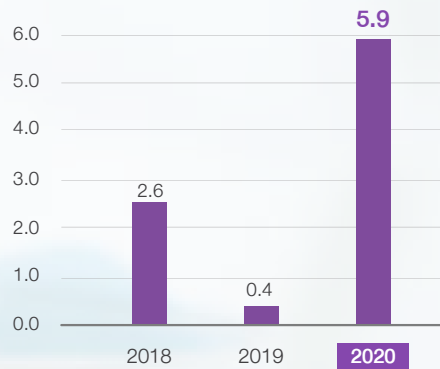
Gross Profit



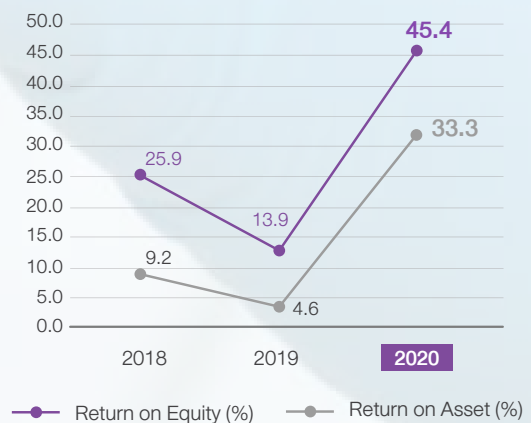
Net Profit



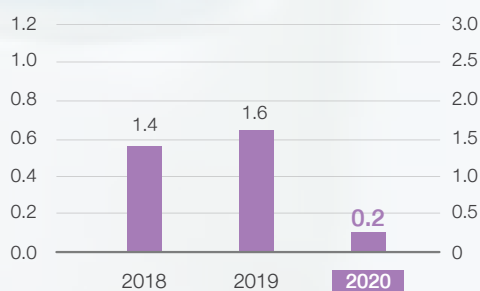
Earning per Share (THB)



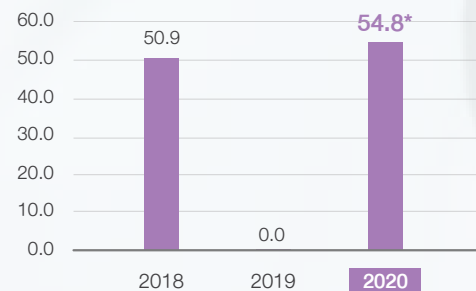
Returns



Interest Bearing Debt to Equity Ratio (times)



Dividend Payout Ratio (%)



Note : * Including the dividend payment proposed to the shareholders' meeting, that will be held on 2 April 2021, to approve at THB 2 per share.

BUSSINESS HIGHLIGHT

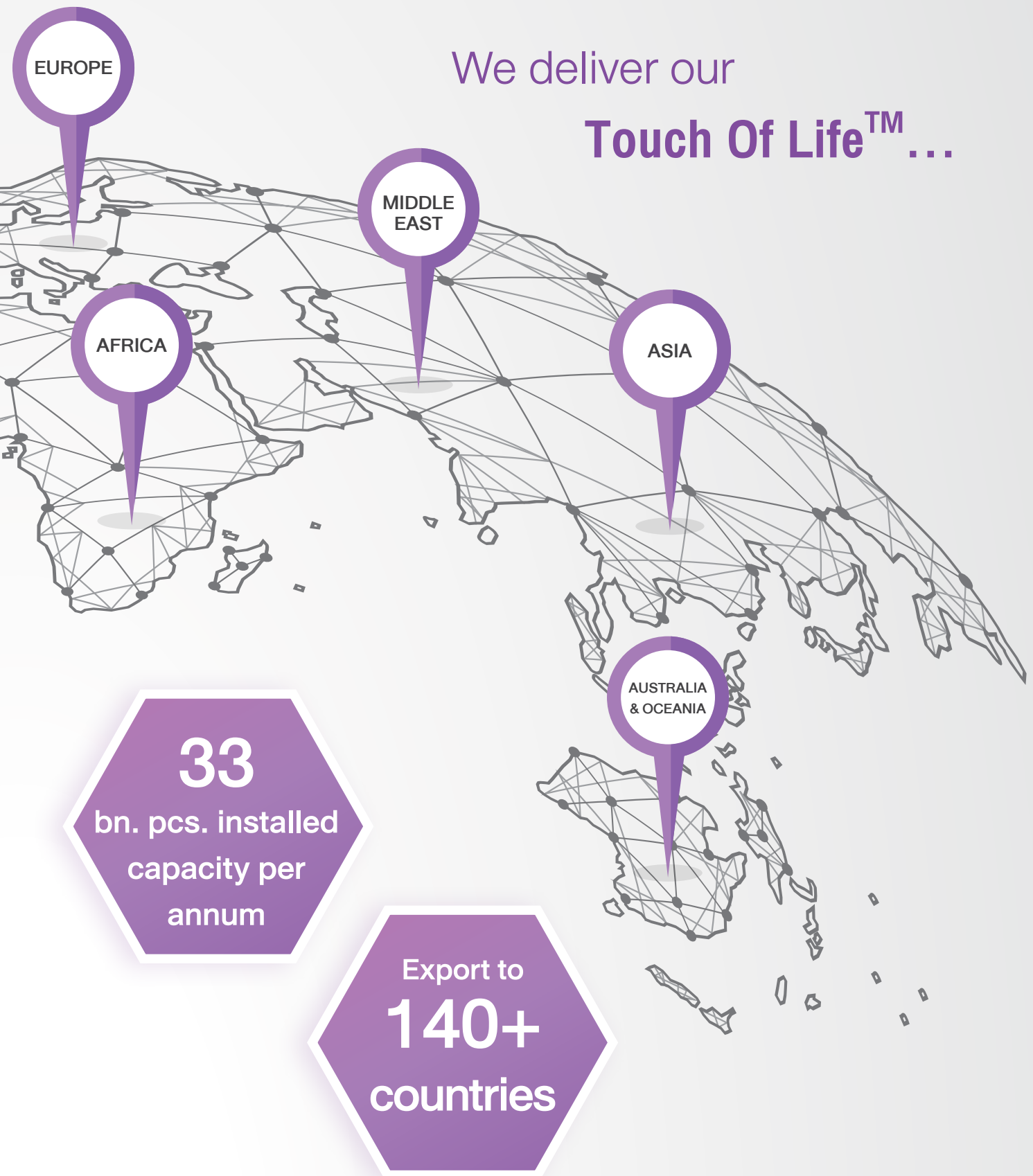


Since
1989

8%*
market
share

3
Factory
locations

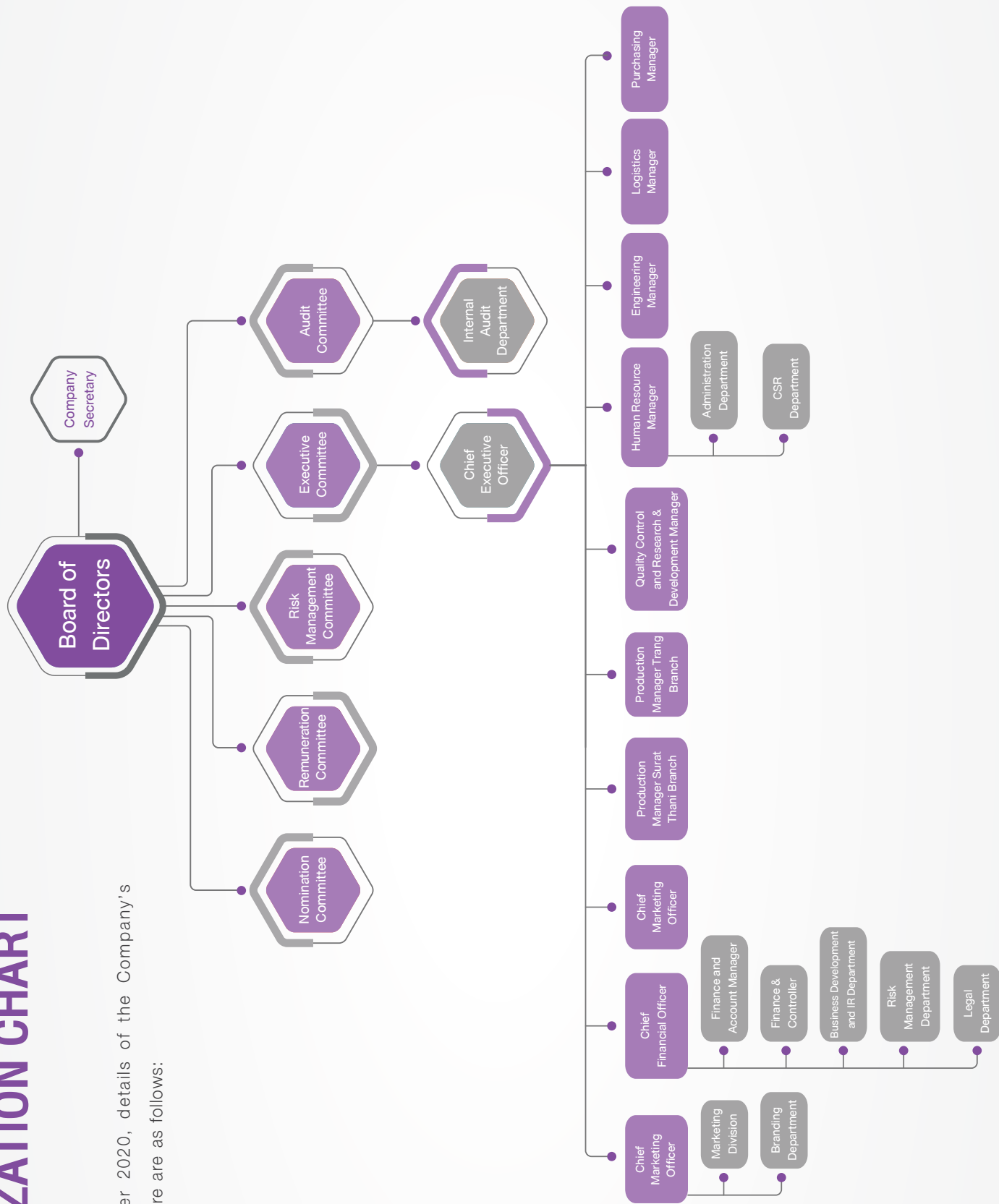
Note : * The market share is calculated by the Company's sales volume to the estimated global demand for rubber gloves which referred to MARGMA Industry Brief for glove demand in 2020 at 360 billion pieces.



Thailand's Largest **and 3rd largest**
glove producer in the world

ORGANIZATION CHART

As of 31 December 2020, details of the Company's management structure are as follows:



OUR DEDICATED STGT FAMILY ARE THE MAIN PART OF OUR SUCCESS

Our multinational team of professionals is our most valuable resources.

We are proud of our mix culture, respect and openness on age, gender, religion, physical ability. We are working together to ensure that we are delivering the 「Touch of Life™」 on a global scale.



SRI TRANG
GLOVES THAILAND

「Touch Of Life™」



BOARD OF DIRECTORS

Professor Dr. Weerakorn Ongsakul

Chairman / Independent Director /
Chairman of Audit Committee /
Chairman of Remuneration Committee /
Member of Nomination Committee /
Member of Risk Management Committee



Dr. Viyavood Sincharoenkul

Director / Chairman of Executive
Committee



Mr. Kitichai Sincharoenkul

Vice Chairman / Chairman of
Nomination Committee /
Member of Executive Committee



Mr. Anan Pruksanusak

Director / Member of Executive
Committee

Mr. Veerasith Sinchareonkul

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

Mr. Vitanath Sincharoenkul

Director / Member of Executive
Committee

Ms. Jarinya Jirojkul

Director / Member of Executive
Committee / Member of Risk
Member of Nomination Committee /
Member of Remuneration Committee /
Chief Executive Officer



Ms. Thanawan Sa-ngiamsak

Director / Member of Risk
Management Committee /
Chief Financial Officer



Mr. Chia Chee Ping

Director / Chief Marketing Officer



Mrs. Unakorn Phruithithada

Independent Director /
Member of Audit Committee



Clinical Prof.

Dr. Sarana Boonbaichaiyapruk
Independent Director



Gen. Bundit Boonyapan

Independent Director /
Member of Audit Committee

THE BOARD OF DIRECTORS PROFILES



Professor Dr. Weerakorn Ongsakul

Position: Chairman, Independent Director, Chairman of Audit Committee, Chairman of Remuneration Committee, Member of Nomination Committee, and Member of Risk Management Committee

Age: 53 Years

Appointment Date: 31 May 2019

Year in Position: 1 Year 8 months

Educational Background:

- Ph.D. Electrical Engineering, Texas A&M University
- Master of Science, Electrical Engineering, Texas A&M University
- Bachelor of Engineering, Electrical Engineering, Chulalongkorn University

Ownership in Company: 0.01%

Training Program

Certification from Thai Institute of Directors (IOD)

- Director Certification Program (DCP) class 272/2019
- Director Accreditation Program (DAP) class 21/2004

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors 7 / 7 times (100%)
- The Audit Committee 4 / 4 times (100%)
- The Nomination Committee 1 / 1 times (100%)
- The Remuneration Committee 1 / 1 times (100%)
- The Risk Management Committee 4 / 4 times (100%)

Work Experiences

Position in Listed Company 2019 – Present

- Chairman
- Independent Director
- Chairman of Audit Committee
- Chairman of Remuneration Committee
- Member of Nomination Committee
- Member of Risk Management Committee, Sri Trang Gloves (Thailand) PLC.

2019 – 2020

- Member of Audit Committee
- Member of Remuneration Committee, Sri Trang Gloves (Thailand) PLC.

Position in Non-Listed Company 2018 – Present

- Director
- Chairman of Risk Management and Internal Control Committee, PEA ENCOM International Co., Ltd.

2018 – Present

- Chairman
- Chairman of Risk Management Committee, Jitta Wealth Asset Management Co. Ltd.

2018 – Present

- Director, Provincial Electricity Authority

2017 – Present

- Professor, Asian Institute of Technology

2017 – Present

- Director, Star Energy Services Co., Ltd.

2017 – Present

- Director, Mitr Samphan Narathiwat Co., Ltd.

2017 – 2020

- Independent Director, Information Technology Group Co., Ltd.



Mr. Kitichai Sincharoenkul

Position: Vice Chairman, Chairman of Nomination Committee, and Member of Executive Committee

Age: 61 Years

Appointment Date: 1 April 2019

Year in Position: 1 Year 10 months

Educational Background:

- Master of Business Administration, Indiana State University, USA
- Bachelor in Economics, Thammasat University

Ownership in Company: 0.44%

Training Program

- Certification from Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) class 67/2007
- SGX Listed Companies Development Programme: Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- Brother of Dr. Viyavood Sincharoenkul
- Uncle of Mr. Veerasith Sincharoenkul and Mr. Vitanath Sincharoenkul

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors 7 / 7 times (100%)
- The Executive Committee 5 / 5 times (100%)
- The Nomination Committee 4 / 4 times (100%)

Work Experiences

Position in Listed Company 2019 – Present

- Vice Chairman
- Chairman of Nomination Committee
- Member of Executive Committee, Sri Trang Gloves (Thailand) PLC.

1995 – Present

- Director
- Member of Nomination Committee
- Group Manager of Legal & Administration, Sri Trang Agro-Industry PLC.

Position in Non-Listed Company 2019 – Present

- Director, Sri Trang IBC Co., Ltd.

2014 – Present

- Director, Sri Trang Ayeyar Rubber Industry Co., Ltd.

2010 – Present

- Director, Shi Dong Investments Pte Ltd.

2002 – Present

- Director, Sri Trang International Pte Ltd.

1996 – Present

- Director, Semperflex Asia Co., Ltd.

1990 – Present

- Director, Sri Trang Holdings Co., Ltd.

2004 – 2020

- Director, Pattana Agro Futures Co., Ltd.

1989 – 2019

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



Dr. Viyavood Sincharoenkul

Position: Director and Chairman of Executive Committee

Age: 65 Years

Appointment Date: 1 April 2019

Year in Position: 1 Year 10 months

Educational Background:

- Ph.D. in Chemistry, Queen Elizabeth's College, University of London
- Bachelor's Degree in Chemistry (1st Class Honor), Queen Elizabeth's College, University of London

Ownership in Company: 4.88%

Training Program

- None

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- Brother of Mr. Kitichai Sincharoenkul
- Father of Mr. Veerasith Sinchareonkul and Mr. Vitanath Sincharoenkul

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors 6 / 7 times (85.71%)
- The Executive Committee 5 / 5 times (100%)

Work Experiences

Position in Listed Company 2019 – Present

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

1993 – Present

- Chairman
- Managing Directors, Sri Trang Agro-Industry PLC.

Position in Non-Listed Company 2019 – Present

- Director, Sri Trang IBC Co., Ltd.

2017 – Present

- Director, Planet Earth Capital Pte Ltd.

2017 – Present

- Director, Shi Dong Shanghai Medical Equipment Co., Ltd.

2010 – Present

- Director, Shi Dong Shanghai Rubber Co., Ltd.

2009 – Present

- Director, Shi Dong Investments Pte Ltd.

2002 – Present

- Director, Sri Trang International Pte Ltd.

1996 – Present

- Director, Semperflex Asia Co., Ltd.

1990 – Present

- Director, Thai Tech Rubber Corporation Co., Ltd.

1990 – Present

- Director, Sri Trang Holdings Co., Ltd.

2013 – 2017

- Director, Sri Trang Ayeyar Rubber Industry Co., Ltd.

2010 – 2016

- Director, Tai Yang Investments Pte Ltd.

2004 – 2020

- Director, Pattana Agro Futures Co., Ltd.

1999 – 2017

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

1989 – 2019

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

1987 – 1993

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



Mr. Anan Pruksanusak

Position: Director and Member of Executive Committee

Age: 66 Years

Appointment Date: 1 April 2019

Year in Position: 1 Year 10 months

Educational Background:

- Executive Micro MBA, Thammasat University

Ownership in Company: 0.11%

Training Program

Certification from Thai Institute of Directors (IOD)
• Director Accreditation Program (DAP) class 66/2007

Illegal Record in the last 10 years

• None

Family Relationship with Executives

• None

Position in other companies which potentially having conflict of interest with the Company

• None

Meeting Attendance in 2020

• The Board of Directors 7 / 7 times (100%)
• The Executive Committee 4 / 5 times (80%)

Work Experiences

**Position in Listed Company
2019 – Present**

• Director
• Member of Executive Committee
• Price Strategist,
Sri Trang Gloves (Thailand) PLC.

2019 – 2019

• Managing Director,
Sri Trang Gloves (Thailand) PLC.

1993 – 2013

• Director,
Sri Trang Agro-Industry PLC.

**Position in Non-Listed Company
2013 – Present**

• Director,
Sup Pruksa Co., Ltd.

2013 – Present

• Director,
Pruksa Mansion Co., Ltd.

2013 – 2019

• Managing Director,
Sri Trang Gloves (Thailand) Co., Ltd.





Mr. Veerasith Sinchareonkul

Position: Director, Member of Executive Committee, Chairman of Risk Management Committee, and Member of Remuneration Committee

Age: 36 Years

Appointment Date: 1 April 2019

Year in Position: 1 Year 10 months

Educational Background:

- Master of Business Administration (Finance and Marketing), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor of Computer Science and Cybernetics, University of Reading, United Kingdom

Ownership in Company: 0.01%

Training Program

- Certification from Thai Institute of Directors (IOD)
- Financial Statements for Directors (FSD) class 26/2014
- Executive Development Program (EDP) class 10/2012
- Director Accreditation Program (DAP) class 85/2010
- TLCA Executive Development Program (EDP) class 10

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- Son of Dr. Viyavood Sincharoenkul,
- Nephew of Mr. Kitichai Sincharoenkul and
- Brother of Mr. Vitanath Sincharoenkul

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors 7 / 7 times (100%)
- The Executive Committee 5 / 5 times (100%)
- The Risk Management Committee 4 / 4 times (100%)

Work Experiences

Position in Listed Company 2020 – Present

- Member of Remuneration Committee, Sri Trang Gloves (Thailand) PLC.

2019 – Present

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

2010 – Present

- Director
- Chairman of Risk Management Committee
- Executive Director, Sri Trang Agro-Industry PLC.

2008 – 2011

- Corporate Credit Analyst, Kasikornbank PLC.

Position in Non-Listed Company 2019 – Present

- Director, Sri Trang IBC Co., Ltd.

2019 – Present

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

2018 – Present

- President, Thai Rubber Glove Manufacturers Association

2017 – Present

- Chairman, Sri Trang Ayeyar Rubber Industry Co., Ltd.

2016 – Present

- Director, PT Sri Trang Lingga Indonesia

2016 – Present

- Chairman, Sri Trang USA, Inc.

2016 – Present

- Director, Thai Tech Rubber Corporation Co., Ltd.

2015 – Present

- Director, Semperflex Asia Co., Ltd.

2015 – Present

- Director, Rubberland Products Co., Ltd.

2015 – Present

- Director, Premier System Engineering Co., Ltd.

2015 – Present

- Director, Starlight Express Transport Co., Ltd.

2015 – Present

- Director, Sri Trang Rubber & Plantation Co., Ltd.



Mr. Vitanath Sincharoenkul

Position: Director and Member of Executive Committee

Age: 30 Years

Appointment Date: 1 April 2019

Year in Position: 1 Year 10 months

Educational Background:

- Bachelor of Arts, Industrial and Product Design, Raffles College of Design and Commerce

Ownership in Company: 0.005%

Training Program

Certification from Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) class 163/2019

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- Son of Dr. Viyavood Sincharoenkul,
- Nephew of Mr. Kitichai Sincharoenkul and
- Brother of Mr. Veerasith Sinchareonkul

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors 7 / 7 times (100%)
- The Executive Committee 5 / 5 times (100%)

Work Experiences

**Position in Listed Company
2020 – Present**

- Chief Branding Officer, Sri Trang Gloves (Thailand) PLC.

2019 – Present

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

2018 – 2020

- Strategic Branding Manager, Sri Trang Agro-Industry PLC.

2014 – 2018

- Strategic Branding Executive, Sri Trang Agro-Industry PLC.

2012 – 2014

- Sales Marketing Executive, Sri Trang Agro-Industry PLC.

**Position in Non-Listed Company
2020 – Present**

- Vice President, Thai Rubber Glove Manufacturers Association

2018 – 2020

- Director, Thai Rubber Glove Manufacturers Association

2017 – 2019

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



Mrs. Unakorn Phruithithada

Position: Independent Director and Member of Audit Committee

Age: 63 Years

Appointment Date: 31 May 2019

Year in Position: 1 Year 8 months

Educational Background:

- Master (1st Score Level) in Accounting, Thammasat University
- Master of the Computer Application and Information System with Distinction, New York University, USA
- Bachelor (1st Class Honors) in Accounting, Thammasat University
- USA CPA, New York University, USA
- ASEAN CPA, Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- CPA, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

Ownership in Company: 0.008%

Training Program

- Certification from Thai Institute of Directors (IOD)
- Advanced Audit Committee Program (AACP) class 37/2020
 - Director Examination (Exam) class 14/2004
 - Director Certification Program (DCP) class 48/2004

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors
6 / 7 times (85.71%)
- The Audit Committee
4 / 4 times (100%)

Work Experiences

Position in Listed Company 2019 – Present

- Independent Director
- Member of Audit Committee, Sri Trang Gloves (Thailand) PLC.

Position in Non-Listed Company 2020 – Present

- Chairperson of the Subcommittee to study and follow the development of IFRS, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

2017 – 2020

- Member of Accounting Standard Setting Committee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

1994 – 2018

- Auditor (Partner), PricewaterhouseCoopers Ltd.

1993 – 1994

- Senior Manager of Audit Department, PricewaterhouseCoopers Ltd.

1991 – 1993

- Chief Financial Officer, Standard Chartered Bank (Thai), Bangkok Branch



Clinical Prof. Dr. Sarana Boonbaichaiyapruk

Position: Independent Director

Age: 61 Years

Appointment Date: 26 August 2019

Year in Position: 1 Year 5 months

Educational Background:

- Medical specialist - Cardiac Catheterization for diagnostic and treatment, Good Samaritan Hospital, Los Angeles, California, USA
- Professional Doctorate, Medical Specialist in Internal Medicine, Kaiser Permanente Medical Center, Los Angeles, California, USA
- Residency, Los Angeles County University of Southern California Medical Center, Los Angeles, California, USA
- Medical Intern, Chulalongkorn University
- Bachelor of Medicine, Chulalongkorn University
- Bachelor of Science, Chulalongkorn University

Ownership in Company: 0.01%

Training Program

- Certification from Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) class 145/2018

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors
7 / 7 times (100%)

Work Experiences

Position in Listed Company 2019 – Present

- Independent Director, Sri Trang Gloves (Thailand) PLC.

2018 – Present

- Independent Director
- Chairman of the Nomination and Remuneration Committee, Praram 9 Hospital PLC.

2019 – 2020

- Vice Chairman
- Independent Director
- Member of Audit Committee
- Member of Nomination and Remuneration Committee
- Chairman of Corporate Governance Committee, Samart Aviation Solutions PLC.

Position in Non-Listed Company 2020 – Present

- Director, The Government Pharmaceutical Organization

2015 – Present

- Director, Pruk Suk Sabai Co., Ltd.

2012 – Present

- Director, Sarana Cardiology and Associates Co., Ltd.

1992 – Present

- Doctor of Cardiology, Faculty of Medicine, Ramathibodi Hospital

2014 – 2019

- Chairman of the Sub-commission
- Public Health Commission, The National Legislative Assembly

2014 – 2019

- Member, The National Legislative Assembly

2014 – 2019

- Director
- Energy Commission, The National Legislative Assembly



Gen. Bundit Boonyapan

Position: Independent Director and Member of Audit Committee

Age: 62 Years

Appointment Date: 28 December 2020

Year in Position: 1 month

Educational Background:

- Master of Public Administration, Burapa University
- Bachelor of Engineering, Chulachomklao Royal Military Academy

Ownership in Company: None

Training Program: None

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- None

Work Experiences

Position in Listed Company 2020 – Present

- Independent Director
- Member of Audit Committee, Sri Trang Gloves (Thailand) PLC.

Position in Non-Listed Company 2019 – Present

- Advisor of Tourism Commission
- Senate

2018 – 2019

- Deputy Chief of Defence Forces, Royal Thai Armed Forces

2017 – 2018

- Director, Royal Development Projects and Security Coordination Centre

2014 – 2017

- Director of Joint Civil Affairs, Royal Thai Armed Forces

2013 – 2014

- Adjutant General, Royal Thai Armed Forces



Ms. Jarinya Jirojkul

Position: Director, Member of Executive Committee, Member of Risk Management Committee, Member of Nomination Committee, Member of Remuneration Committee, Chief Executive Officer, Acting Production Manager Trang Branch, and Acting Quality Control and Research & Development Manager

Age: 49 Years

Appointment Date: 1 April 2019

Year in Position: 1 Year 10 months

Educational Background:

- Master of Engineering in Food Engineering, King Mongkut's University of Technology Thonburi
- Bachelor of Science in Agro-industry, Prince of Songkhla University

Ownership in Company: 0.04%

Training Program

- Certification from Thai Institute of Directors (IOD)
- Risk Management Program for Corporate Leaders (RCL) class 20/2020
- Director Accreditation Program (DAP) class 163/2019

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors 7 / 7 times (100%)
- The Executive Committee 5 / 5 times (100%)
- The Nomination Committee 4 / 4 times (100%)
- The Remuneration Committee 1 / 1 times (100%)
- The Risk Management Committee 4 / 4 times (100%)

Work Experiences

Position in Listed Company 2019 – Present

- Director
- Member of Executive Committee
- Member of Risk Management Committee
- Member of Nomination Committee
- Member of Remuneration Committee
- Chief Executive Officer
- Acting Production Manager Trang Branch
- Acting Quality Control and Research & Development Manager, Sri Trang Gloves (Thailand) PLC.

2017 – 2019

- Director, Taikong PLC.

2015 – 2019

- Managing Director, Taikong PLC.

Position in Non-Listed Company 2021 – Present

- Director, Premier System Engineering Co., Ltd.

2021 – Present

- Director, Sadao P.S. Rubber Co., Ltd.

2011 – 2014

- Project Manager, Siam Sempermed Corp., Ltd.



Ms. Thanawan Sa-ngiamsak

Position: Director, Member of Risk Management Committee, and Chief Financial Officer

Age: 42 Years

Appointment Date: 1 April 2019

Year in Position: 1 Year 10 months

Educational Background:

- Master of Science in Finance, University of Strathclyde, United Kingdom
- Bachelor of Science in Accounting (1st Class Honor), Thammasat University

Ownership in Company: 0.08%

Training Program

- Certification from Thai Institute of Directors (IOD)
- Risk Management Program for Corporate Leaders (RCL) class 20/2020
 - Director Accreditation Program (DAP) class 163/2019
 - Strategic CFO in Capital Markets class 8 from the Stock Exchange of Thailand

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors
7 / 7 times (100%)
- The Risk Management Committee
4 / 4 times (100%)

Work Experiences

Position in Listed Company 2019 – Present

- Director
- Member of Risk Management Committee
- Chief Financial Officer, Sri Trang Gloves (Thailand) PLC.

2011 – 2017

- Vice President - Business Development and Investor Relations, Sri Trang Agro-Industry PLC.

2005 – 2011

- Assistant Manager - Investment Banking, Kasikorn Securities PCL.

2004 – 2004

- Assistant Manager - Investment Banking, Kasikorn Bank PCL.

Position in Non-Listed Company 2021 – Present

- Director, Sadao P.S. Rubber Co., Ltd.

2017 – 2019

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

2001 – 2002

- Excise Tax & Duty Planner, The Shell Company of Thailand Ltd.

2000 – 2001

- Auditor, Ernst & Young Office Ltd.



Mr. Chia Chee Ping

Position: Director and Chief Marketing Officer

Age: 52 Years

Appointment Date: 1 April 2019

Year in Position: 1 Year 10 months

Educational Background:

- Graduate ICSA Business Administration, The Institute of Chartered Secretaries & Administrators, United Kingdom
- Diploma in Commerce (Business Management) Tunku Abdul Rahman College, Malaysia

Ownership in Company: 0.04%

Training Program

- Certification from Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) class 166/2019

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Meeting Attendance in 2020

- The Board of Directors 6 / 7 times (85.71%)

Work Experiences

Position in Listed Company 2019 – Present

- Director
- Chief Marketing Officer, Sri Trang Gloves (Thailand) PLC.

2007 – 2019

- Senior Vice President of Marketing (Gloves), Sri Trang Agro-Industry PLC.

Position in Non-Listed Company 2017 – 2019

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

2002 – 2007

- Export Sales Manager, Supermax Latex Products Sdn Bhd.

1999 – 2002

- Head of Sales Division
- Domestic and International Sales, Syarikat Metal Industries of Malaysia Sdn Bhd.

1998 – 1999

- Senior Executive, Talam Trading Sdn Bhd.

THE EXECUTIVE OFFICERS PROFILES



Mr. Asom Aksornnam

**Position: Production Manager Hat Yai Branch and
Acting Engineering Manager**

Age: 53 Years

Appointment Date: 24 July 2019

Year in Position: 1 Year 6 months

Educational Background:

- Executive Micro MBA, Thammasat University
- Bachelor of Science, General Science (Chemistry-Biology), Prince of Songkhla University

Ownership in Company:

0.01%

Training Program

- None

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Work Experiences

**Position in Listed Company
2019 – Present**

- Production Manager Hat Yai Branch
- Acting Engineering Manager, Sri Trang Gloves (Thailand) PLC.

**Position in Non-Listed Company
2018 – 2019**

- Production Manager Surat Thani Branch, Sri Trang Gloves (Thailand) Co., Ltd.

2017 – 2019

- Director, Songkhla Provincial Industry Council

2017 – 2019

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

2016 – 2019

- Production Manager Hat Yai Branch, Sri Trang Gloves (Thailand) Co., Ltd.

2009 – 2016

- Factory Manager, Sri Trang Gloves (Thailand) Co., Ltd.

2008 – 2019

- Production Manager, Sri Trang Gloves (Thailand) Co., Ltd.

2003 – 2008

- Factory Manager, Shanghai Foremost Plastic Industrial Co., Ltd.

1998 – 2003

- Factory Manager, Siam Sempermed Corp., Ltd.



Mr. Chalermchai Norsakul

Position: Production Manager Surat Thani Branch

Age: 45 Years

Appointment Date: 24 July 2019

Year in Position: 1 Year 6 months

Educational Background:

- Micro Master of Business Administration, National Institute of Development Administration
- Master of Engineering, Industrial Management, Prince of Songkhla University
- Executive Micro MBA, Thammasat University
- Bachelor of Engineering, Industrial Engineering, Prince of Songkhla University

Ownership in Company:

0.001%

Training Program

- None

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Work Experiences

Position in Listed Company 2019 – Present

- Production Manager Surat Thani Branch, Sri Trang Gloves (Thailand) PLC.

Position in Non-Listed Company 2013 – 2019

- Production Manager, Supervise Block Rubber Plant in the Northeast Region, Sri Trang Agro-Industry PLC.

2005 – 2013

- Factory Manager, Sri Trang Agro-Industry PLC.

2002 – 2005

- Factory Manager, Sadao P.S. Rubber Co., Ltd.



Mrs. Oralak Nakin

Position: Finance and Account Manager, Accountant

Age: 46 Years

Appointment Date: 24 July 2019

Year in Position: 1 Year 6 months

Educational Background:

- Master of Managerial Accounting, Chulalongkorn University
- Bachelor of Accounting, Rajamangala Institute of Technology Thanyaburi

Ownership in Company:

0.05%

Training Program

- Accounting Knowledge Training
- Course of Cash Flow Statement Preparation Method (Step-by-Step) by Accounting Coach (Thailand) Co., Ltd.
- Course of Consolidated Financial Statement Preparation Course by CPD Tutor Co., Ltd.
- Course of Revenue from Contracts with Customers (TFRS15) and Leases (TFRS16) by EY Office Co., Ltd.
- Course of Thai Financial Reporting Standards 9 Financial Instruments by EY Office Co., Ltd.
- Course of Business Challenges to Mergers and Acquisitions by Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- Course of Summary the Changing and Important Issues of IFRS (Revised version 2018) by Federation of Accounting Professions under the Royal Patronage of His Majesty the King

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Work Experiences

Position in Listed Company 2019 – Present

- Finance and Account Manager / Accountant, Sri Trang Gloves (Thailand) PLC.

Position in Non-Listed Company 2017 – 2019

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

2014 - 2017

- Group Account Manager, Sri Trang Gloves (Thailand) Co., Ltd.

1998 – 2013

- Account Manager, Siam Sempermed Corp., Ltd.



Mr. Somrat Thapnual

Position: Human Resource Manager

Age: 46 Years

Appointment Date: 24 July 2019

Year in Position: 1 Year 6 months

Educational Background:

- Bachelor of Liberal Arts, Ramkhamhaeng University

Ownership in Company:

0.008%

Training Program

- None

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Work Experiences

Position in Listed Company 2019 – Present

- Human Resource Manager, Sri Trang Gloves (Thailand) PLC.

Position in Non-Listed Company 2013 – 2019

- Human Resource Manager, Sri Trang Gloves (Thailand) Co., Ltd.

1999 – 2013

- Head of Human Resource Department, Sri Trang Gloves (Thailand) Co., Ltd.



Ms. Amornrat Awato

Position: Purchasing Manager

Age: 44 Years

Appointment Date: 24 July 2019

Year in Position: 1 Year 6 months

Educational Background:

- Bachelor of Economics,
Thammasat University

Ownership in Company:

None

Training Program

- None

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Work Experiences

Position in Listed Company 2019 – Present

- Purchasing Manager,
Sri Trang Gloves (Thailand) PLC.

2001 – 2002

- Brand Manager,
Big C Supercenter PLC.

Position in Non-Listed Company 2003 – 2019

- Head of Purchasing
Department,
Sri Trang Gloves (Thailand) Co., Ltd.

2002 – 2003

- International Purchaser,
Sabina Fareast Co., Ltd.



Ms. Worasa Maijaidee

Position: Logistics Manager

Age: 45 Years

Appointment Date: 14 August 2020

Year in Position: 6 months

Educational Background:

- Bachelor of Industrial Engineering, Prince of Songkhla University

Ownership in Company:

0.02%

Training Program

- None

Illegal Record in the last 10 years

- None

Family Relationship with Executives

- None

Position in other companies which potentially having conflict of interest with the Company

- None

Work Experiences

Position in Listed Company 2020 – Present

- Logistics Manager
- Customer Relations Manager
- Secretary to the Executive Director, Sri Trang Gloves (Thailand) PLC.

1998 – 2001

- Quality System Engineer, Sri Trang Agro-Industry PLC.

Position in Non-Listed Company 2014 – 2019

- Secretary to the Executive Director in Production Department, Sri Trang Gloves (Thailand) Co., Ltd.

2003 – 2013

- Senior Head of Technical Quality Department, Sri Trang Gloves (Thailand) Co., Ltd.

2001 – 2003

- System Engineer, Sri Trang Gloves (Thailand) Co., Ltd.

BUSINESS OVERVIEW

The Company operates the business of manufacturing and distributing rubber gloves for medical use and in other industries. The main products are natural rubber powdered gloves (NRPFD), natural rubber powder-free gloves (NRPF) and nitrile butadiene rubber gloves (NBR). Most of the rubber gloves that the Company manufacture and distribute are under medical specifications. As of 31 December 2020, the Company has a total installed capacity of approximately 32,619 million pieces per year, which the Company believes it is the largest rubber glove manufacturer in Thailand and the world's third largest manufacturer of rubber gloves with details as follows:



SHAREHOLDING STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

As of 31 January 2021, the Company has 4 subsidiaries with shareholding structures as follows:



BUSINESS STRATEGY & FUTURE GROWTH PLAN



1. Continuously expand production capacity to support the growth of the rubber glove industry in the world market

The Company aims to invest in expanding its production capacity in order to meet the market demand and support the continuing growth of the global rubber glove market. The Company has continuously increased production capacity from the installed capacity of 15.130 million pieces per year in 2015 to a total installed capacity of 23,347 million, 27,153 million and 32,619 million pieces per year in 2018, 2019 and 2020, respectively, representing an average annual growth of 17 percent during 2015 – 2020. In addition, the Company aims to expand the installed capacity of its rubber gloves to more than 50 billion pieces per year by 2022, to more than 80 billion pieces per year by 2024 and approximately 100,000 million pieces per year by 2026 through investment in expanding production capacity in the Company's current production plant area or other new areas, including through mergers or acquisitions in order to create stable and strong business growth. The Company's strategy to expand production focuses mainly on expanding the production capacity of natural rubber gloves while appropriately maintaining the proportionate production capacity of nitrile rubber gloves. Since the Company has several factors in its favor that puts it at an advantage over its major competitors,

such as (1) cost advantages from having a strategic location in key rubber plantation sites in Thailand and in the region, resulting in the lower cost of concentrated latex compared to its competitors; (2) competitive advantage in the business of manufacturing and distributing natural rubber gloves, particularly since major rubber glove manufacturers in the region have focused mainly on expanding their production capacity and developing nitrile gloves while the Company has continuously focused on expanding production capacity and developing natural rubber gloves along with maintaining an appropriate production capacity ratio of nitrile rubber gloves; and (3) the advantage of having a major shareholder who is a leading operator in the upstream and midstream business related to natural rubber products which allows the Company to participate in research and development of concentrated latex formulas to attain quality and diverse latex suitable for new products, as well as having access to information about market movements and concentrated latex price trends, etc.

Besides focusing on expanding production capacity of natural rubber gloves, the Company has a strategy to design a production line that offers flexibility in the transition between the production of powder-free latex gloves and nitrile gloves to meet the global customers' diverse needs of rubber gloves.

2. Focus on adding distribution channels to new markets around the world, especially in high-growth countries

Along with maintaining a customer base in countries with high rates of rubber glove usage such as the United States, countries in Europe and Japan, etc. the Company aims to expand distribution channels of its products to emerging markets around the world especially in countries with high growth such as countries in East and South Asia, Africa and South America due to (1) these countries have higher potential and growth opportunities for rubber glove usage than developed countries as evident from the rate of consumption of rubber gloves per population that is significantly lower than those of developed countries such as the People's Republic of China and African countries have estimated consumption of rubber gloves per capita in 2019 at 10 pieces per person per year and 4 pieces per person per year, respectively, while in the United States and European countries, the consumption rate of rubber gloves per capita was 150 pieces per person per year and 100 pieces per person per year respectively. (2) These countries have begun to focus on the development of public health and sanitation systems in the country. (3) The purchasing power in these countries tend to increase continuously as can be seen from the rate of gross domestic product per capita, which is significantly higher than in the developed countries. and (4) such countries are predominantly using natural rubber gloves which are of the quality that meets their intended use and are cheaper than nitrile gloves, thereby being in line with the strategy of the Company in expanding production capacity by focusing mainly on expanding production capacity and developing natural rubber gloves, while maintaining an appropriate proportion of production capacity of nitrile rubber gloves.

3. Increasing the proportion of OBM as well as expanding the business to a new base of customers

The Company produces high quality products both under Original Equipment Manufacturing (OEM) as well as under Original Brand Manufacturing (OBM) with our trademarks owned by us or our subsidiaries. Our products are distributed through variety of channels in different markets including distribution through our own distribution platforms, through

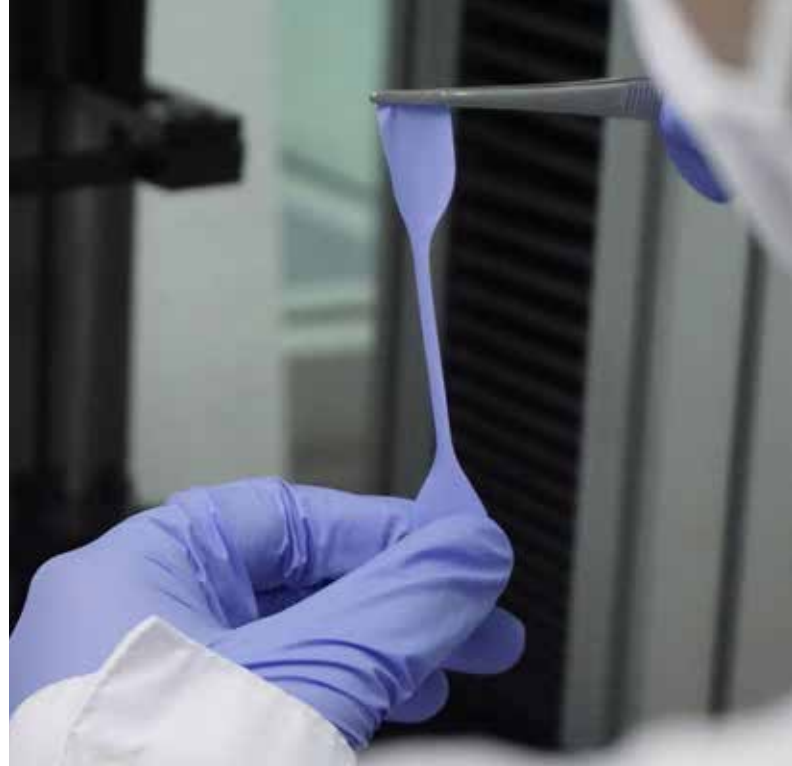


agents, dealers as well as directly to large group of endusers, i.e. group of private and government hospitals in various countries. The Company aims to increase its proportion of OBM from 14%, 16% and 20% in 2018, 2019 and 2020 respectively to a minimum of 50% within the next 3 years. Not only to promote the products under the trademarks of the Company, selling more OBM will also reduce costs relating to less complexity of production and packaging arrangement.

In addition, the consequence of Covid-19 pandemic has driven the demand of rubber gloves not just only for medical use, but also non-medical purposes in other industries and daily life of human. The Company is confident that the proportion of demand of rubber gloves from non-medical segments will increase substantially and sustainably. The Company, therefore, sets a goal to increase a new base of customers to non-medical segment in the future.

4. Using state-of-the-art technology in the Company's production process

The Company attaches great importance to the use of cutting-edge technology in the production process whereby it has initiated and focused on developing the use of automation in its production systems starting from the process of preparation and mixing raw materials (Auto Mixing), waste detection system with sensors (Vision Camera



System), automatic stripping system (Auto Stripping), sorting and counting system (Auto Stacking), automatic packing system (Auto Packing) to the storage system (Smart Warehouse). Automation will play an important role in reducing the need for human labor in the production process, reduce defects that will occur during production, increase the capacity in the Company's production lines by increasing production speed including increasing the storage space for products more efficiently. Regarding this, the Company has already initiated development of automation systems in the production process in some of its production lines and its new production plant in Hat Yai branch which started full capacity production in the first quarter of 2020, is a production line that has fully applied the automation production system. In addition, the Company has also developed production technology at the Company's new rubber glove factory located in Kantang District, Trang Province ("Trang Branch Factory"), capable of producing natural rubber gloves with the speed that the Company believes to be the highest speed in today's rubber glove industry. This reduces costs and enhance the Company's natural rubber glove manufacturing process.



INDUSTRY OVERVIEW AND COMPETITION

Overview of the rubber glove industry

Latex gloves are widely used in a variety of industries such as the medical industry, food industry, electronic industry, beauty industry, etc. Rubber gloves are classified as one of the devices that effectively protect against pathogens, chemicals, as well as various contaminants. At present, the rubber gloves generally produced and used can be classified according to 3 main raw materials i.e. powdered and non-powdered natural rubber gloves, nitrile rubber gloves and vinyl gloves. However, if considers the type of rubber gloves based on usage, they can be divided into 3 main types as follows:



(1) Medical Gloves

These are latex gloves used for medical purposes which can be divided into 2 types:

Latex gloves for surgical use (Surgical Gloves) is a rubber glove that is thin, sticky, sturdy and elbow length, and must be sterilized by gamma ray. Surgical gloves are mainly natural rubber gloves.

Latex gloves used in general examination (Examination Gloves) are cheaper than surgical gloves. These are designed to be unwrapped quickly, easy to put on, thin fit, only short on the wrist. Examination gloves are produced in a range of natural rubber powdered gloves, natural rubber powder-free gloves, and nitrile rubber gloves.

(2) Industrial Gloves

These gloves may be unique in each industry. For example in the food industry, rubber gloves must have properties that meet standards in food production processes in different countries, electronics industry, tourism and hospitality and department stores etc.

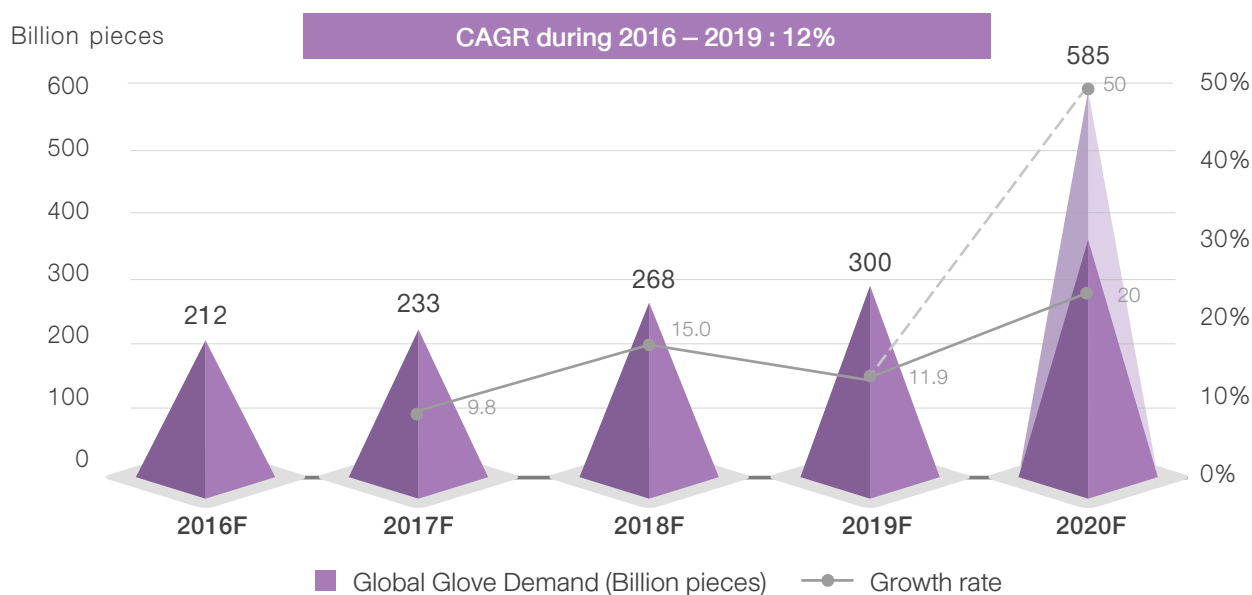
(3) Household Gloves

These are tough, durable and thicker rubber gloves because of their usage for contacting with water, detergents or cleaning agents, etc.

Demand of the Rubber Glove Industry

The demand for rubber gloves in all industries, especially the medical industry, continues to grow. The Malaysian Rubber Glove Manufacturers Association (MARGMA) estimated that global demand for rubber gloves in 2017, 2018 and 2019 was 233 billion pieces per year, 268 billion pieces per year and 300 billion pieces per year respectively, and will grow to 360-585 billion pieces per year in 2020, an increase from 2016 at the average annual growth rate of 20-50 percent, as shown in Figure: estimated global demand for rubber gloves for 2016 – 2020.

Figure Estimated global demand for rubber gloves for 2016 – 2020



Source: MARGMA Industry Brief 2016, 2018 and 2019 on the Rubber Glove Industry and 2020 Market Report by HIDA Research & Analytics

The growth was caused from 2 main factors:

(1) Growth in the Healthcare Industry

Growth of the healthcare industry is a key factor supporting global demand for rubber gloves since latex gloves are essential in every stage of a medical service, such as disease screening, diagnosis laboratory tests and disease treatment procedures including the provision of other medical services. The World Health Organization ("WHO") reported that, in 2016, healthcare costs related to medicines and medical devices from 46 sample countries, accounted for approximately 19.0 percent of total healthcare expenditures with growing healthcare costs in every region of the world as the result of several important factors which are:

(1.1) Growing aging population

The number of elderly populations around the world is steadily increasing. The OECD predicts that the ratio of population over 65 years old to the global population will increase from 8.9 percent of the total population in 2018 to 10.9 percent in 2027 or equivalent to 2.2 percent average annual growth.

(1.2) Access to medical services including government policies on public health in countries with high growth

Global access to healthcare is a growing opportunity for the medical industry, with the World Health Statistics 2020: Monitoring for Health SDGs published by the WHO, reported that the group with the highest index is the United States which has an index of 79.0 percent, while the group with the lowest index is a group of African countries which has an index value of 46.0 percent.

(1.3) The increase rate of non-communicable diseases (“NCDs”)

The increasing rate of NCDs (Non-communicable Diseases) around the world is also a key factor contributing to the growth of the medical industry, resulting in constantly increasing demand for rubber gloves. According to a 2016 WHO report, NCDs killed an estimated 41 million people in the world and accounted for approximately 71.0 percent of the world's total death toll, whereby the major diseases among the NCDs include cardiovascular disease, cancer, respiratory disease and diabetes.

(1.4) Outbreak of deadly contagious disease

Over the past 20 years, the world has faced a number of major outbreaks of contagious diseases, such as the Severe Acute Respiratory Syndrome (“SARS”) epidemic in 2002-2003 which spread throughout the world, resulting in more than 8,000 people being infected worldwide. There was also the outbreak of Influenza A (Influenza A H5N1) that began in 2004 becoming a more serious pandemic during 2005-2007, with the WHO reporting that the number of infections was approximately 800 cases. Outbreaks of influenza A (H1N1) in the years 2009-2010 were pandemic around the world, with more than 490,000 cases. Followed by the Middle East Respiratory Syndrome (“MERS”) outbreak, which started in 2012 in the Middle East and a more severe outbreak in early 2014, with more than 2,500 cases of infections.

Since the end of year 2019, the world is facing another serious pandemic, the coronavirus 2019 (COVID-19) that originated from the People's Republic of China and later spread across the world. At present, there is not been able to control, resulting in a continuous surge in the number of people infected with the virus. As of 31 January 2021, WHO reported that the virus infection has exceeded 100 million cases which is a very high number compared to the number of infections by other pandemics in the past as noted above. Although the vaccines had been initiated and developed for protecting the COVID-19 spread, the number of infections continuously increase. Moreover, the mutation of the virus has been evidenced in many countries.

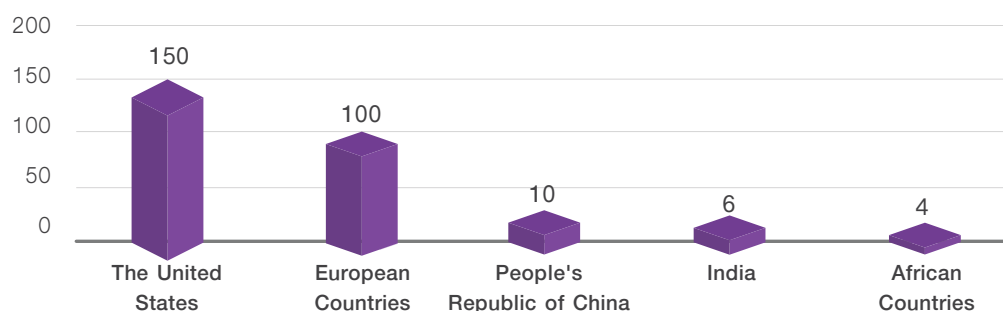
The continual increase in the number of infections is another important factor that contributes to the demand for rubber gloves, because rubber gloves are important devices using for disease screening, diagnosis, lab test, and disease treatment procedures.

(2) Growth in usage of hygiene-related products across the world, especially among developing countries.

The economic growth rate in developing countries is a key driver of household spending and improving the quality of life of the country's population. In addition to the high rate of economic growth in developing countries, developing countries have shown that they are attaching increasing importance to hygiene and public health systems. In 2019, MARGMA forecasted the consumption of rubber gloves per population in developed countries will be significantly higher than in developing countries. The consumption of rubber gloves per population in developed countries, namely the United States and European countries stood at 150 pieces per person and 100 pieces per person respectively, while the consumption of rubber gloves per population in developing countries, namely the People's Republic of China, India and African countries are at 10 pieces per person, 6 pieces per person and 4 pieces per person respectively. It can be seen that consumption of rubber gloves in these developing countries has the potential to grow significantly due to their economic growth, increasing awareness of the importance of sanitation systems and the use of rubber gloves is still significantly lower than in developed countries. Growth in the use of rubber gloves is not limited to only for medical use, but also includes the use of rubber gloves in other industries, such as the widely use of rubber gloves in the household, food industry, beauty industry and electronics industry as well as the use of rubber gloves in agriculture, etc.

Figure Estimates of consumption of rubber gloves per population in developed countries and developing countries in 2019

Unit: pieces per person per year



Source: MARGMA Industry Brief 2019 on the Rubber Glove Industry

Supply of Rubber Gloves Industry

(1) Government policies on promoting the production and export of rubber gloves

Malaysia, Thailand, Indonesia and the People's Republic of China are considered to be the largest exporters of rubber gloves in the world. Rubber gloves are important products which impact to the economics of those countries. Therefore, the governments has launched a policy to promote the production and export of rubber gloves to stimulate the economy and to make export of rubber gloves more competitive with exporters from other countries.

For Thailand, the government is focused on stimulating the domestic use of rubber and on building mechanisms to stabilize prices and sustainability in rubber plantation farming in the country. The aforementioned policy is a policy to support the manufacturing and exporting of rubber gloves, for example, in 2014 and 2017 the government sector by the Ministry of Agriculture and Cooperatives started a credit program for rubber product manufacturers with a credit line of THB 15,000 million for production expansion, modification of production machinery which covers the cost of land acquisition and building construction for downstream rubber product processing enterprises. The government will compensate entrepreneurs with interest at a rate of 3.0 percent per annum over a period of 10 years or until 2026, whichever comes first. Government support also included investment promotion from the Board of Investment for other types of medical device manufacturing businesses which received various privilege such as corporate income tax exemption

for a specified period, import duty exemption on machinery, raw and essential materials, double costs deduction for transportation, electricity and water, and corporate income tax exemption from dividends received from such businesses, etc. Moreover, the domestic consumption of natural rubber resulted in no cost of rubber export assistance (CESS), which is considered an advantage over foreign entrepreneurs that have to bear such costs in importing natural rubber from Thailand.

(2) The adequacy and price of raw materials

The sufficiency and price of raw materials used in the manufacture of rubber gloves is another factor affecting the supply of rubber gloves and the competitiveness of the global rubber glove manufacturers. The main raw materials used in the manufacture of rubber gloves are concentrated latex for the production of natural rubber gloves and synthetic latex for the production of nitrile rubber gloves.

Concentrated Latex

Demand for concentrated latex will vary with the growth of downstream rubber products which use concentrated latex as the main raw material in the production process, such as condoms, elastic yarn, rubber nipples, balloons, adhesives, and rubber gloves. Concentrated latex's demand also varies with substitute raw materials in downstream product manufacturing processes, such as in the case of rubber gloves, synthetic latex can be used in the manufacture of rubber gloves that can serve the same purposes as natural rubber gloves. Therefore, the change in demand and supply, including the

price of raw materials to replace the concentrated latex, indirectly affects the demand for concentrated latex in the market. The price of concentrated latex varies with the change in demand and supply of natural rubber both domestically and abroad as concentrated latex is a product made from natural rubber.

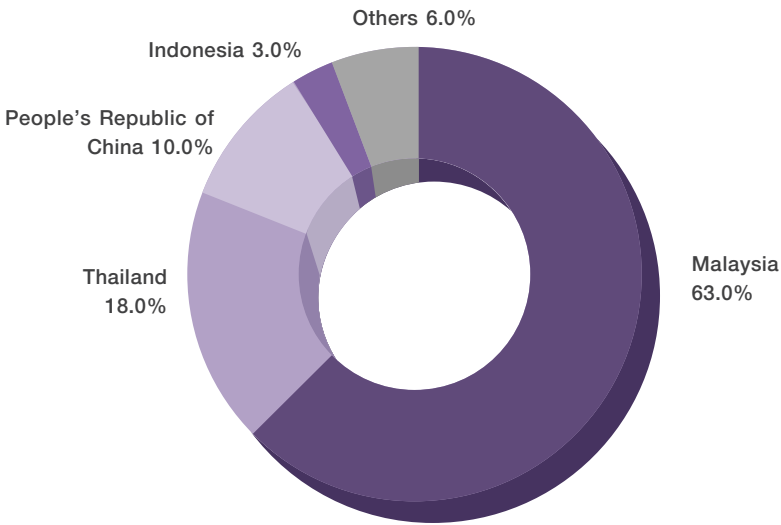
Synthetic Rubber

Demand for synthetic rubber will vary with growth in downstream rubber products which use synthetic rubber as a primary raw material in the production process, such as the use of synthetic rubber in the tire industry medical device manufacture, mold parts making machinery belts. Moreover, the demand for synthetic rubber also varies with raw substitute material for downstream products such as natural rubber. Therefore, changes in demand and supply, including the price of raw materials replacing synthetic rubber indirectly affects the demand for synthetic rubber in the market.

Competition in the Rubber Glove Industry

The continuously growing demand for rubber gloves has resulted in quite high competition of the global rubber glove industry. Manufacturers and distributors of rubber gloves are concentrated in Southeast Asia and the People's Republic of China due to such regions are the main sources of rubber cultivation to the world. Therefore, the market share of rubber gloves concentrated in Southeast Asia is as much as 84.0 percent, as shown in Figure: Estimated Market Share of Rubber Glove by Country of Manufacture in 2019.

Figure 3.1 Estimated Market Share of Rubber Glove by Country of Manufacture in 2019



Source: MARGMA Industry Brief 2019 on the Rubber Glove Industry

At present, the world's top 5 rubber glove manufacturers are concentrated in Malaysia and Thailand including Top Glove, Hartalega, Supermax, Kossan and the Company. The world's top 5 rubber glove manufacturers have plans to continuously expand their production capacity in the next 3-5 years.

COMPETITIVE ADVANTAGE



1. Strategic Location

The Company is located in an area which is an important rubber plantation source in Thailand and in the region. It is also the main production site of latex, which is used as the main raw material for the production of the Company's natural rubber gloves resulting in its ability to source concentrated latex continuously at a lower cost than other major competitors in the region, especially rubber glove manufacturers in Malaysia, where there is insufficient domestic natural latex resources. Therefore, it is necessary for them to import natural latex from Thailand to be used as raw material in the production of natural rubber gloves. Such manufacturers and distributors of rubber gloves will have to bear the increased shipping costs, including the export tariff (CESS) for exporting rubber out of the Kingdom of Thailand. In addition, the Company also has a rubber glove factory located in Hat Yai District, Songkhla Province ("Hat Yai Branch Factory") and another factory located in Kanchanadit District of Suratthani Province ("Suratthani Branch Factory")

adjacent to STA's concentrated latex factory and/or STA's subsidiary ("STA Group"), which supplies concentrated latex to the Company. Thus, the Company has advantages in terms of latex transportation costs and lower cost of raw materials storage when compared with its other competitors.

As for the procurement of fuel for the production of thermal energy in the production process, the Company's location in main sites of rubber plantation in Thailand and the region result in the Company's ability to procure firewood as fuel in the production of heat energy for its production process, thereby giving the Company a lower fuel cost advantage over other major regional competitors, particularly competitors in Malaysia who are largely dependent on natural gas for their production processes. However, nowadays the Malaysian government has a policy to support the domestic rubber glove manufacturing and distribution industry by subsidizing gas costs although such subsidies have been declining continuously.

2. Being the world's largest manufacturer and distributor of rubber gloves, with the focus on the production and distribution of natural rubber gloves while maintaining appropriate production capacity of nitrile gloves

as of 31 December 2020, the Company's factories have an installed production capacity totaling 32,619 million pieces per year of which comprised of natural rubber gloves and nitrile gloves accounted for 70.9 percent and 29.1 percent of the total installed capacity, respectively. In addition, the Company also aims to expand the total installed capacity of the its rubber gloves to more than 50 billion pieces per year by 2022, to more than 80 billion pieces per year by 2024 and to about 100 billion pieces per year by 2026. Future target of production capacity expansion will focus on expanding the production capacity of latex gloves and nitrile gloves. With the above capacity, the Company would be one of the world's leaders of latex gloves manufacturer and considered a major producer of natural rubber gloves. This approach differs from other key regional competitors especially Malaysian competitors who have focused on expanding production capacity and developing nitrile gloves. Being the world's major manufacturer and distributor of rubber gloves, especially natural rubber gloves, has resulted in the Company having economies of scale and is able to meet the ever-growing global demand for rubber gloves particularly in response to the growing demand for natural rubber gloves in the market of underdeveloped and developing countries where natural rubber gloves are widely used because they have qualities that meet their intended use and are cheaper than nitrile gloves. These are markets with high potential for growth in consumption of products related to public health and sanitation systems.

3. State of the Art Technology

The Company has a research and development team that continuously focuses on developing and procuring up-to-date production technology to

be applied in its production lines. As a result, the Company currently has production lines capable of producing a wide variety of products, able to modify product properties such as thickness, color, texture and size of rubber gloves, etc. and rendering flexibility for the Company to make appropriate and timely changes in its production plan and enabling it to meet a wide range of customer product requirements covering the medical and other industries such as food industry, beauty industry and electronics industry, etc. In addition, the Company has initiated the use of automation systems in some of its production lines. This has reduced the need for manual labor in the production process, reduce defects that occur during production and increase the production capacity in the production line of the Company, enabling it to produce products at a high speed while still being able to maintain the product quality that meets the standards and needs of its customers and is in demand in the market.

For the Company's new factory in Hat Yai Branch, which can start production at full capacity in the first quarter of 2020, the Company has introduced full application of an automated production system (Automation), Internet of Things (IoT) system and production control system without manual labor or using the least number of people, thereby resulting in the Company having lower production cost per unit from the reduction of the proportion of human labor by more than 30.0 percent compared to the previous factory model and efficiently improving production speed from originally at the total labor capacity of 2.8 persons per 1,000,000 pieces of rubber gloves per month to expecting to be able to produce at the total labor capacity of 2.3 persons per 1,000,000 pieces of rubber gloves per month or 17.2 percent increase in efficiency. In addition, the Company has developed a production technology at another new factory at the Trang Branch to be able to produce natural rubber gloves with the speed that the Company believes to be the highest speed in today's rubber glove industry. This will reduce costs and enhance the Company's natural rubber glove manufacturing process.

4. Having a wide variety of distribution channels covering various markets around the world

The Company has various distribution channels for rubber gloves that cover major markets around the world. To date, it has exported rubber gloves to more than 140 countries in every continent around the world, comprising products under trademarks of the Company, its subsidiaries and companies in the STA group and distributed through the Company's distributors in the form of OEMs. The Company is considered a pioneer in high-growth markets such as Asia Pacific countries, Africa and South America, etc., which have now begun to focus on the development of the health and sanitation systems in the country and the consumption of rubber gloves is continually increasing. This can be seen from the sales of rubber gloves of the Company in Asia Pacific, which grew from THB 4,458.5 million per month in 2018, THB 4,655.5 million per month in 2019 and THB 11,096.9 million per month in 2020. In Africa and South America, sales grew from THB 1,331.2 million per month in 2018, THB 1,839.0 million per month in 2019 and THB 3,901.7 million per month in 2020. The Company's access and entry into the said markets, which are high growth markets, resulting in it being able to build a strong base of distributors and corporate customers to support the continuous growth of its rubber glove business in the future. In addition, the Company's subsidiaries, namely Shi Dong Shanghai Medical Equipment Co., Ltd. ("SDME") and Sri Trang USA, Inc. ("STU"), also market and distribute rubber gloves under the trademark of the Company, its subsidiaries and the STA group, in addition to the OEM sales, in the People's Republic of China and the United States, respectively, the world's largest rubber glove market which the Company sees an opportunity to significantly expand its market share.

5. Barriers to entry for new competitors

The business of manufacturing and distributing medical gloves is one that not only requires a large investment of funds, but also needs to be licensed as well as being certified, both in Thailand and overseas, according to various well accepted



international standards in order to comply with the legal and regulatory requirements related to business operations. In addition, the standards and requirements of customers, which vary according to the different markets, must also be met. Important licenses in the Company's business operations, for example, license to operate a factory business, registration of medical device manufacturing establishment, license to display standard marks on industrial products, certificate of medical equipment for export (Certificate of Free Sale) and licenses enabling the Company to distribute rubber gloves in various countries. The Company has also received certificates of standard in its production process as well as its product standards, both domestic and international standards such as ISO 9001, Good Manufacturing Practice certification of compliance with the criteria and methods for good manufacturing of medical devices, FDA approval certification of the United States (510K), European medical device standards (Medical Device Directive), medical device standards of Canada (Health Canada), etc. The aforementioned licensing and standards involve many approvals procedures and conditions,



varying by type of license and standard certificate and the country of licensing and certification of such standards. Key licenses, such as distribution license to allow the Company's products to be distributed in certain countries requires an approval process which takes more than 6 months or more than a year, and the process is complex and involves a large number of relevant legislations, making it

necessary for rubber glove manufacturers to have a good understanding of the terms and conditions of relevant laws and regulations, including experience in document preparation and implementation of various procedures related to the licenses and certificates according to various standards. This is a major limitation and obstacle for new rubber glove manufacturers wishing to compete in the business as they may not be able to manufacture and market products in various markets around the world in a short time. Moreover, there may be operating costs that are higher than the cost of existing major rubber glove manufacturers and distributors

6. Strong reputation of having quality products and service standards

The Company has more than 30 years of experience and expertise in the business of producing and distributing quality rubber gloves that meet the needs of customers, as well as a longstanding good relationship with its distributors. Although the products of each manufacturer and distributor do not differ much, the Company focuses on building a strong commercial reputation by producing quality products and maintaining excellent service standards such as on-time delivery, having a wide range of products to cover many applications, developing low-cost products by introducing various technologies into production, resulting in the strengthening of customers' trust and belief in the Company's products and services, and allowing it to maintain the existing customer base and expand new customer base.

The company has a policy to continuously improve its management system whereby the Company's factories have been audited by independent industry and commercial standards organizations, as well as being certified for quality management systems at all branches of its rubber glove factories of such standards as ISO 9001:2015 certification (Design and Development, Production and Distribution of Sterile and Non-Sterile Examination Gloves) and EN ISO 13485:2016 (Design and Development, Production and Distribution of Sterile and Non-Sterile Examination Gloves).



7. Having a management team with experience and expertise in rubber glove business

The Company has a management team with more than 30 years' experience in the business of manufacturing and distributing rubber gloves and other related businesses. For example, the Chairman of Executive Committee, Production Manager and Engineering Manager have over 30 years of experience in manufacturing and distributing rubber gloves; the Chief Executive Officer, Chief Marketing Officer, and Accounting and Finance Manager have more than 20 years' experience in the industry, etc. The management team also has extensive managerial and technological experience in this industry. The success of the Company from the past has demonstrated the ability of the management team to build and expand the business of the Company, maintaining existing customers and building new customer base, capable of providing stable leadership of the Company through difficult economic, political and industry situations. The Company believes that the experience and knowledge of the management team and the business relationship that they have built

with suppliers of raw materials and key customers will continue to benefit the growth and development of the Company into the future.

In addition, the Company is committed to the development of its employees by establishing a career development plan and individual development plan, consisting of leadership development, job migration of duties and responsibilities and special project assignment to ensure that the pool of potential successors is ready to step in to work in the designated position. The succession plan and list of successors will be reviewed annually to develop key personnel for positions in senior management.

8. Strength from having a major shareholder who is a leading operator in upstream and midstream businesses

The Company has a strategic relationship with STA Group, a leading operator in the upstream and midstream business of natural rubber products, whereby STA and STA's subsidiaries collectively hold 56.19 percent of total paid-up capital of the Company.

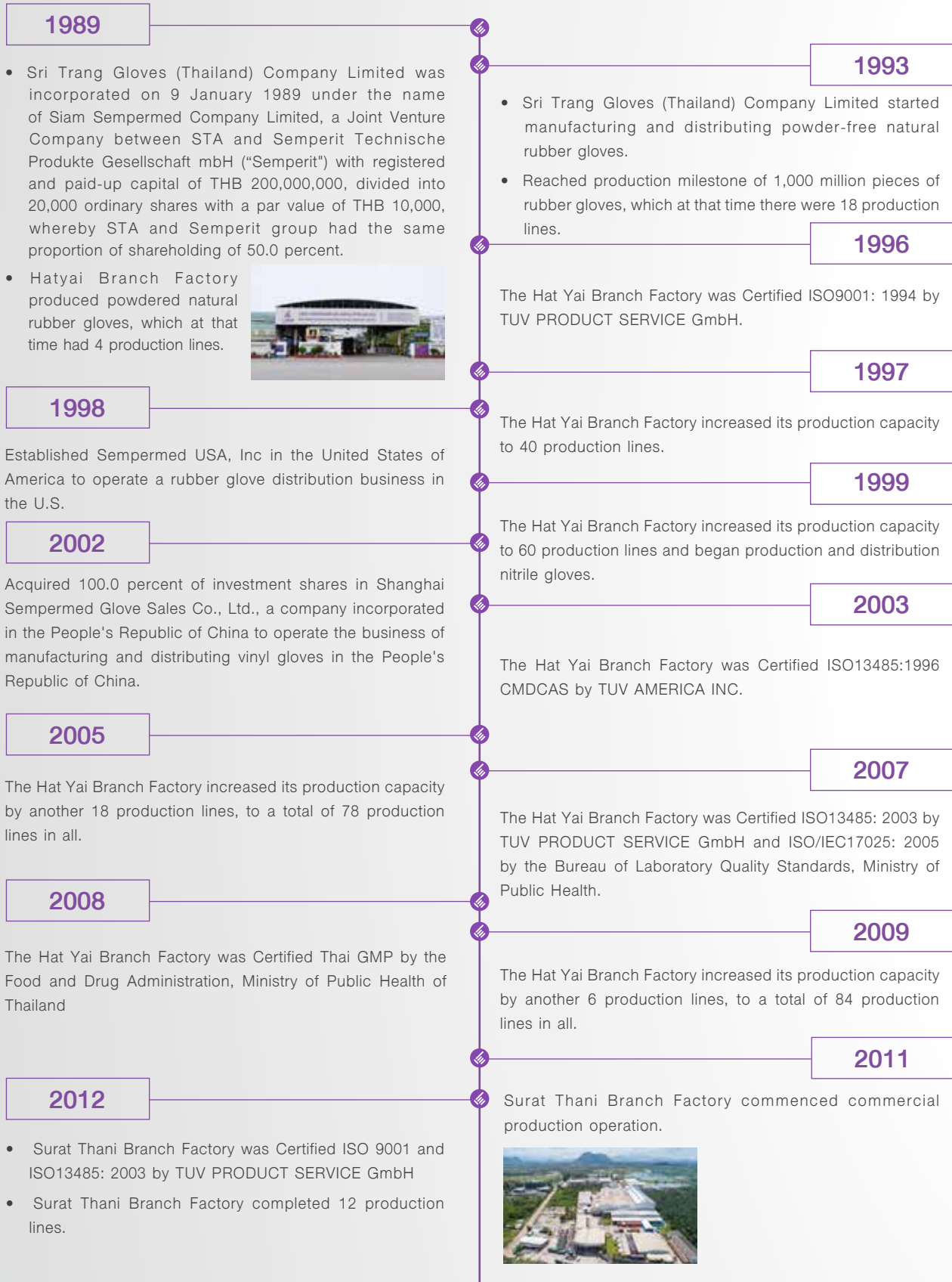
The STA Group is the world's largest comprehensive natural rubber manufacturer and distributor, offering a wide range of basic natural rubber products that cover all types of rubber, i.e. block rubber, smoked sheets and concentrated latex for distribution to tire manufacturers and manufacturers of rubber gloves both at home and abroad. In the production of concentrated latex, STA Group has an engineering capacity of concentrated latex for the years 2018, 2019, and 2020 of approximately 46,000 tons per month and compare with the usage of concentrated latex of the Company for the year 2018, 2019, and 2020 or approximately 5,297 ton per month, 6,914 ton per month, and 10,428 ton per month respectively. In addition, STA Group has long experience in the business of concentrated latex and has advanced production technology which allows the STA Group to effectively control the quality of the concentrated latex. Purchasing key raw materials from STA Group gives the Company a number of competitive advantages, which are (1) the Company has flexibility in managing raw material orders and has confidence in the quality of raw materials, rendering business stability. (2) The Company benefits from economies of scale. (3) The Company can set the properties or the quality of the desired latex, and is able to jointly conduct research, develop and invent new formulation of concentrated latex together with sellers of concentrated latex to produce natural rubber gloves with different properties according to the needs of various customers. At present, the Company and the STA Group have jointly developed and invented latex that has been certified by the Forest Stewardship Council ("FSC"), an internationally recognized forest management organization in the responsible management of forests. FSC certified products must be verified throughout the supply

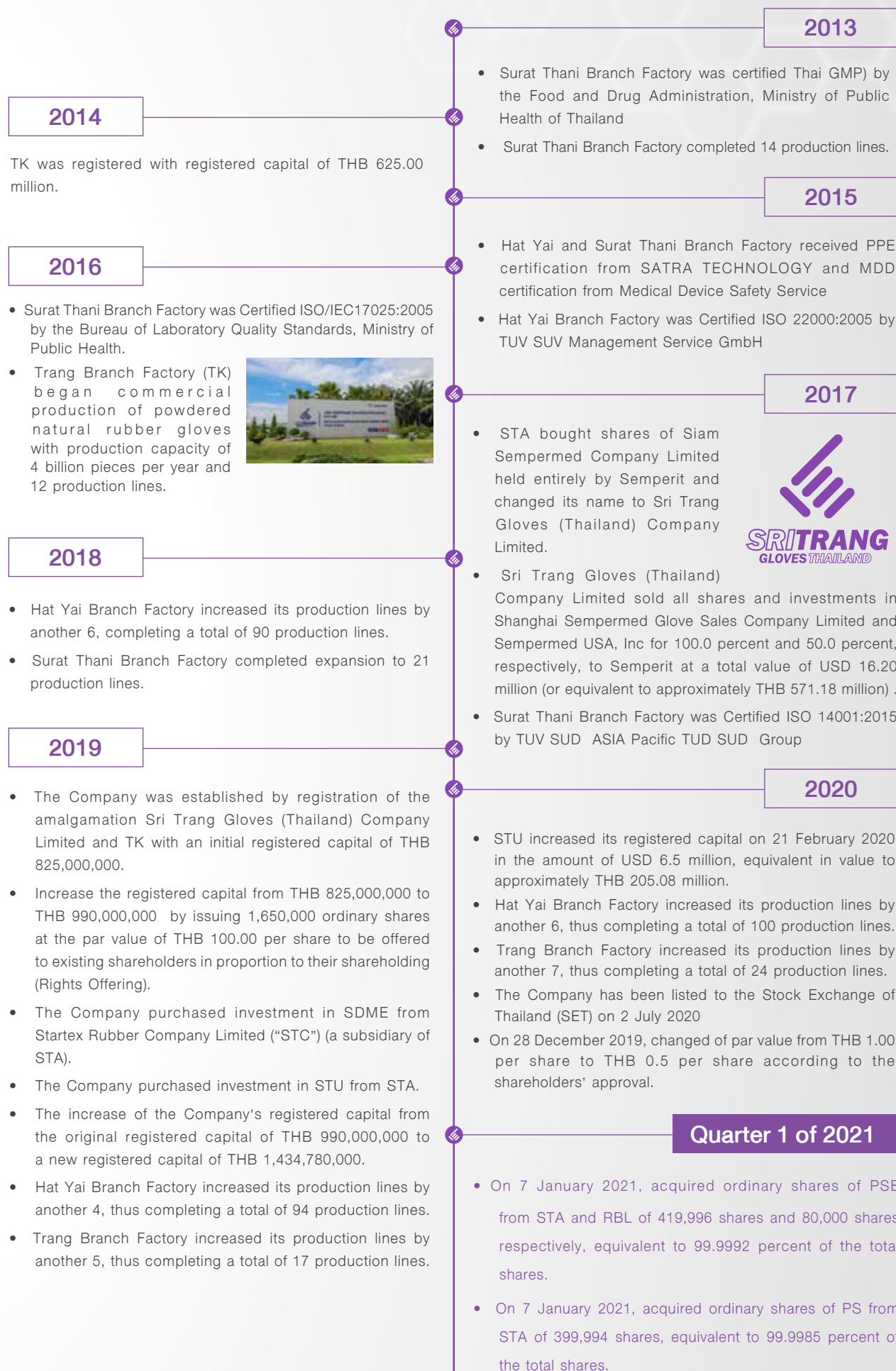
chain to ensure the products are processed from commercially grown rubber that is managed responsibly. (4) The Company can effectively trace the root cause of problems in the production process because it is able to examine the quality of latex quickly to determine if it is the cause of any problem in the production process, thus enabling it to solve the problems in a timely manner; and (5) the Company has access to information regarding the movement of market conditions and the trend of latex prices resulting in an advantage in setting the selling price of natural rubber gloves and planning marketing strategies in accordance with the trend of concentrated latex prices, thereby allowing the Company to more efficiently manage costs

In addition, the Company has received other important benefits from having STA as its major shareholder, for example, benefits from market position, reputation, expertise and reliability, access to distribution channels for rubber gloves both in Thailand and internationally, expertise in technology, operations and engineering, including participation in the STA Group's research and development program.

SIGNIFICANT DEVELOPMENT

The Company's significant development can be summarized as follows:





REVENUE STRUCTURE

The revenue from the Company's business consists of (1) revenue from the business of manufacturing and distribution of rubber gloves (2) revenue from the business distributing natural rubber products and (3) Other income. The Company's revenue structure for the year ended 31 December 2018, 2019 and 2020 can be shown as follows.

Revenue	Special Purpose Consolidated Financial Statements for the Year Ended 31 December		Consolidated Financial Statements for the Year Ended 31 December			
	2018		2019		2020	
	THB Million	percent	THB Million	percent	THB Million	percent
1. Revenue from production and distribution of rubber gloves						
Revenue from manufacturing and distribution of NRPD gloves	3,384.9	30.6	4,270.3	34.9	10,875.9	35.8
Revenue from manufacturing and distribution of NRPF gloves	3,012.1	27.2	3,204.8	26.2	7,306.9	24.0
Revenue from manufacturing and distribution of NBR gloves	4,404.1	39.7	4,519.1	37.0	12,222.4	40.2
Total revenue from the production and distribution of rubber gloves	10,801.1	97.5	11,994.2	98.1	30,405.1	98.5
2. Revenue from sales of natural rubber products⁽¹⁾	187.5	1.7	-	-	-	-
Total sales revenue	10,988.6	99.2	11,994.2	98.1	30,405.1	98.5
3. Other income⁽²⁾	91.0	0.8	229.9	1.9	448.6	1.5
Total revenue	11,079.6	100.0	12,224.1	100.0	30,853.7	100.0

Note: (1) Revenue from sales of STU's natural rubber products. In 2018, STA had a policy to sell natural rubber products directly to customers in the United States. In the 3rd quarter of 2018, STU had changed its business plan with a focus on selling rubber gloves only.

(2) Other income mainly consists of financial income, profit from sale of investments in associate companies, profit (loss) on foreign exchange, profit from sale of scraps, tax refund income, compensation income from insurance and subsidy income from the Rubber Authority of Thailand for supporting loans of rubber product manufacturers, etc.



Natural Rubber
Powdered Glove



Natural Rubber
Powder Free Glove



Nitrile Butadiene
Rubber Glove

PRODUCTS AND SERVICES



Natural Rubber Powdered Glove:
NRPD

Natural Rubber Powder Free Glove:
NRPF

Nitrile Butadiene Rubber Glove:
NBR

The business operation of the Company can be divided into 2 businesses according to the product type which are (1) manufacturing and distribution of natural rubber (NR) gloves and (2) manufacturing and distribution of nitrile butadiene (NBR) gloves, details of which are as follows:

Manufacturing and distribution of natural rubber gloves

NR gloves is a type of rubber glove which is produced by concentrated natural rubber latex. NR gloves have a characteristic of flexibility, comfort in wearing (relaxation) as well as being biodegradable that is considered to be better than nitrile butadiene gloves. The NR gloves that the Company produces and sells can be divided into 2 main types as follows:

Natural Rubber Powdered Glove: NRPD

- ◆ **Natural Rubber Powdered Glove (NRPD):** These are NR gloves that are coated with powder on the inside for donning comfort. In most cases, cornstarch is used as the raw material as it does not contain any harmful substance and is food safe. In addition, the production process for NRPD is less complex than NRPF and NBR, resulting in NRPD being cheaper than the other types of rubber gloves.





Natural Rubber Powder Free Glove: NRPF

- Natural Rubber Powder Free Glove (NRPF):** It is an alternative product developed by using technology to coat the contact surfaces inside the rubber gloves to provide ease in wearing without cornstarch.

Manufacturing and distribution of nitrile butadiene rubber gloves



Nitrile Butadiene Rubber Glove: NBR

NBR glove is a rubber glove which is produced using Nitrile Butadiene Rubber or NBR latex, a synthetic type of latex, as the main raw material. The NBR are strong, tearing and puncture resistant, and better resistant to chemicals and temperature changes than NR gloves. It is also an alternative product for who are prone to proteins allergy from natural rubber. The only form of NBR gloves that the Company produces is powder-free NBR.

NR gloves and NBR gloves that the Company produces and sells can be classified according to the nature of use into two main categories: rubber gloves for use in general medical examination (Examination Glove) and rubber gloves for industrial use (Industrial Glove) such as in the food industry, beauty industry, electronic industry and agriculture industry etc. Each type of rubber gloves may have different properties depending on the nature of use. The rubber gloves the Company manufactures and distributes are mainly latex gloves for medical use.

For the year 2020, the Company produces NR gloves and NBR in the form of OEM accounted for 80.2 percent of total revenue from the production and distribution of rubber gloves as well as under the trademarks owned by the Company and its subsidiaries to both domestic and foreign customers accounted for 19.8 percent of total revenue from the production and distribution of rubber gloves. The Company has produced and distributed natural rubber gloves and NBR gloves under the trademarks (both registered and under registration) of the Company and its subsidiaries and STA group of companies such as Sri Trang Gloves, SRI TRANG GLOVES, Satory, I'M GLOVE, Fin, Super Care, S-Gloves, WELLGUARD, Super Gard, Sriex, SRITECH, Shi-Rui-Kang and Ventyv etc. The Company has the ability to produce natural and NBR gloves with a wide range of properties, ranging from size, weight, thickness, length, contact surface and other special properties to meet the needs of various customers all over the world.



Examples of NR glove products under the trademarks of the Company and its subsidiaries are represented as follows.



Examples of NBR gloves products under the trademarks of the Company and its subsidiaries, and the Sri Trang corporate group are represented as follows.



MANAGEMENT STRUCTURE

As at 31 December 2020, the management structure of the Company comprises 12 directors, which including 6 sub-committees i.e. the Board of Directors, the Audit Committee, the Executive Committee, the Nomination Committee, Remuneration Committee, and Risk Management Committee.

The Board of Directors

As at 31 December 2020, the Company's Board of Directors comprised 12 members as follows:

Name	Position
1. Professor Dr. Weerakorn Ongsakul	Chairman / Independent Director, Chairman of Audit Committee / Chairman of Remuneration Committee / Member of Nomination Committee / Member of Risk Management Committee
2. Mr. Kitichai Sincharoenkul	Vice Chairman / Chairman of Nomination Committee / Member of Executive Committee
3. Dr. Viyavood Sincharoenkul	Director / Chairman of Executive Committee
4. Mr. Anan Pruksanusak	Director / Member of Executive Committee
5. Mr. Veerasith Sinchareonkul	Director / Chairman of Risk Management Committee / Member of Executive Committee / Member of Remuneration Committee ⁽¹⁾
6. Mr. Vitanath Sincharoenkul	Director / Member of Executive Committee
7. Mrs. Unakorn Phruithithada	Independent Director / Member of Audit Committee
8. Gen. Bundit Boonyapan ⁽²⁾	Independent Director / Member of Audit Committee
9. Clinical Professor Dr. Sarana Boonbaichaiyapruk	Independent Director
10. Ms. Jarinya Jirojkul	Director / Member of Nomination Committee / Member of Remuneration Committee / Member of Risk Management Committee / Member of Executive Committee
11. Ms. Thanawan Sa-ngiamsak	Director / Member of Risk Management Committee
12. Mr. Chia Chee Ping	Director

Remarks: 1) The Board of Directors' Meeting on 25 December 2020 has appointed Mr. Veerasith Sinchareonkul to be Member of Remuneration Committee, effective on 28 December 2020 onward.

2) The Board of Directors' Meeting on 25 December 2020 has appointed Gen. Bundit Boonyapan to be Independent Director and Member of Audit Committee replace Mr. Prakob Visitkitjakarn, who passed away on 14 October 2020, effective on 28 December 2020 onward.

The Authorized Directors

Mr. Viyavood Sincharoenkul, Mr. Anan Pruksanusak, Mr. Kitichai Sincharoenkul, Mr. Veerasith Sincharoenkul, Ms. Thanawan Sa-ngiamsak, Mr. Chia Chee Ping, Mr. Vitanath Sincharoenkul, Ms. Jarinya Jirojkul; two of these eight authorized directors may jointly sign and affix with the Company's seal.

Duties and Responsibilities of the Board of Directors

- (1) To perform the duties with responsibility, have the duty of care and duty of loyalty and ensure that the business of the Company and its subsidiaries complies with the law, objectives, the Articles of Association, resolutions of the Board of Directors' meeting and the general meetings of shareholders for the best interests of the Company.
- (2) To ensure that the Company and its subsidiaries comply with all such laws relating to the business operations of the Company and its subsidiaries including the law on anti-bribery or the law on anti-corruption.
- (3) To put in place a written policy for good corporate governance and effectively implement such policy to ensure that the Company is accountable to and acts in fairness to all stakeholders.
- (4) To develop visions, missions and business policies including main goals of the Company and its subsidiaries for sustainability, and to consider and approve policies and directions for business proposed by the management and to supervise and ensure that the management comply with such visions, missions and business policies including main goals of the Company and its subsidiaries with the aim to achieve added economic value for shareholders taking into consideration all relevant stakeholders.
- (5) To ensure that the preparation of strategies, annual work plan and annual budget of the Company and its subsidiaries are in line with the main objectives and goals of the Company, to encourage preparation or review of business objectives, goals and strategies in mid-term ranging from three to five years, and to encourage the appropriate and safe use of innovations and technology and to exercise monitoring control of information technology.
- (6) To exercise the monitoring and supervision power over the management to ensure effective compliance with the defined policies, work plans and budgets.
- (7) To approve investments in and divestments of equity instruments and/or debt instruments as may be appropriate.
- (8) To regularly follow up on operating results, financial positions and sufficiency of financial liquidity and affordability ratio of the Company and its subsidiaries to ensure compliance with relevant business plan and budgets.
- (9) To have financial statements prepared for the Company and its subsidiaries at the end of each accounting period to be proposed to the general meeting of shareholders at each Annual General Meeting for consideration and approval.
- (10) To have an annual report prepared for the Company and to be responsible for the preparation and disclosure of consolidated financial statements to present information on financial positions and operating results of the Company and its subsidiaries in the previous year which shall be proposed to the general meeting of shareholders for consideration and approval.
- (11) To hold an Annual General Meeting of shareholders within four months from the end of the financial year of the Company.
- (12) To consider and approve appointment of qualified persons who do not possess characteristics prohibited under the Public Limited Company Act, B.E. 2535 (as amended), the Securities and Exchange Act, B.E. 2535 (as amended) including notifications, regulations and/or relevant rules to be new directors or to replace former directors whose office becomes vacant due to other reasons than retirement by rotation, or to propose to the general meeting of shareholders to consider and approve the appointment of directors who retire by rotation and to determine remuneration for directors based on the advice of the Nomination Committee and the Remuneration Committee for consideration and approval by the general meeting of shareholders.
- (13) To consider, appoint or amend composition of sub-committees including the Executive Committee, the Audit Committee, the Risk Management Committee, the Nomination

Committee and the Remuneration Committee to assist and support functions of the Board of Directors as may be appropriate and to determine remuneration for sub-committee (within the limits approved by the general meeting of shareholders).

- (14) To consider, determine and change name list of authorized directors.
- (15) To consider and appoint directors or executives of subsidiaries at least in proportion of the Company's shareholding percentage in such subsidiaries and to determine clear scope of powers and responsibilities for such directors and executives in subsidiaries. This includes determination of clear scope of powers for directors and executives to exercise their votes in the Board of Directors' meetings of subsidiaries, material transactions which require prior approval from the Board of Directors in order to ensure that the management is in accordance with the Company's policies and the law in such areas as complete and accurate disclosure of financial information, operating results, related party transactions and acquisition or disposal of material assets.
- (16) The Board of Directors may authorize and/or delegate other persons to perform specific tasks on its behalf. Such authorization or sub-delegation of power shall be within the scope of powers under the relevant Power of Attorney and/or in accordance with the rules, regulations or instructions given by the Board of Directors and/or the Company.

The assignment of powers, duties and responsibilities of the Board of Directors shall not result in the delegation and sub-delegation which allows the Board of Directors and/or its delegated persons to approve transactions in which they or persons with possible conflict of interests (as defined under the Notification of the Securities and Exchange Commission and/or the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant regulatory authorities) may have a conflict of interests or may benefit in any way or may have such other conflict of interests with the Company or its subsidiaries. Exception is in case where the approval is for transactions that are in compliance with the policies and requirements approved by the

general meeting of shareholders or the Board of Directors of the Company, which are for the normal course of business and have normal commercial terms in compliance with the Notifications of the Securities and Exchange Commission and/or the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant regulatory authorities.

- (17) To determine organizational structure and management structure.
- (18) To appoint a Company Secretary who has the necessary and appropriate knowledge and experience to support functions of the Board of Directors and to provide scope of powers and duties of the Company Secretary.
- (19) To appoint a Chief Executive Officer based on the proposal from the Nomination Committee and to carry out performance assessment of and determine remuneration for the Chief Executive Officer based on the proposal from the Remuneration Committee.
- (20) To approve the nomination and selection of auditors for the Company and its subsidiaries and to determine appropriate level of auditors' fees before proposing the matter to the Annual General Meeting of shareholders to consider and approve.
- (21) To ensure that the Company and its subsidiaries maintain an appropriate and efficient accounting system, reliable financial reporting and auditing, including sufficient and effective internal control and internal audit and to regularly carry out an assessment of the appropriateness of the internal control of the Company and its subsidiaries.
- (22) To approve the Risk Management Policy and the Internal Control Policy that are appropriate and are in line with the objectives, main goals and strategies of the organization and to ensure that risk management procedures are put in place to appropriately mitigate impacts on the business of the Company and its subsidiaries and to follow up on the performance of the Risk Management Committee.
- (23) To consider and approve connected transactions between the Company/ its subsidiaries and connected persons in accordance with the provisions under the Securities and Exchange Act, B.E. 2535 (as

amended) including relevant rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, and to consider and approve principles of arms' length basis for transactions between the Company/ its subsidiaries with directors, executives or related persons to provide a framework within which the management may enter into this type of transaction in accordance with relevant laws and regulations.

- (24) To supervise management and operations of the Company and its subsidiaries to ensure compliance with policies of the Company, securities law including relevant notification and regulations of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in such matters as connected transactions and acquisition and disposal of material assets so far as it is not contradictory to or inconsistent with other laws, and to put in place sufficient and appropriate internal control and internal audit system.
- (25) To consider and approve incorporation, merger or dissolution of subsidiaries.
- (26) To consider and approve payment of interim dividends to shareholders when the Board of Directors considers that the Company's profits justify such payment of interim dividends and shall report to the subsequent general meeting of shareholders of the interim dividend payment.
- (27) To ensure that the Company makes appropriate, accurate, complete and timely disclosure of information to stakeholders, persons with conflict of interests and related persons.
- (28) To seek professional opinion from third parties when it is necessary for the Board of Directors to make an appropriate decision.
- (29) To ensure that the Company puts in place a clear policy and guideline on how complaints are handled and require that the Company prepare and improve its complaints handling policy to be in line with relevant rules and regulations and the changing circumstances.
- (30) To ensure that the management of the Company provides persons who are responsible for investors relation to perform the duties of communicating with each group of shareholders and other stakeholders such as investors and analysts.

- (31) To review and revise the Charter for the Board of Directors at least once a year.

Meeting of the Board of Directors

A minimum of the Board of Directors' meeting shall be held in every three months. The Chairman of the Board of Directors or the delegated person shall be responsible for approving the agenda items in consultation with the executives.

Non-executive directors are required to meet among themselves at least once a year to discuss problems relating to the management of their interests without the presence of the management. In the current age of technological advancement, members of the committee who are travelling may attend the meeting via a video / teleconference or such other tools having similar nature. Such meeting shall be conducted in accordance with the requirements of the law.

The Board of Directors set the meeting schedule annually in advance for the directors shall manage to attend the meeting and the meeting schedule are as follows:

Meeting Schedule for the Board of Directors	
1st	16 February 2021
2nd	2 April 2021
3rd	12 May 2021
4th	10 August 2021
5th	8 November 2021

The Audit Committee

As of 31 December 2020, the Company's Audit Committee comprised 3 independent directors who meet all the qualifications under the Securities and Exchange Law, Notification of the Capital Market Supervisory Board, including notifications, regulations and/or regulations of the Stock Exchange of Thailand with the criteria according to the announcement of the Capital Market Supervisory Board including the Stock Exchange of Thailand. At least 1 member of the Audit Committee is required to be a knowledgeable director or have experience in accounting and finance who can review the reliability of the financial statements and must hold the following qualifications:

- (1) Having the qualifications as specified in the SET announcement on qualifications and scope of work of the Audit Committee.
- (2) Having the qualifications as that of an independent director who has the qualifications as specified in the Capital Market Supervisory Board Notification and related stock exchange announcements.
- (3) Not being a director assigned by the Board of Directors to make decisions on the business operations of the Company, parent company, subsidiaries, associate companies, major shareholders or the Company's regulator.
- (4) Having other complete and appropriate qualifications, in accordance with law or requirements of government agencies.
- (5) Not having any other characteristics that make him/her incapable of expressing independent opinions with regard to the Company's operations.

the Company's Audit Committee members are as follows:

Name	Position
1. Professor Dr. Weerakorn Ongsakul	Chairman of Audit Committee
2. Mrs. Unakorn Phruithithada	Member of Audit Committee
3. Gen. Bundit Boonyapan	Member of Audit Committee
Ms. Narungsri Jiranakorn	Secretary of Audit Committee

In addition, Mrs. Unakorn Phruithithada is a director who has knowledge and sufficient experience in accounting or finance or auditing to perform their duty in reviewing the reliability of the Company's financial statements.

Duties and Responsibilities of the Audit Committee

- (1) To review and approve a charter for the Department of Internal Audit and to review the suitability of such charter at least once a year.

- (2) To review and ensure that the financial report of the Company and its subsidiaries is accurate, reliable and sufficient in accordance with the financial reporting standard by coordinating with external auditors and the management responsible for the preparation of the financial statements. In the course of the audit of the Company and its subsidiaries, the Audit Committee may advise the auditor to review or audit any matters deemed to be significant and necessary.
- (3) To review and ensure that the Company and its subsidiaries have put in place an internal control and internal audit that is suitable and efficient, to consider independence of the internal audit and to approve the appointment, relocation or termination of Head of Internal Audit or such other work units responsible for the internal audit.
- (4) To review and ensure that the risk management system is strict, suitable and efficient to ensure that there is a suitable and sufficient control to prevent possible corruptions.
- (5) To review operations of the Company to ensure compliance with the Securities and Exchange Act, B.E. 2535 (as amended), the requirements of the SET and such other laws relevant to the business of the Company.
- (6) To consider, select and nominate independent persons to perform the duties of auditors of the Company and to propose rate of remuneration for such persons. The Audit Committee shall also attend at least one meeting a year with the auditors without any management in attendance.
- (7) To consider connected transactions or transactions which could give rise to conflict of interests to ensure compliance with the law and the requirements of the SET and to ensure that the transactions are reasonable and are for the best interests of the Company.
- (8) To prepare the report of the Audit Committee to be disclosed in the annual report of the Company. The report shall be signed by the Chairman of the Audit Committee and shall at least consist of the following information:

- a) Opinion on the accuracy, completeness and reliability of the financial reports of the Company;
 - b) Opinion on the sufficiency of the internal control system of the Company;
 - c) Opinion on the compliance with the Securities and Exchange Act, B.E. 2535 (as amended), the requirements of the SET and such other laws relevant to the business of the Company.
 - d) Opinion on the suitability of the auditors;
 - e) Opinion on transaction with possible conflict of interests;
 - f) Number of meetings of the Audit Committee and attendance of each member of the Audit Committee;
 - g) Opinion or overall observation of the Audit Committee in its performance of duties under the Audit Committee Charter;
 - h) Such other information deemed necessary for shareholders and investors subject to the scope of duties and responsibilities assigned by the Board of Directors.
- (9) To review and express opinion on the internal audit plan and the performance of duties of the Department of Internal Audit;
- (10) To have the power to invite the management, executives or employees of the Company to express their opinion, attend meetings or submit documents as the Audit Committee may consider necessary for the performance of its duties within the scope and power.
- (11) If it is found or suspected during the course of its duties that a transaction has been entered into or any of the following acts have been taken with possible material impact on the financial position and operating results of the Company, the Audit Committee shall report the same to the Board of Directors to ensure that appropriate actions can be taken to remedy the situation within the period of time that the Audit Committee considers appropriate:
- 1) A transaction with possible conflict of interests;
 - 2) Material fraud, irregularity or deficiency of the internal control system; or
 - 3) Violation of the Securities and Exchange Act, B.E. 2535 (as amended), the requirements of the SET or other laws relating to the business of the Company. If the Board of Directors or executives do not implement the remedy within the period specified above, any one member of the Audit Committee may report the matter to the Office of the Securities and Exchange Commission or to the SET.
- (12) To consider, review and revise the Audit Committee Charter at least once a year and propose the revision to the Board of Directors for approval.
- (13) To perform such other tasks as may be assigned by the Board of Directors with the consent of the Audit Committee.

In performing the above duties, the Audit Committee shall be directly liable to the Board of Directors which shall remain liable to third parties for the operations of the Company.

The Board of Directors shall have the power to vary and amend the definition and qualifications of independent directors and the Audit Committee Charter to correspond with the responsibilities of the Audit Committee in accordance with the requirements of the Office of the Securities and Exchange Commission, the SET, the Capital Market Supervisory Board and/or provisions of other relevant laws.

Meetings of the Audit Committee

The Audit Committee shall meet at least four times annually according to the accounting period for the preparation of financial reports. Chairman of the Audit Committee may call an extraordinary meeting of the Audit Committee upon request from members of the Audit Committee, the internal auditor, the external auditor or Chairman of the Board of Directors in order to consider problems which require a meeting. The Audit Committee should have at least one meeting a year with the auditor of the Company without attendance of the executives. This may be an extraordinary meeting in addition to the ordinary meeting or a separate agenda item in the ordinary meeting with the auditor of the Company without the executives in attendance.

The Nomination Committee

As of 31 December 2020, the Company's Nomination Committee comprised 3 members as follows:

Name	Position
1. Mr. Kitichai Sincharoenkul	Chairman of Nomination Committee
2. Professor Dr. Weerakorn Ongsakul	Member of Nomination Committee
3. Ms. Jarinya Jirojkul	Member of Nomination Committee
Mr. Somrat Thapnual	Secretary of Nomination Committee

Duties and Responsibilities of the Nomination Committee

- (1) To consider and propose structure, composition and qualifications of the Board of Directors of the Company including sub-committees.
- (2) To consider criteria and procedure of recruitment and nomination of suitable candidates for directorship and members of sub-committees, the Chief Executive Officer and senior executives upon expiration of term of office or when the positions become vacant or such other executive positions as the Board of Directors may assign and propose the same to the Board of Directors before it is proposed to the Board of Directors meeting and/or the general meeting of shareholders (as the case may be).
- (3) To supervise the recruitment of directors, members of sub-committees, the Chief Executive Officer and senior executives of all business lines within the organisation, and to develop trusts for the organisation that the succession plan for senior executives, executives in significant positions and succession slate will be regularly considered and reviewed.

- (4) To consider and determine criteria for the assessment of performance and carry out performance assessment of directors, members of sub-committee and the Chief Executive Officer to review their work products, problems and obstacles encountered each year so that the results of the assessment can be used in developing and improving each stream of work and to propose the same to the Board of Directors to consider, and to prepare a knowledge development programme for directors, to improve knowledge and understanding of existing directors and new directors about the business and their roles and duties as directors.
- (5) To consider, review and revise the Charter for the Nomination Committee at least once a year and propose the same to the Board of Directors for consideration and approval.
- (6) To seek advisers or persons who are independent to express opinion or give recommendations as may be necessary.
- (7) To perform other tasks as may be assigned by the Board of Directors meeting by and with the consent from the Nomination Committee.

The Remuneration Committee

As of 31 December 2020, the Company's Remuneration Committee comprised 3 members as follows:

Name	Position
1. Professor Dr. Weerakorn Ongsakul	Chairman of Remuneration Committee
2. Mr. Veerasith Sinchareonkul	Member of Remuneration Committee
3. Ms. Jarinya Jirojkul	Member of Remuneration Committee
Mr. Somrat Thapnual	Secretary of Remuneration Committee

Duties and Responsibilities of the Remuneration Committee

- (1) To consider and advise on monetary remunerations and non-monetary remuneration of the Board of Directors, members of the sub-committee, the Chief Executive Officers and senior executives including such other benefits including remuneration at fixed rate (such as fixed salary and meeting allowance) and remuneration paid based on operating results of the Company (such as bonus and commission) to be in line with long-term strategies and goals of the Company and commensurate with experience, duties and scope of roles and responsibilities including benefits expected from members of each committee. Remuneration for directors shall be comparable to the practice of the industry and shall be proposed to the Board of Directors meeting and/or the general meeting of shareholders (as the case may be).
- (2) To disclose the policy and requirements about remuneration for directors to reflect duties and responsibilities of each director including type and amount of remuneration. The amount of monetary remuneration that is disclosed shall also include remuneration received by such directors for their directorship in subsidiaries.
- (3) To consider terms and conditions of an offering of newly issued securities or share options to directors and employees in order to create added value in the long-term for shareholders. Personnel who are truly qualified shall be recruited. Such terms and conditions shall also be fair to shareholders.
- (4) To consider, review and revise the Charter for the Remuneration Committee at least once a year and propose the same to the Board of Directors for consideration and approval.
- (5) To seek advisers or persons who are independent to express opinion or give recommendations as may be necessary.
- (6) To perform other tasks as may be assigned by the Board of Directors meeting by and with the consent from the Remuneration Committee.

The Risk Management Committee

As of 31 December 2020, the Company's Risk Management Committee comprised 4 members as follows:

Name	Position
1. Mr. Veerasith Sinchareonkul	Chairman of Risk Management Committee
2. Professor Dr. Weerakorn Ongsakul	Member of Risk Management Committee
3. Ms. Jarinya Jirojkul	Member of Risk Management Committee
4. Ms. Thanawan Sa-ngiamsak	Member of Risk Management Committee
Mr. Kitipong Phetkul*	Secretary of Risk Management Committee

Remark : * Mr. Kitipong Phetkul resigned from an employee of the Company on 22 January 2021. The Risk Management Committee is under process of recruiting a new secretary.

Duties and Responsibilities of the Risk Management Committee

- (1) To determine the overall risk management policy and framework for the Company to cover material risks and to require the management to put in place a protective and corrective measures and risk elimination that are appropriate.
- (2) To prepare risk management policy to cover overall aspects of risk management and to include key risks that are in line with the objectives, main goals, strategies and acceptable level of risks for use as a unified risk management framework for all parties in the organisation and for submission to the Board of Directors for consideration. The Risk Management Committee shall supervise and ensure that the Company and its subsidiaries identify risks that could cause the Company and its subsidiaries to fail to achieve the defined objectives, taking into consideration both internal and external factors.



- (3) To review and ensure that the risk management policy is appropriate and efficient and prepare a report of the Risk Management Committee to be proposed to the Board of Directors as may be appropriate or when requested.
- (4) To draw up strategies for use in managing risks in accordance with the risk management policy approved by the meeting of the Board of Directors and to analyse, assess and follow up on the compliance with the defined risk management policy.
- (5) To follow up, assess and supervise risk management procedures of the management to ensure that it has the appropriate level and is in accordance with the defined policy.
- (6) To be in charge of supervising and providing support to ensure success of the Enterprise Wide Risk Management with the focus on raising risk awareness for the management and employees, and to promote risk management culture as a key factor in making any decisions relating to the use of resources or in taking any actions. The Risk Management Committee shall also have the duty to provide support to the function of the risk management sub-committee and/or the Risk Manager.)
- (7) To review the sufficiency of the risk management policy of the Company and its subsidiaries including the effectiveness of the system and compliance and propose the same to the Board of Directors at least once a year to ensure that the risk management policy is in line with and suitable for the current business strategies and environment.
- (8) To advise the Board of Directors on actions to be taken and improved to be in line with the policies and strategies defined by the Board of Directors.
- (9) To seek advisers or persons who are independent to express opinion or give recommendations as may be necessary.
- (10) To consider, review and revise Charter for the Risk Management Committee at least once a year and propose to the Board of Directors for consideration and approval.
- (11) To perform other tasks as may be assigned by the Board of Directors meeting by and with the consent from the Risk Management Committee.

The Executive Committee

As of 31 December 2020, the Company's Executive Committee comprised 6 members as follows:

Name	Position
1. Dr. Viyavood Sincharoenkul	Chairman of Executive Committee
2. Mr. Kitichai Sincharoenkul	Member of Executive Committee
3. Mr. Veerasith Sinchareonkul	Member of Executive Committee
4. Mr. Vitanath Sincharoenkul	Member of Executive Committee
5. Mr. Anan Pruksanusak	Member of Executive Committee
6. Ms. Jarinya Jirojkul	Member of Executive Committee
Ms. Worasa Maijaidee	Secretary of Executive Committee

Duties and Responsibilities of the Executive Committee

- (1) To carry out and manage businesses of the Company and its subsidiaries in accordance with relevant objectives, Articles of Association, policies, rules, regulations, orders and resolutions of the Board of Directors meeting for the best interest of the Company.
- (2) To consider and develop business policies, directions and strategies including work plan, financial targets and annual budgets and to exercise executive power to manage businesses of the Company and its subsidiaries in conjunction with the management before proposing the matter to the Board of Directors for approval.
- (3) To supervise business operations of the Company and its subsidiaries to ensure that they comply with the business policies, directions and strategies including work plan, financial targets and annual budgets approved by the Board of Directors and that they are efficient and contribute to the nature of business. The Executive Committee shall also have the duty to advise senior executives on the management matters.
- (4) To consider and approve businesses that are conducted as the normal course of business of the Company based on investment budgets or budgets that are approved by the Board of Directors. The limits for each transaction shall be as prescribed under the Table of Authority approved by the Board of Directors. The Executive Committee shall also have the duty with regard to the entry into relevant agreements.
- (5) To study feasibility for new investment projects and to have the power to consider and approve that the Company and its subsidiaries invest in or enter into joint investments with any individuals, juristic persons or such other business entities in the form deemed appropriate by the Executive Committee for the purpose of complying with the objectives of the Company and its subsidiaries. The Executive Committee shall also consider and approve payments for the purpose of such investments, the entry into agreements and/or any relevant acts until completion within the budget limit prescribed under the Table of Authority approved by the Board of Directors and/or in accordance with the relevant laws and regulations and/or the Articles of Association of the Company and its subsidiaries.
- (6) To follow up on operating results and progress of investment projects of each business and report results and problems or obstacles encountered including relevant solutions to the Board of Directors.
- (7) To consider profits and loss of the Company and its subsidiaries and advise on payment of dividends to be proposed to the Board of Directors.
- (8) To consider and approve financial transactions to be entered into with financial institutions for the purpose of obtaining loans, credits, pledge, mortgage, guarantee or otherwise, including trading and registration of title over lands in accordance with the objectives for the purpose of businesses of the Company and its subsidiaries, and the entry into agreements, submission of applications and offers, making contacts or entry into agreements with the government agencies to obtain rights of the Company and its subsidiaries and/or to carry out such other acts relating to such matter until completion within the budget limit prescribed under the Table of Authority approved by the Board of Directors and/or in accordance with the relevant laws and regulations and/or the Articles of Association of the Company and its subsidiaries.
- (9) To approve the appointment of management sub-committees to support functions of the Executive Committee. For this purpose, the management sub-committees shall have the powers, duties and responsibilities as provided under the charter for the management.
- (10) To approve incorporation of subsidiaries, capital increase or decrease or to seek new financial resources for subsidiaries, restructure of shareholding for the subsidiaries and the entry into transactions by subsidiaries in accordance with the resolutions of the Board of Directors.
- (11) To approve the appointment of delegated person for directorship and/or membership of sub-committees in the subsidiaries who have qualifications approved by the Board of Directors and in accordance with the law and resolutions of the Board of Directors.

- (12) To consider and approve rules, regulations, management policies and business operations of the Company and its subsidiaries or to take such other steps to bind the Company and its subsidiaries in accordance with the limits provided in the Table of Authority approved by the Board of Directors.
- (13) To determine organizational structure and management structure that is efficient and to propose the same to the Board of Directors for approval.
- (14) To consider and approve employment, termination, promotion, disciplinary actions, relocation, adjustment to salary ranking or adjustment to salary rate and to consider such other merits of employees to the extent that these are out of the scope of powers of the Nomination Committee and the Remuneration Committee. The Executive Committee may authorize the Chief Executive Officer to consider and approve the matter subject to the budgets approved by the Board of Directors.
- (15) To supervise, monitor and approve matters relating to business operations of the Company and may appoint and/or delegate any one person(s) to carry out any act within the scope of powers of the Executive Committee or as it may consider appropriate and within the period that the Executive Committee may consider appropriate. The Executive Committee may cancel, change or amend such authorization as it may consider appropriate.

The assignment of powers, duties and responsibilities of the Executive Committee shall not result in the delegation or sub-delegation which allows the Executive Committee and/or its delegated persons to consider and approve transactions in which they or persons with possible conflict of interests may have a conflict of interests or may benefit in any way or may have such other conflict of interests with the Company or its subsidiaries (as defined under the Notification of the Securities and Exchange Commission and/or the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant regulatory authorities). Exception is in case where the approval is for transactions that are in compliance with the policies and requirements approved by the general meeting of shareholders or the Board of Directors of the Company, which are for the normal course of business and have normal commercial terms in compliance with the Notifications of the Securities and Exchange Commission and/or the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant regulatory authorities

- (16) To ensure that executives and management or employees attend the meeting of the Executive Committee or prepare and give information about the matter to be discussed at the Executive Committee meeting.
- (17) To have the powers and duties as may be assigned or as may be in accordance with the policy received from time to time from the Board of Directors.
- (18) To seek advisers or persons who are independent to express opinion or give recommendations as may be necessary.
- (19) To consider, review and revise the Charter for the Executive Committee at least once a year and propose the same to the Board of Directors for consideration and approval.
- (20) To perform other tasks as may be assigned by the Board of Directors meeting by and with the consent from the Executive Committee.

Meeting Attendance of the Board of Directors

To be accordance to the good governance principles, directors must attend at least 75 percent of all the meetings of the Board of Directors and sub-committees that occur throughout the year. In 2020, the detail of meeting attendance of directors as follows:

Name	Number of meetings attended / total meetings											
	The Board of Directors		The Audit Committee		The Nomination Committee		The Remuneration Committee		The Risk Management Committee		The Executive Committee	
	Times	Percent	Times	Percent	Times	Percent	Times	Percent	Times	Percent	Times	Percent
1. Professor Dr. Weerakorn Ongsakul	7 / 7	100	4 / 4	100	1 / 1 ¹⁾	100	1 / 1	100	4 / 4	100	-	-
2. Dr. Viyavood Sincharoenkul	6 / 7	85.7	-	-	-	-	-	-	-	-	5 / 5	100
3. Mr. Kitichai Sincharoenkul	7 / 7	100	-	-	4 / 4	100	-	-	-	-	5 / 5	100
4. Mr. Veerasith Sinchareonkul	7 / 7	100	-	-	-	-	- ²⁾	-	4 / 4	100	5 / 5	100
5. Mrs. Unakorn Phruithithada	6 / 7	85.7	4 / 4	100	-	-	-	-	-	-	-	-
6. Ms. Jarinya Jirojkul	7 / 7	100	-	-	4 / 4	100	1 / 1	100	4 / 4	100	5 / 5	100
7. Ms. Thanawan Sa-ngiamsak	7 / 7	100	-	-	-	-	-	-	4 / 4	100	-	-
8. Mr. Vitanath Sincharoenkul	7 / 7	100	-	-	-	-	-	-	-	-	5 / 5	100
9. Mr. Anan Pruksanusak	7 / 7	100	-	-	-	-	-	-	-	-	4 / 5	80
10. Mr. Chia Chee Ping	6 / 7	85.7	-	-	-	-	-	-	-	-	-	-
11. Clinical Professor Dr. Sarana Boonbaichaiyapruk ³⁾	7 / 7	100	-	-	-	-	-	-	-	-	-	-
12. Gen. Bundit Boonyapan	- ³⁾	-	- ³⁾	-	-	-	-	-	-	-	-	-
Percentage of attendance of each committee	96.1		100		100		100		100		96.7	

Remarks: 1) The Board of Directors' Meeting on 13 November 2020 has appointed Professor Dr. Weerakorn Ongsakul to be Member of Nomination Committee, which effective on 16 November 2020 onward, so there was no meeting before 16 November 2020.

2) The Board of Directors' Meeting on 25 December 2020 has appointed Mr. Veerasith Sinchareonkul to be Member of Remuneration Committee, which effective on 28 December 2020 onward, so there was no meeting before 28 December 2020.

3) The Board of Directors' Meeting on 25 December 2020 has appointed Gen. Bundit Boonyapan to be Member of Audit Committee replace Mr. Prakob Visitkitjakarn, which effective on 28 December 2020 onward, so there was no meeting before 28 December 2020.

Performance Evaluation

According to the good corporate governance principle for listed company, it is suggested that listed companies' Board of Directors and Sub-committee members should assess their performance once a year. The assessment should be conducted as a whole and on an individual basis based on the self-assessment forms of the SET. The assessment result will be used as a framework for reviewing the performance of duties, problems and obstacles as well as bringing suggestions for improvement and further development of operations.

The Executive Officers

As of 31 December 2020, the Company's Executive Officers comprised 9 members as follows:

Name	Position
1. Ms. Jarinya Jirojkul	Chief Executive Officer / Acting Production Manager Trang Branch, and Acting Quality Control / Research and Development Manager
2. Ms. Thanawan Sa-ngiamsak	Chief Financial Officer
3. Mr. Chia Chee Ping	Chief Marketing Officer
4. Mr. Asom Aksornnam	Production Manager Hat Yai Branch / Acting Engineering Manager
5. Mr. Chalermchai Norsakul	Production Manager Surat Thani Branch
6. Mrs. Oralak Nakin	Finance and Account Manager / Accountant
7. Mr. Somrat Thapnual	Human Resources Manager
8. Ms. Amornrat Awato	Purchasing Manager
9. Ms. Worasa Maijaidee ¹⁾	Logistics Manager

Remark: 1) The Board of Directors' Meeting on 14 August 2020 has appointed Ms. Worasa Maijaidee to be Logistics Manager, effective on 14 August 2020 onward.

Company Secretary

The Board of Directors' Meeting on 7 November 2019 has appointed Mrs. Peerawan Matngammuang to be the Company Secretary in order to comply with Section 89/15 of the Securities and Exchange Act B.E. 2535 (including amendments) ("Securities Act"). The Company Secretary has duties and responsibilities as follows:

- (1) To provide initial information and recommendations to the Company's directors and executives on and monitor compliance with the laws relating to the business operations of the Company, rules, regulations and the Company's Articles of Association and to report to the directors and executives any material changes to the laws and regulations;
- (2) To follow up on and ensure disclosure of relevant information as required under the rules, regulations and notifications of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board;
- (3) To summarise and report to the Board of Directors meeting for acknowledgement in every six months the securities holding and the change thereto of the directors, manager and executives of the Company including their spouses or de facto partners, minor children including juristic entities more than 30 percent of total voting rights of which are held by the relevant directors, managers and executives, their spouses or de facto partners and minor children;
- (4) To prepare and maintain a register of directors, annual reports of the Company, notices of invitation to meetings of shareholders and Board of Directors meetings, minutes of shareholders' meetings and Board of Directors meetings;
- (5) To follow up and ensure that the meetings of shareholders and the Board of Directors meetings are held in accordance with the law, the Company's Articles of Association and relevant practices and to follow up on the compliance with the resolutions of the meetings of shareholders and the Board of Directors meetings;

- (6) To maintain reports on interests and a certificate of independence prepared by the Company's directors or executives and to submit the copy thereof to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven days from the date on which the Company has received the report;
- (7) To promote knowledge of and understanding about good corporate governance practices and to ensure that the Company puts in place these practices of good corporate governance;
- (8) To ensure that activities of the Board of Directors and such other acts are undertaken in accordance with the laws and/or rules and regulations provided by the Capital Market Supervisory Board and/or in accordance with the directions given by the Board of Directors.

The Company Secretary must perform the above duties responsibly, carefully and integrity.

The Assigned Person to take Direct Responsibility for Accounting Supervision

The Board of Directors' Meeting on 24 July 2019 has appointed Mrs. Oralak Nakin to be the Company's accountant in order to be consistent with information disclosure guidelines of the SEC and the SET regarding the person with the highest responsibility for accounting supervision.

Remuneration for Directors and Executives

Director Remuneration

Monetary Remuneration

The Annual General Meeting of Shareholders Year 2020 of the Company, which was held on 29 April 2020, has passed the resolution to determine the directors' remuneration for the year 2020 in the form of monthly remuneration and meeting allowances as follows:

Position	Monthly Remuneration * (THB per month)	Meeting Allowance ** (THB per time)
Chairman of the Board of Directors	100,000	-
Director / Independent Director	70,000	-
Chairman of Audit Committee	100,000	-
Member of Audit Committee	80,000	-
Chairman of Executive Committee	100,000	-
Member of Executive Committee	80,000	-
Member of Nomination Committee	-	2,000
Member of Remuneration Committee	-	2,000
Member of Risk Management Committee	-	2,000

Remarks: * The director will receive the highest monthly remuneration from only one of the positions he holds.

** Only independent directors, who hold any positions in the sub-committees as mentioned above, will be paid according to the actual attendance.

*** The directors have no any other benefits than those specified above.

The director remuneration for the year ended 31 December 2020 as follow:

Name	Monthly Remuneration (THB)	Meeting Allowance (THB)	Total Remuneration (THB)
1. Mr. Prakob Visitkijakarn ⁽¹⁾	950,000	6,000	956,000
2. Dr. Viyavood Sincharoenkul	1,200,000	-	1,200,000
3. Mr. Kitichai Sincharoenkul	960,000	-	960,000
4. Mr. Veerasith Sinchareonkul	960,000	-	960,000
5. Mrs. Unakorn Phruithithada	960,000	-	960,000
6. Professor Dr. Weerakorn Ongsakul	990,000	10,000	1,000,000
7. Ms. Jarinya Jirojkul	960,000	-	960,000
8. Ms. Thanawan Sa-ngiamsak	840,000	-	840,000
9. Mr. Vitanath Sincharoenkul	960,000	-	960,000
10. Mr. Anan Pruksanusak	960,000	-	960,000
11. Mr. Chia Chee Ping	840,000	-	840,000
12. Clinical Professor Dr. Sarana Boonbaichaiyapruck ⁽³⁾	840,000	-	840,000
13. Gen. Bundit Boonyapan ⁽²⁾	-	-	-

Remarks: ⁽¹⁾ Mr. Prakob Visitkijakarn passed away on 14 October 2020

⁽²⁾ The Board of Directors' Meeting on 25 December 2020 has appointed Gen. Bundit Boonyapan to be Independent Director and Member of Audit Committee, effective on 28 December 2020 onward, so Gen. Bundit Boonyapan did not attend any meeting of the Board of Directors and Audit Committee as well as did not receive any remuneration before 28 December 2020.

In the year 2020, the Company has no policy to pay directors remuneration in the form of directors' gratuity or any compensation which varies according to the performance of the Company. The directors will receive monetary remuneration in the form of monthly remuneration and meeting allowances only. No compensation has been paid to directors of subsidiaries in 2020.

Other Remuneration

At an extraordinary general meeting of shareholders held on 22 November 2019, the shareholders of the Company approved the issuance and offering of up to 10,000,000 new ordinary shares of the Company ("**Shares**") to the directors, executive officers and employees of the Company and its subsidiaries pursuant to a share scheme (the "**STGT ESOP**").

The objectives of the STGT ESOP are as follows

- a) to motivate and reward the directors, executives and employees of the Company and its subsidiaries for good performance and hard work;
- b) to motivate the directors, executive officers and employees of the Company and its subsidiaries who have outstanding performance and are difficult to replace, to continue working with the Company in the long term to achieve business goals;
- c) to retain employees who are knowledgeable and capable; and
- d) to align the interests of employees and shareholders, with a view to the growth and sustainability of the Company.

A summary of the principal terms of the STGT ESOP is set out below:*

* Based on the par value of THB 1.00 per share.

Type and number of securities to be issued and offered	Up to 10,000,000 new Shares, at the par value of THB1.00 per Share.
Duration of the scheme	Two years from the date on which the Shares were listed on the SET (the "IPO Date"), i.e., from 2 July 2020 to 1 July 2022.
Offering period	The new Shares under the STGT ESOP will be offered in three tranches. Under the first tranche, the Company would offer up to 4,000,000 new Shares on the IPO Date. Under the second tranche, the Company will offer up to 3,000,000 new Shares between 1 July 2021 and 15 July 2021. Under the third and final tranche, the Company will offer up to 3,000,000 new Shares between 1 July 2022 and 15 July 2022.
Offering price	<p>For the first tranche on the IPO Date, the offering price was 90.00 percent of the offering price in the initial public offering of the Company on the SET (the "IPO Price"). For the second and third tranches, the offering price will be 90.00 percent of the market price (as determined in accordance with the Notification of the Office of the Securities and Exchange Commission regarding the Calculation of Offer Price of Securities and Determination of Market Price for Consideration of Offer For Sale of Newly-issued Shares with Discount).</p> <p>Where the offering price is lower than the par value of the Shares, the Company is required to offer the new Shares under the STGT ESOP at a price equivalent to the par value, subject to Section 52 of the Public Limited Companies Act B.E. 2535 (as amended).</p>
Eligible participants	<p>Directors, executive officers and employees of the Company and its subsidiaries who meet the following conditions:</p> <p>(a) as at the Record Date, the director, executive officer or employee must have been a director, executive officer or employee of the Company or its subsidiary for a period of no less than three months, must not be under probation, and such director, executive officer or employee must remain a director, executive officer or employee of the Company or its subsidiary as at each Offering Date; and</p>

(b) each director will be entitled to an equal number of Shares, while the number of Shares to which each executive officer or employee may differ depending on the individual's position, experience, areas of responsibility, term of employment, performance and contributions.

In a case where there are directors, executive officers and/or employees of the Company or its subsidiaries who do not wish to exercise their rights to purchase new Shares pursuant to the STGT ESOP, the Executive Committee of the Company and/or their delegate may determine the names of other executive officers and/or employees to receive the allotment instead within the offering and allotment period, in accordance with the conditions for allotment. In this regard, each executive officer and/or employee will be entitled to an allocation of up to 5.00 percent of the total number of Shares to be offered under the STGT ESOP.

Directors who are also executive officers of the Company or its subsidiaries are only entitled to be offered and allotted new Shares under the STGT ESOP in respect of their position as director and will not be entitled to a further allotment of new Shares under the STGT ESOP in respect of their position as executive officer.

Remark: ¹ "Record Date" means the date on which the Board of Directors of the Company, or their delegate, passes a resolution or approves the names of the persons who are entitled to an allotment of new Shares under the STGT ESOP. In this regard, the names of such persons will be determined based on the names of the persons entitled to the allotment of new Shares under the STGT ESOP as approved by the shareholders of the Company or the names of executive officers and/or employees as determined by the Executive Committee of the Company or their delegate.

² "Offering Date" means the date(s) which the Board of Directors of the Company, or their delegate, passes a resolution to approve or approves as the date(s) on which the new Shares under the STGT ESOP will be offered to the directors, executive officers and/or employees of the Company or its subsidiaries.

The rules, conditions and other details of the allocation of the newly issued ordinary shares of the Company to the directors, executives and/or employees of the Company and its subsidiaries, including names of employees of the Company and its subsidiaries who have been allocated the newly issued ordinary shares of the Company, the date and details of the allocation of thereof are to be at the discretion of the Executive Committee of the Company or a person assigned by the Executive Committee of the Company to determine or make amendments as deemed appropriate and assigned the Executive Committee of the Company or a person assigned by the Executive Committee to determine the conditions and duties of the directors, executives and/or employees of the Company and its subsidiaries as well as to prescribe or amend the rules, terms, conditions and various details related to the STGT ESOP in order to comply with the rules and regulations of the relevant authorities.

Entitlements of Directors under the STGT ESOP

Pursuant to the extraordinary general meeting of shareholders held on 22 November 2019, the shareholders of the Company approved the allotment of not more than 3,600,000 new Shares under the STGT ESOP to the Directors of the Company throughout the duration of the STGT ESOP. In June 2020, under the first tranche, an aggregate of 1,440,000 new Shares were offered and allotted to the Directors of the Company at THB 30.60 per Share, being 90.00 percent of the IPO Price, as follows:

Name	No. of Shares Allotted (shares)
1. Mr. Prakob Visitkijakarn	120,000
2. Dr. Viyavood Sincharoenkul	120,000
3. Mr. Kitichai Sincharoenkul	120,000
4. Mr. Veerasith Sinchareonkul	120,000
5. Mrs. Unakorn Phruithithada	120,000
6. Professor Dr. Weerakorn Ongsakul	120,000
7. Ms. Jarinya Jirojkul	120,000
8. Ms. Thanawan Sa-ngiamsak	120,000
9. Mr. Vitanath Sincharoenkul	120,000
10. Mr. Anan Pruksanusak	120,000
11. Mr. Chia Chee Ping	120,000
12. Clinical Professor Dr. Sarana Boonbaichaiyapruk	120,000

Details of the entitlements of the Directors under the second and third tranches of the STGT ESOP are as follows:

	Second Tranche (1 – 15 July 2021)	Third Tranche (1 – 15 July 2022)
Aggregate no. of new Shares to be offered to Directors under the STGT ESOP	Up to 990,000 new Shares	Up to 990,000 new Shares
Offering price	90.00 percent of the market price (as determined in accordance with the Notification of the Office of the Securities and Exchange Commission regarding the Calculation of Offer Price of Securities and Determination of Market Price for Consideration of Offer For Sale of Newly-issued Shares with Discount).	

*Remark * Under the share allocation condition of STGT ESOP, there are no directors of STGT who are allocated the newly-issued ordinary shares in a number exceeding 5.00 percent of the total number of shares offered for sale under STGT ESOP.*

Executive Remuneration

Monetary Remuneration

In 2020, the Company paid remuneration to 12 executive directors and executive officers of the Company, which is in the form of salary, bonus and provident fund at the total amount of THB 60 million.

Other Remuneration

Please consider the **ETGT ESOP** as described above.

Entitlements of Executive Officers (excluding Executive Directors) under the STGT ESOP

In June 2020, under the first tranche, an aggregate of 859,600 new Shares were offered and allotted to the Executive Officers of the Company (excluding Executive Directors) at THB 30.60 per Share, being 90.00 percent of the IPO Price.

Details of the entitlements of the Executive Officers under the second and third tranches of the STGT ESOP are as follows:

	Second Tranche (1 – 15 July 2021)	Third Tranche (1 – 15 July 2022)
Aggregate no. of new Shares to be offered to Executive Officers under the STGT ESOP	Approximately 420,000 Shares ⁽¹⁾	Approximately 420,000 Shares ⁽¹⁾
Offering price	90.00 percent of the market price (as determined in accordance with the Notification of the Office of the Securities and Exchange Commission regarding the Calculation of Offer Price of Securities and Determination of Market Price for Consideration of Offer for Sale of Newly-issued Shares with Discount).	

Remark: * Based on the Company's current estimates. The final aggregate number of Shares allotted to the Executive Officers under each of the second tranche and the third tranche of the STGT ESOP may be more or less than 420,000, provided that each executive officer will not be allotted more than 5.00 percent of the total number of Shares to be offered under the STGT ESOP.

Policy and Method of Remuneration and Structure of Remuneration for Directors and Executives

The Board of Directors at recommendation of the Remuneration Committee is to consider the structure and rate of remuneration for the directors to be commensurable with their responsibilities and to motivate the Board of Directors to lead the organization to achieve both short-term and long-term goals. Moreover, the remuneration of directors must be in line with the Company's long-term strategy and goals, as well as their experience, duties, scope of roles, accountability and responsibility, including the benefits expected to be received from each director in a manner comparable to the level practiced in the industry. In this regard, the shareholders will approve the structure and rate of remuneration of directors, both in monetary and non-monetary terms. The Board of Directors, as advised by the Remuneration Committee, will consider the appropriate type of compensation in connection with the value that the Company created for shareholders but not at a level that is too high to focus on short-term earnings. The Remuneration Committee will establish remuneration criteria that reflect the duties and responsibilities of each director. The Compensation Committee may recruit an advisor or a person with independent opinion to provide opinions or advice on methods for determining the remuneration of directors and executives as necessary and appropriate.

Human Resources of the Company and its Subsidiaries

The Number of Employees

As of 31 December 2020, the Company and its subsidiaries have a total number of employees at the amount of 7,839 persons, the details are as follows

Division	Amount (person) ⁽¹⁾
Production Department	5,137
Quality Control and Research & Development Department	694
Engineering Department	1,093

Division	Amount (person) ⁽¹⁾
Logistics Department	184
Purchasing Department	138
Marketing Department	70
Human Resources, Administrative, CSR and Information Technology Department	430
Finance and Account, Business Development, Investor Relations, Risk Management, and Legal Department	48
Internal Audit Department	4
Seconded from STU	9
Seconded from SDME	32
Total	7,839

Note : (1) As of December 31, 2021, there are 9 employees holding executive Position & Management compensation is not included in the employee compensation.

Employee Remuneration

Monetary Remuneration

In 2020, the Company paid remuneration to employees of the Company and its subsidiaries at the amount of THB 1,640.9 million, which is in the form of salary, bonus and other compensation such as overtime payment, shift workers and contributions to the provident fund, etc.

Other Remuneration

Please consider the **STGT ESOP** Project as described above.

Entitlements of Employees under the STGT ESOP

In June 2020, employees according to the company's conditions were allotted the offered and newly issued shares under STGT ESOP at the price of 30.60 baht per share, or 90.00 percent of the IPO price.

The allocation second and third tranches of STGT ESOP will be in accordance with the conditions mentioned in STGT ESOP scheme above.

Labor Dispute

The Company and its subsidiaries have not any major labor dispute in the past 3 years.

Human Capital Development

The Company has a policy to promote career development for employees and hired workers with the aim to encourage career planning of employees and hired workers, learning and assessing their aptitude and interests including competency while creating opportunities and setting goals for their future both short-term and long-term.



To ensure that the employees and hired workers can achieve their targeted growth, the Company puts in place an Employee Competency Assessment to allow each of the employees and hired workers to be aware of gaps in their competency by checking against the expected competency and the Employee Competency Model set by the Company. Then the relevant employees and hired workers can use assessment results in creating a self-development plan.

Career Planning of the employees and hired workers forms part of the annual assessment where supervisors, employees and hired workers will talk about their Career Planning and annual achievements, career goal and self-development plan of employees and hired workers will be determined/ reviewed at the beginning of the year.

Summary of training hours and expenses for training and seminars for the development of executive managements and employees in 2020 as follows:

	amount
Training Hour (hour/person/year)	3.4
Skill Development Expense (million baht)	1.7

CORPORATE GOVERNANCE



Corporate Governance Policy

The Company realizes the importance of good corporate governance as a significant factor that helps promote the Company's operations for efficiency and sustainable growth which will lead to the best interest of all stakeholders including employees, investors, shareholders and other stakeholders. The Company's good corporate governance policy covering important principles from the management of senior managers with clear transparency and accountability. It also approved the Board of Directors Charter and the sub-committees' regulations covering the structure, roles, duties and responsibilities to guide the organization's management, ensuring that any operations of the Company are performed with fairness and the best interests of shareholders and all stakeholders.

To make the Company accountable to all shareholders and stakeholders and for the benefit of creating sustainable business value in line with the expectations of both the business sector and investors, as well as the capital market and society as a whole, the Company has established a good corporate governance policy based on the 2017

principles of good corporate governance for listed companies prepared by the Securities and Exchange Commission (SEC) as a guideline for corporate governance of the Company.

Corporate Governance Principles and Policy

The Company's Board of Directors pays much attention to compliance with the good corporate governance policy, encompassing 8 principles, which can be summarized as follows:

Principle 1: Role and Responsibilities of the Board of Directors, including

- The Board of Directors shall endeavour to understand and be mindful of its leadership role and responsibilities who must supervise the organization's good governance covering (1) setting business objectives and goals (2) setting strategies, operating policy as well as allocation of important resources to achieve objectives and goals (3) monitoring, evaluating and supervising of performance reporting.
- The Board of Directors shall supervise and lead the Company to good governance outcomes so as to create sustainable value for the business.

- The Board of Directors shall ensure that all directors and senior executives perform their duties with duty of care and duty of loyalty towards the organization and shall ensure that operations are in accordance with laws, regulations and resolutions of the shareholders' meeting as well as policies or guidelines that have been defined. The Board of Directors shall also ensure there will be a process for approving important operations such as investment, transaction that affect the Company significantly, transaction with related parties, acquisition or disposition of asset and dividend payment, etc.
- The Board of Directors shall endeavour to understand the scope of duties and responsibilities of the Board of Directors and set the scope of assignment of duties and responsibilities to sub-committees, Chief Executive Officer and senior executives clearly, as well as monitoring the sub-committees, Chief Executive Officer and senior executives to perform their duties as assigned.
- The Board of Directors shall be responsible for overseeing the nomination and selection of directors with a transparent and clear process to attain the Board of Directors with qualifications consistent with the specified elements.
- In proposing the remuneration of the Board of Directors to the shareholders for approval, the Board of Directors shall consider the structure and remuneration to be suitable for their responsibilities and to motivate the Board of Directors to lead the organization to achieve both short-term and long-term goals.
- The Board of Directors shall be responsible for ensuring that all directors are responsible for performing their duties and allocate sufficient time to perform their duties.
- The Board of Directors shall be responsible for ensuring that there is a framework and mechanism for governance of policies and operations of subsidiaries and other businesses that the Company has invested in significantly at the level appropriate for each business and the subsidiaries and other businesses in which the Company has invested must have the same understanding as well.

Principle 2: Objectives and Main Goals of the Company, including

- The Board of Directors shall determine or supervise the objectives and main goals of the Company consistent with promotion of sustainable value creation value for the Company, customers, stakeholders and society as a whole.
- The Board of Directors shall supervise the Company's objectives, goals and business strategy to be in line with their achievements by using appropriate and safe technology.
- The Board of Directors shall arrange for an assessment of the performance of the entire Board of Directors including assessing the performance of individual directors so as to consider and review the performance, problems and obstacles each year to be used to develop and improve performance in various aspects.
- The Board of Directors shall ensure that the Board of Directors and each director have knowledge and understanding of their roles and duties, the nature of business and relevant laws pertaining to business operation as well as regularly encouraging all directors to acquire skills and knowledge for their performance of duties.

Principle 3: Strengthened Board Effectiveness, including

- The Company's Board of Directors shall be responsible for defining and reviewing the board structure in terms of both size and composition, as well as the proportions of independent directors as appropriate and necessary to lead the organization to its stated objectives and goals.
- The Board of Directors shall select an appropriate person to be the Chairman of the Board and shall ensure that the composition and operation of the Board of Directors is conducive to the exercise of independent judgment in making decisions.
- The Board of Directors shall ensure that the operations of the Board of Directors are carried out successfully and that access to necessary information is effective by having a Company secretary who has the necessary and appropriate knowledge and experience to support the Board of Directors' operations.

Principle 4: Recruitment and Development of Senior Executives and People Management, including

- The Board of Directors shall ensure that the Chief Executive Officer and senior executives are recruited and developed to have the knowledge, skills, experience and qualifications necessary to drive the organization towards its goals.
- The Board of Directors shall supervise the formulation of an appropriate compensation and evaluation structure through the recommendation and scrutiny of the Nomination Committee and the Remuneration Committee.
- The Board of Directors shall endeavour to understand the structure and relationship of shareholders that may affect the management and operation of the Company.
- The Board of Directors shall monitor the executives and development of personnel to have appropriate knowledge, skills, experience and motivation.

In 2020, the Board of Directors attended the training was organized by Thai Institute of Directors (IOD) which related to their duties as follows:

Name	Training Course
Ms. Jarinya Jirojkul	Risk Management Program for Corporate Leaders (RCL) 20/2020
Ms. Thanawan Sa-ngiamsak	Risk Management Program for Corporate Leaders (RCL) 20/2020
Mrs. Unakorn Phruithithada	Advanced Audit Committee Program (AACP) 37/2020

Principle 5: Business Operation with Responsibility, including

- The Board of Directors shall give importance to and support operations that create business value along with creating benefits for customers or related parties and have social and environmental responsibility.
- The Board of Directors shall monitor and supervise the executives to operate the business with social and environmental responsibility and reflected in the operational plan to ensure that

all departments of the organization operate in accordance with the objectives, main goals and strategies of the Company.

- The Board of Directors shall monitor and supervise the executives to allocate and manage resources efficiently and effectively in order to be able to achieve objectives and main goals sustainably.
- The Board of Directors shall provide a framework for corporate governance and management of information technology that is in line with the needs of the Company and shall ensure that information technology is used to increase business opportunities and improve operations and risk management so that the Company is able to achieve its objectives and main goals.

Principle 6: Appropriate Risk Management System and Internal Control, including

- The Board of Directors shall ensure that the Company has a system of risk management and internal control to achieve the objectives effectively and put such systems into practice in accordance with relevant laws and standards.
- The Board of Directors shall establish an Audit Committee that can perform duties efficiently and independently.
- The Board of Directors shall monitor and manage any conflicts of interest that may arise among the Company, the executives, Board of Directors or shareholders. This includes the prevention of improper use of the Company's property, information and opportunities and conducting transactions with those who have a connected relationship with the Company in an inappropriate manner.
- The Board of Directors shall supervise the formulation of a clear anti-corruption policy and code of conduct, which is communicated at all levels of the organization and to outsiders for practical implementation. This includes supporting activities that promote and instill in all employees compliance with the relevant law and regulations.
- The Board of Directors shall supervise the Company to have a mechanism for receiving complaints and procedures to deal with cases when reported.

Principle 7: Maintenance of Integrity in Finance and Disclosure, including

- The Board of Directors shall be responsible for ensuring that the financial reporting system and the disclosure of important information of the Company are correct, adequate, timely, in accordance with relevant rules, standards and practices.
- The Board of Directors shall monitor the sufficiency of financial liquidity and debt servicing ability in order not to affect the continuity of the business of the Company.
- In the event that the Company experiences financial problems or is likely to have problems, the Board of Directors shall ensure that the Company has a plan to resolve the problem or there are other mechanisms to resolve financial problems, bearing in mind the rights of stakeholders.
- The Board of Directors shall prepare a sustainability report as appropriate or at least reveal such information in the annual report of the Company.
- The Board of Directors shall supervise the management team to establish a unit or person in charge of investor relations to serve as a function of communicating with shareholders and other stakeholders such as investors and analysts in an appropriate, equitable and timely manner.
- The Board of Directors shall promote the use of information technology to disseminate the Company's important information, in addition to disseminating information according to the specified criteria through channels of the Stock Exchange of Thailand, for example through the Company's website.

Principle 8: Engagement of and Communication with Shareholders, including

- The Board of Directors shall ensure that the shareholders participate in considering and making decisions on important matters of the Company in accordance with the rights of shareholders.
- The Board of Directors shall ensure that the proceedings of the shareholders' meeting are held properly, transparently, efficiently and shall facilitate the shareholders to exercise their rights.

- The Board of Directors shall ensure that the disclosure of the meeting resolutions and preparation of the minutes of the shareholders' meeting are correct and complete.

In addition, the Company has established a code of conduct in business operation to show its intention to operate the business according to the principles of good corporate governance by adhering to the law, morality and to manage work with transparency and responsibility for stakeholders for sustainable business growth. Persons required to comply with this code of conduct are directors, senior executives, employees and workers, consultants, agents, or persons assigned to act on behalf of the Company or for the person mentioned above. The code of business conduct consists of:

Code of Conduct for Responsibilities towards Shareholders

The Company realizes the importance of protecting the rights of all shareholders, whereby no action would be taken that would violate or infer the rights of shareholders. The Company is further committed to conducting business to create added value for shareholders in the long term and treating all shareholders fairly and equitably. The Company has thus set a policy and disclosed to the public through various media of the Company to promote, support and facilitate shareholders to exercise their rights in various matters as appropriate. This includes basic legal rights and the right to receive important information, right to propose the agenda of the shareholders' meeting and nominating persons who should be elected as directors of the Company as well as the right to attend and vote in the shareholders' meeting. The guidelines for exercising such rights are regularly revised and developed for the best interests of shareholders.

The Company has a policy for all directors to have the duty to attend every shareholder meeting unless there is a reasonable necessity, and assigns the Company Secretary to be responsible for the proceedings of the shareholders' meeting to be held properly, transparently and efficiently to facilitate the shareholders at every meeting including allowing shareholders to exercise their rights.

Code of Conduct for Customers' Relationship

The Company is committed to creating satisfaction and confidence to its customers in getting good

products and services to meet desired quality and standards at an affordable price and to disclose complete, correct and timely news and information about products and services as well as to maintain a good and sustainable relationship and strict compliance with various conditions of customers.

In addition, the Company has set a system for customers and the public to make complaints about products and services as well as arranging customer satisfaction inquiries and summarizing the data for analysis by doing its best to give its customers and the public a quick response. The Company also attaches great importance to customer confidentiality by not using customer information for their own benefit and preventing wrongful use of related parties.

Code of Conduct for Relationship with Business Partners and Competitors

(1) Relationship with Trading Partner

The Company pays attention to the selection of trading partners, whereby the Company considers selecting potential and suitable suppliers according to the mission of the Company and dealing with all of them fairly and equitably following various conditions strictly, transparently and accountably. This includes avoiding doing business with suppliers that offer any dishonest interests, seeking solutions based on business relationships. In the event that conditions cannot be met, the Company shall promptly notify trading partners in advance to jointly consider finding solutions based on reasonable principles.

(2) Relations with Competitors

The Company has a policy to promote free and fair trade competition policy by competing in trade within the framework of fair competition. The Company shall not seek the competitor's confidential information through illegal, dishonest or improper means and shall not try to destroy the reputation of its competitors by making false accusation, being untruthful or unfair.

Code of Conduct for Responsibilities towards Employees

The Company pays attention to the development of potential, knowledge transfer and competence of employees by giving employees thorough and consistent opportunities, providing fair compensation to employees by taking their performance assessment into consideration. This includes the consideration

of appointment, transfer, reward and punishment of employees which must be done with equality, honesty and based on knowledge, capability and suitability. The Company shall listen to opinions and suggestions from employees at all levels equally and equitably and strictly comply with various laws and regulations involving employees without discrimination.

Code of Conduct for Social and Environmental Responsibilities

The Company has a policy to operate business with social and environmental responsibility by practicing and cooperating or control to strictly perform according to the spirit of the law and regulations issued by regulators as well as regulations and standards related to the environment, occupational health and safety. The Company shall consider alternatives to natural resource utilization with the least impact on the damage to society, the environment and the quality of life of the people and shall support the development of projects and activities that benefit society and the environment and shall continuously cultivate the awareness of social and environmental responsibility among employees at all levels.

In addition, the Company gives importance to transactions with trading partners who share the same intentions as the Company in regard to social and environmental responsibility. The Company is also a leader in promoting efficient use and conservation of energy for the benefit of future generations and gives importance to participation in community and social activities focusing on social, community and environmental development.

Code of Conduct for Treatment with Political Community

The Board of Directors, senior managers and employees should exercise their rights as good citizens in accordance with the constitution and other relevant laws. Everyone has the right to engage in political activities on his own behalf outside of office hours and not on behalf of the Company. The Company therefore has a requirement that directors, senior managers and employees are prohibited from participating in any activities that may lead to the understanding that the Company is involved in or supports a political party in any way and it is prohibited to use the Company's property for support of any political party.

Code of Conduct for Respect for Human Rights

The Company realizes the importance of respect for human rights and the Company and employees will treat each other with courtesy, respect and equality. Everyone has the opportunity to learn and develop to their fullest potential and has the liberty of expressing opinions so long as it does not infringe on the personal freedom of others. Therefore, directors, senior managers and employees have duties and responsibilities in promoting rights in accordance with social and international regulations in every respect where the Company conducts business to ensure that the operation of such business does not include any actions or omissions which violate human rights.

Code of Conduct for Conflict of Interests

The Company has a requirement that directors, senior executives and employees must not spend time or the Company's resources for personal business benefit and must avoid situations that may influence work or decision making or it may affect the loyalty that the person should have with the Company, for example, the use of a position in the Company for purchasing or hiring a family member, friend, or someone close to them and the use of positions in the Company to influence personal business interests, etc.

Code of Conduct for Intellectual Property and Copyrighted Work

The directors and senior executives shall be responsible for raising awareness among directors, senior managers, and all employees to honor and respect the intellectual property rights of others. The Company shall obtain permission from a person who legally owns the intellectual property prior to the use of said intellectual property of such person. The Company also aims to promote and support all employees to create innovations related to the business in new forms, having no duplicate works with trademarks, copyrights or patents of others. Employees shall be careful not to disclose or publish information and the Company's confidentiality to outsiders as well as not taking the Company's intellectual property to use for personal benefit or publicize without permission from the Company.

Structure of the Board of Directors

The Board of Directors

The Board of Directors comprises 12 persons, consisting of 4 independent directors, which is one third of the total number of the Company's directors. The independent directors of the Company must meet all the qualifications according to the notification of the Capital Market Supervisory Board and the requirements of the SEC and have the scope of duties and responsibilities as specified by the Stock Exchange of Thailand and possess all the qualifications and not have any prohibited characteristics under the Public Limited Company Act B.E.2535 (including amendments) or according to the rules prescribed by the SEC and other relevant laws.

Board Self-Assessment

According to the good corporate governance principle for listed company, it is suggested that listed companies' Board of Directors and Sub-committee members should assess their performance once a year. The assessment should be conducted as a whole and on an individual basis based on the self-assessment forms of the SET. The assessment result will be used as a framework for reviewing the performance of duties, problems and obstacles as well as bringing suggestions for improvement and further development of operations.

The Company has provided Board Self-Assessment Form in 3 sets of documents as follows:

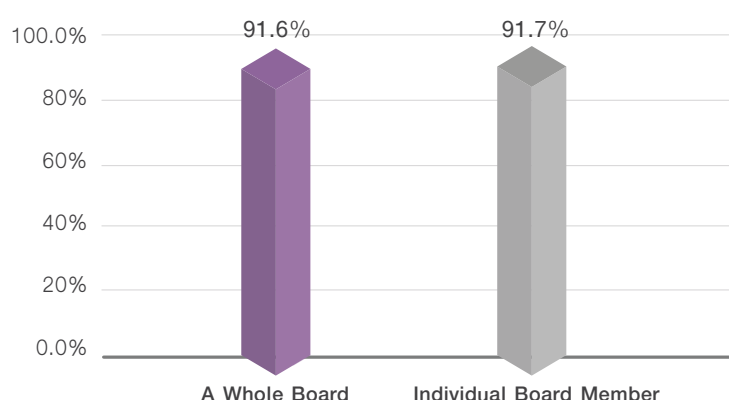
- **Document No.1 "Board Self-Assessment Form for the Board of Directors"**
To assess overall performance of the Board of Directors.
- **Document No.2 "Board Self-Assessment Form for the Board of Director by Individual"**
To assess appropriate responsibilities of the Board of Directors as individual.
- **Document No.3 "Board Self-Assessment Form for Director of Sub-Committees"**
To assess overall performance of the Sub-committees which were assigned by the Board of Directors

The Form comprises 2 parts including closed questions and open questions, therefore, the directors have to complete both parts. The topic in each assessment form including structure and qualifications of the Board, duties and responsibilities of the Board, meeting of the Board, duties of the directors, relationship with the executives, and directors' self-improvement.

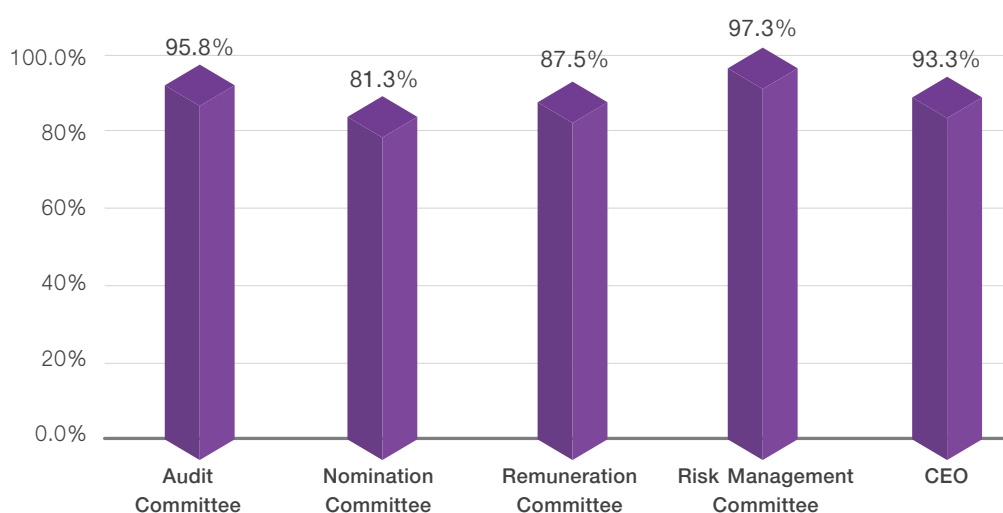
Company Secretary is responsible to collect board self-assessment forms. Scores will be averaged, and report will be prepared and submitted to the Board of Directors for acknowledgment.

For the year 2020, the summarized of assessment as follows:

Board of Directors' Self-Assessment Result



Sub-Committees and CEO's Self-Assessment Result



The Audit Committee

The Audit Committee consists of 3 independent directors who meet all the qualifications under the Securities and Exchange Law, Notification of the Capital Market Supervisory Board, including notifications, regulations and/or regulations of the Stock Exchange of Thailand with the criteria according to the announcement of the Capital Market Supervisory Board including the Stock Exchange of

Thailand. At least 1 member of the Audit Committee is required to be a knowledgeable director or have experience in accounting and finance who can review the reliability of the financial statements and must hold the following qualifications:

- (1) Having the qualifications as specified in the SET announcement on qualifications and scope of work of the Audit Committee.

- (2) Having the qualifications as that of an independent director who has the qualifications as specified in the Capital Market Supervisory Board Notification and related stock exchange announcements.
- (3) Not being a director assigned by the Board of Directors to make decisions on the business operations of the Company, parent company, subsidiaries, associate companies, major shareholders or the Company's regulator.
- (4) Having other complete and appropriate qualifications, in accordance with law or requirements of government agencies.
- (5) Not having any other characteristics that make him/her incapable of expressing independent opinions with regard to the Company's operations.

The Nomination Committee

The Nomination committee consists of 3 directors of the Company. Their responsibility is to determine the criteria and format for recruitment and selection of individuals to be nominated as a director, sub-committee members and the CEO with transparency in accordance with the good corporate governance policy to build confidence and credibility to stakeholders so as to add value and promote the sustainable growth of the Company.

The Remuneration Committee

The Remuneration Committee consists of 3 directors of the Company. Their responsibility is to consider the remuneration for the directors, sub-committees and the CEO with fairness and reasonable in accordance with good corporate governance policy to build confidence and credibility to stakeholders. This is to add value and promote the sustainable growth of the Company. In addition, an independent director was appointed to be Chairman of the Remuneration Committee.

The Risk Management Committee

The Risk Management Committee of the Company comprises of 4 directors who are responsible for determining the policy and risk management framework as a code of conduct within the corporate group. It also supports training, compiling data on and monitoring risks in order to raise awareness and understanding of the importance of risk management

and put it into practice so as to build confidence and credibility among stakeholders and to add value and promote sustainable growth of the Company.

The Executive Committee

The Executive Committee consists of 6 persons including 5 directors and the CEO. The responsibility of the Executive Committee is to direct the business policies, strategies, directions and goals for the best interest of the Company. It also follows up the Company's performance and progress of businesses and projects if it develops according to plans. This is to build confidence among stakeholders and to promote sustainable growth of the Company in sustainable manner.

Chief Executive Officer

Scope of Duties and Responsibilities of the Chief Executive Officer

- (1) To set out visions and directions for business, business policies and strategies, business targets including work plan and annual budgets for the Company and its subsidiaries and to determine management structure and powers to be proposed to the Executive Committee and/or the Board of Directors for further approval;
- (2) To communicate visions and directions for business, business policies and strategies that have been approved by the Board of Directors for the senior executives of the Company to adopt them as a framework in devising work plan and in managing business of each work unit;
- (3) To supervise the business operations of the Company to be in compliance with work plans and laws, rules and regulations of relevant regulatory agencies including regulations and the Company's Articles of Association and to achieve both targeted financial and non-financial operating results;
- (4) To follow up on, monitor and supervise operating results of the Company, its subsidiaries and to report the same to the Board of Directors of the Company in every quarter, and to identify new business opportunities and to be in charge of business development of the Company and its subsidiaries;

- (5) To approve expenses and remunerations payable under the budget, work plan and framework approved by the Executive Committee and/or the Board of Directors and the Table of Authority that has been approved by the Board of Directors of the Company;
 - (6) To have the power to issue orders, regulations, announcements, memorandum and rules to ensure compliance with policies for the benefit of the Company and to maintain work disciplines within the organization;
 - (7) To ensure that the Company puts in place an appropriate internal control system in accordance with guidelines given by the Audit Committee and/or the Board of Directors of the Company;
 - (8) To ensure that the Company puts in place an appropriate risk management and control in accordance with guidelines given by the Risk Management Committee and/or the Audit Committee and/or the Board of Directors of the Company;
 - (9) To be in charge of the overview of human resources management of the Company;
 - (10) To consider and approve the employment, termination of employment, promotion, disciplinary action, relocation, adjustment to work ranking, increase in salary or adjustment to salary rates, to consider merits of the Company's employees and to be responsible for the management of these persons in accordance with the directions given by the Executive Committee subject to the budget approved by the Board of Directors of the Company;
 - (11) To approve the engagement of advisers that are necessary for the operations of the Company's business in accordance with the Table of Authority that has been approved by the Board of Directors of the Company and to comply with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand;
 - (12) To represent the Company in the public relations of the Company particularly with respect to the enhancement of networks and good image of the organization both nationally and internationally;
 - (13) To promote appropriate and regular communication with shareholders and to ensure that disclosures of the Company are transparent and meet relevant standards;
 - (14) To have the power to sub-delegate and/or to assign other persons to perform certain task on behalf of the Chief Executive Officer. Such sub-delegation and/or assignment shall be within the scope of powers provided under the relevant Powers of Attorney and/or shall be in accordance with rules, regulations or orders given by the Board of Directors and/or sub-committee and/or by the Company.
- The assignment of powers, duties and responsibilities of the Chief Executive Officer or any persons delegated by the Chief Executive Officer shall not result in the Chief Executive Officer or persons delegated by the Chief Executive Officer being able to approve transactions in which they or persons with possible conflict of interests (as defined under the Notification of the Securities and Exchange Commission and/or the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant regulatory authorities) may have a conflict of interests or may benefit in any way or may have such other conflict of interests with the Company or its subsidiaries. Exception is in case where the approval is for transactions that are in compliance with the policies and requirements approved by the meeting of shareholders or the Board of Directors of the Company, which are for the normal course of business and have normal commercial terms in compliance with the Notifications of the Securities and Exchange Commission and/or the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant regulatory authorities.
- (15) To perform such other tasks and duties that are assigned by the Board of Directors and/or sub-committees subject to rules and regulations and the Articles of Association of the Company, securities law and relevant notifications, regulations and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Performance Evaluation of Chief Executive Officer (CEO)

The Company conducts the performance evaluation of the CEO by the Board of Directors or delegated person by the Board of Directors on an annual basis using the adapted format of the Stock Exchange of Thailand after adjusting some information to be consistent with the Company's data for better understanding and ease of doing. The evaluation form contains 3 sections as follows:

Section 1 "Progress of Operation Plan" to evaluate performance against targets and business progress

Section 3 "Development" to evaluate key strengths of the CEO and high-level executives and improvement issues for next year.

Results of the evaluations of the CEO will be reported to the Board of Directors for their acknowledgement.

Nomination and Appointment of Directors and Top Executives

In selecting directors and the Chief Executive Officer of the Company, the Nomination Committee is responsible for selecting qualified persons to serve as directors, members of committees and sub-committees and the Chief Executive Officer of the Company and the Remuneration Committee is responsible for considering the remuneration structure, work compensation models and criteria, including the determination of compensation, awards, bonuses and salary increases for directors, members of sub-committees and the Chief Executive Officer for recommendation to the Board of Directors and/or proposal to the shareholders' meeting for further approval.

Succession Plan

The Company has set a career progression plan for employees at the management level, i.e. employees in executive positions as defined in the SEC Notification No. Kor Jor. 17/2551 regarding the Definition of the Issuance and Offering of Securities and employees in critical positions. This process is referred to as "Succession Management" through 2 main steps as follows:

(1) In designating or proposing successors, an evaluation will be conducted in 2 important parts:

- 1) Performance appraisal and

- 2) Assessment of potential based on leadership competency and behavior consistent with the Core Value of the organization.

Successful candidates who pass the evaluation will be regarded as High Potential Talent and will be developed appropriately so as to be prepared to be in leadership roles of the organization in the future. Selection of candidates from existing employees is given priority; however, if a successor cannot be obtained from within the Company, it will recruit suitable persons from outside.

(2) Succession Slate

All critical positions will have at least 1 potential successor. Such designated person must have similar qualifying traits or qualifications which match the critical position and a readiness to assume such position immediately and /or will be ready in the next 1-2 years

(3) Development Plan

The Company has set a career development plan and individual development plan which consist of leadership development, migration of jobs, duties and responsibilities, and a special project assignment to ensure that this successor pool is ready to replace incumbent position holders in the designated position. This successor slate will be reviewed annually.

Policy on Supervision and Corporate Governance of Subsidiaries and Associate Companies

The Company establishes a corporate governance policy for the supervision and management of subsidiary and associate companies. The objective is to define direct and indirect measures and mechanisms for the Company to be able to supervise and manage the affairs of its subsidiaries and associate companies, including monitoring and supervising their compliance with said measures and mechanisms as if they are the Company's own units, and in accordance with the Company's policy Including public company laws, the Civil and Commercial Code, Securities Law and other related laws and notices, relate rules and regulations of the Capital Market Supervisory Board, the SEC and the SET in order to protect the interests of the Company's investments in such subsidiaries and associate companies, details of which are as follows:

- (1) The Company will assign someone to represent the Company as a director in each subsidiary and/or associate company according to the percentage of shareholding in each company to supervise said subsidiaries and/or associate companies to act in accordance with the relevant laws, good corporate governance policy, as well as other policies of the Company. Such assignment in each subsidiary and/or associate company must be considered and approved by the Board of Directors' meeting, taking into account the suitability of each company.
- (2) If entering into the transaction or any operation of a subsidiary falls into or is deemed an acquisition or disposition of assets under the Notification on Acquisition or Disposition of Assets or a connected transaction according to the relevant connected transaction announcements, the Company has the duty to seek approval from the Board of Directors' meeting and/or seek approval from the shareholders' meeting of the Company, or seek approval from the relevant authorities according to the law before entering into the transaction. Therefore, subsidiaries may enter into the transaction or proceed with said operation only upon the completion of the approval process of the Board of Directors' meeting and/or the shareholders' meeting of the Company and/or related agencies (as the case may be).

In addition, if in entering into the transaction or there is any event of the subsidiary resulting in the Company having to disclose information to the Stock Exchange of Thailand in accordance with the rules prescribed in the relevant notifications thereof, directors representing the Company on the board of directors of the said subsidiary have a duty to notify the Company's management immediately upon becoming aware that the subsidiary plans to enter into the transaction or if such an event occurs.

- (3) The board of directors and management of each subsidiary and/or associate company will have the scope of important authority and responsibility under the relevant laws that require such acts as disclosing information on financial status and operating results to the Company. In this regard, the relevant announcements of the Capital Market Supervisory Board and the

notifications of the Stock Exchange of Thailand shall apply mutatis mutandis. Also required is disclosure and submission of information on personal interests and interests of related persons to the Board of Directors so that it is aware of the relationship and transactions with the Company, subsidiaries and/or associate companies that may create a conflict of interest and avoid such transactions that may lead to conflicts of interest.

- (4) The Company will set up a plan and take necessary actions to ensure that the subsidiaries and/or affiliates disclose information on operating results and financial status to the Company and the Company will take necessary actions and monitor the subsidiary and/or associate companies to have an information disclosure and internal control systems that are adequate and appropriate in their business operations.

In addition, the Company will closely monitor the operating results and operations of the said subsidiary and/or associate company and present the results of analysis as well as express opinions or recommendations to the Board of Directors of the Company and the board of directors of the subsidiary or associate company for use in considering policy formulation or enhancement to promote the business of subsidiaries and/or associate companies for continuous development and growth.

Supervision of the Use of Inside Information

The Company and its subsidiaries operate their business with transparency and realize the importance of the use of inside information. In order to comply with the Securities and Exchange Act, including various regulatory requirements, the Company has set policies for the use of inside information and methods to prevent directors, executives including those holding executive positions in accounting or finance who are department managers or higher or equivalent, and employees of the Company and subsidiaries from using confidential and/or inside information of the Company and subsidiaries which has not been disclosed to the public, for their personal benefit or the benefit of others, either directly or indirectly, and regardless of whether they are rewarded or not, including the use of such information for trading in the Company's securities.

Practical Guideline

- (1) The Company will educate its directors and executives regarding the obligation to prepare and disclose reports on holding and changing securities holding of (a) themselves, (b) their spouse or common law partner, (c) minor children, and (d) any juristic person that they, their spouse or common law partner and underage children hold shares in aggregate more than 30.0 percent of the total voting rights of such juristic person and such shareholding is the largest proportion in that juristic person, to the SEC under Section 59 of the Securities and Exchange Act, and related SEC notifications, as well as providing knowledge on reporting the acquisition or disposal of securities under Section 246 of the Securities and Exchange Act and the relevant Capital Market Supervisory Board announcements.
- (2) The Company requires its directors and executives to prepare and submit reports on the holding and changing securities holding of (a) themselves, (b) their spouse or common law partner, (c) underage children, and (d) any juristic person which they, their spouse or common law partner and underage children hold shares in aggregate of more than 30.0 percent of the total voting rights of such juristic person, and such shareholding is the largest portion in that juristic person according to the Securities Holding and Changing of Securities Holding Report under the format specified by the SEC. Such report is required to be provided to the Company Secretary every time on the same day as the date of submission of the said report to the SEC. The preparation and timing and method for submitting said report shall conform to the criteria specified in the Securities and Exchange Act and related SEC announcements. The company secretary will prepare a report to the Board of Directors on a quarterly basis.
- (3) The Company prohibits directors, executives and related workers, including persons who are presumed to know or possess inside information under the Securities and Exchange Act who have access to inside information that has not yet been disclosed to the public and are aware that said information may affect the price or value of the securities, or may affect

investors' decision to buy or sell the Company's securities, or may cause damage to investors who wish to invest in the Company's securities, from using the aforementioned information for buying, selling, offering to buy, offering for sale, or persuading others to buy, sell, offer to buy or offer to sell the Company's securities, either directly or indirectly. Such actions (in exploiting insider information), regardless of whether they were done to gain any benefits for themselves or others, or whether disclosure of such information to allow others to do so rendered benefits in return or not. Moreover, directors and executives and related employees, including their spouse or common law partner and the underage child of such person must suspend the purchase, sale, offer to purchase or offer for sale or persuading other persons to buy, sell, offer to buy or offer for sale of the Company's securities, either directly or indirectly, in the period before the release of the financial statements, annual and quarterly financial results or information about the Company's financial position and status until the Company has been able to disclose such information to the public. The Company will notify in writing to directors and executives and related workers, including others who are presumed to know or possess inside information, that trading in the Company's securities is not allowed for at least 1 month prior to public disclosure and they should wait at least 24 hours after the information is disclosed to the public to be able to proceed with the above transactions. This written notification will also prohibit the disclosure of such material information to other persons by any means.

- (4) The Company requires the directors, executives and employees of the Company and its subsidiaries to keep commercial-in-confidence and/or inside information of the Company and its subsidiaries confidential, as well as the confidential information of the Company's trade partners and subsidiaries which have become known to them from their duties. Moreover, they are prohibited from taking advantage of said information in any way, even though the disclosure thereof will not cause any damage to the Company, its subsidiaries or business partners.

- (5) The Company prohibits directors, executives and employees of the Company and its subsidiaries from disclosing inside information of the Company and its subsidiaries, and from using their positions in the Company and/or its subsidiaries to wrongfully exploit by any means the inside information or information that is material to the operation which has become known to them while working in the Company and/or its subsidiaries that has not been disclosed to the public, or disclose said confidential information to third parties for their own benefit or for someone else's benefit, either directly or indirectly, regardless of whether the person receives any benefit in return or not.
- (6) The Company has established a procedure for punishing personnel who fail to comply with its policy on inside information usage. If there is a violation of the use of inside information for one's personal benefit or for the benefit of others, either directly or indirectly, and whether it will entail either direct or indirect reward or not, will be considered a disciplinary offense according to the regulations set by the Company or a legal offense punishable by law, whereby the penalty will be based on the intent of the action and the seriousness of the offense.

Applying the Code of Good Corporate Governance 2017 for Listed Companies

The Company has adopted the Code of Good Corporate Governance 2017 for listed companies of SEC as well as the Board of Directors has a process to review this Code of Good Corporate Governance 2017 for listed companies and apply to be suitable for the Company's business least once a year to cover and keep up with the important developments in good corporate governance that are constantly changing.

Auditor Remuneration

Audit Fee

For the year 2020, the auditor from EY Office Company Limited performed the audit of balance sheets and income statements for the Company. Mr. Supachai Phanyawattano, the auditor with CPA No. 3930, was qualified without any prohibited quality according to criteria of the Stock Exchange of Thailand.

The Company paid for audit fees for the year 2020 at the total amount of THB 3.21 million.

Moreover, SDME, a subsidiary of the Company has appointed Ernst & Young Hua Ming LLP Shanghai Branch to be auditor for the year 2020 and paid for audit fees at the amount of RMB 0.11 or THB 0.5 million (calculated from the Company's averaged currency exchange for the year 2020 which is THB 1 equal to RMB 4.61).

In addition, STU has appointed Cherry Bekaert LLP to be auditor for the year 2020 and paid for audit fees at the amount of USD 0.03 or THB 0.89 million (calculated from the Company's averaged currency exchange for the year 2020 which is THB 1 equal to USD 31.26).

However, the persons or businesses related to the auditors and the audit firms the auditors belong to above are not persons or businesses related to the Company and its subsidiaries in accordance with the Accounting Standards on Disclosure of Related Person or Business.

Non-Audit Fee

The Company and STU has paid non-audit fees for the fiscal year ended 31 December 2020 to EY Office Company Limited and Cherry Bekaert LLP in the amount of THB 0.66 million and USD 0.05 million or in estimated of THB 1.42 million respectively (calculated from the Company's averaged currency exchange for the year 2020 which is THB 1 equal to USD 31.26).

INTERNAL CONTROL AND RISK MANAGEMENT



Opinions of the Board of Directors on the internal control system of the Company and its subsidiaries

The Company recognizes the importance of the internal control system. Therefore, the Board of Directors has appointed the Audit Committee as an independent committee to support and act on behalf of the Board of Directors, regarded as an important tool for good corporate governance to ensure that the operations of the organization are compliant with legal and regulatory requirements and in line with the code of conduct, as well as maintaining an effective internal control system without conflicts of interest and corruption. The Company has set up a process to review and follow up on the effectiveness of its internal control system and provided sufficient personnel for the implementation of the said system, including monitoring and supervising the operations of the Company and its subsidiaries to ensure that the Company and its subsidiaries have appropriate internal control and internal audit systems that are efficient and effective.

At the Board of Directors' meeting on 16 February 2021, attended by 3 members of the Audit Committee of the Company, the Company considered and assessed the adequacy of the current internal control system of the Company and its subsidiaries according to the sufficiency assessment form of the internal control system of the SEC including inquiring information from the management and related departments of the Company and its subsidiaries regarding the adequacy of the Company's internal control system. The Board of Directors gave the opinion that the Company and its subsidiaries have internal control and internal audit systems that are appropriate and sufficient for the size of the business, able to protect the assets of the Company and its subsidiaries from loss or use by unauthorized persons, able to handle significant risks and assist in accounting and financial reporting of the Company and subsidiaries to ensure accuracy, that information disclosure thereof is correct, complete, adequate and reliable, and that management and employees of the Company and its subsidiaries adhere to the

established internal control system. 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 Company has evaluated the internal control system based on the international standards of COSO 2013 (The Committee of Sponsoring Organization of Treadway Commission), which defines key five components for internal control as follows:

1. Control Environment

The Board of Directors' Meeting No. 4/2019 held on 24 July 2019 approved various policies of the Company including the good corporate governance policy, code of business conduct and anti-corruption policy in writing. In this regard, there are guidelines related to ethics, transparency, fair treatment of all related persons, anti-corruption as well as the best practices of directors, executives and employees in the aforementioned policies which published through the Company's communication channels such as e-mail, announcements, and Microsoft Office 365 system, etc. Also, there is a whistle blowing policy, which defines the process, method and channel to make complaints to the Company including protective measures for claimer who is in good faith. This will be a tool that enables violations to be detected within the appropriate time. If it is found that any executives or employees behave violations manner, they will be considered to be further investigated and in disciplinary process as outlined in the work regulations.

The Company has established roles, duties and responsibilities of the Board of Directors, Audit Committee and Chief Executive Officer in writing under the charter of the Board of Directors Charter, the Audit Committee and scope of duties and responsibilities of the Chief Executive Officer.

In addition, human capital development policy and succession plans have been established for manage human resources management

as well as designated the Human Resources Department in order to manage human resources of the Company systematically, determine/ review the success of the work, career path and development plans for employees and workers in each year.

2. Risk Assessment

The Board of Directors value and support the risk management system as a business importance. Risk management committee is responsible to review the policies and oversee the effectiveness of the Company's risk management system. The risk management also consider internal and external environment that may cause business at risk and negative impacts to the Company, therefore continuous risk assessment and monitoring are required. In addition, there is a regular management meeting to evaluate the situation and select appropriate strategies to cope with any possible risks that may occur continuously.

3. Control Activities

The Company establishes internal controls at all levels of the organization including the establishment of delegation of authority as well as duties and responsibilities of the Board of Directors and the Executive Committee. There are organizational structure and management structure to define a chain of command, set appropriate authority and level of authorization. The subsidiaries have separated the duties that may facilitate corruption. There are employee regulations and work manual / regulations that are important to each department. The department manager is responsible for controlling the implementation to be accordance to the internal control system. Moreover, there are quality management system that has been certified by ISO 13485: 2016 / ISO 9001: 2015 / ISO 22000: 2005.

The Company has set the annual operating goals by determining the clear core value, vision, mission, and business growth ratio as well as 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.

4. Information and Communication

The Company provides appropriate information technology both the Internet Website (www.sritranggloves.com) and the Company's Microsoft Office 365. The Internet Website is a communications channel for shareholders, investors, and other external parties to receive the Company's significant information regularly as well as be another channel for shareholders, investors, and other external parties to ask questions or give comment.. For Microsoft Office 365, it is internal communication within the group company, which make communication accurately, quickly, and thoroughly as well as to publish or share any knowledge that enhance the Company's operation to be effective and efficient.

5. Monitoring Activities

In 2020, the Company had adopted the monitoring and evaluation system by using the Key Performance Indicators (KPIs) as the performance measurement tools in each business unit in order to ensure that each department continuously aligned with the Company's goals throughout the organization and have regularly and continuous follow up.

Furthermore, the Company specified that the internal audit department, which directly report to the Audit Committee, responsible to audit and evaluate internal control of the Company and its subsidiaries to be aligned to the internal audit plan. Defects or problems in the internal control systems of the Company and its subsidiaries should be directly reported to the Audit Committee

in order to improve or solve that problems quickly as well as follow up and report the status of such improvement to the Audit Committee and Executives. In case that the defects or problems cannot be solved as recommendations of the internal audit department or the Audit Committee, the internal audit department will consult with the executives to set another direction in internal control systems that can solve such problems.

Head of the Company's Internal Audit Department

The Audit Committee meeting on 19 July 2019 has approved the appointment of Ms. Narungsri Chiranakorn as Head of the Internal Audit Department and stated its opinion that Ms. Narungsri Chiranakorn is suitable to perform the duties as the head of the Company's internal audit department effectively due to having educational background, operational experience and having received training in courses related to the performance of internal auditing.

In this regard, the appointment, transfer and dismissal of the head of the Company's internal audit department must be approved by the Audit Committee. The qualifications of the head of the Company's internal audit department appear in topic of Directors and Executives Information.

Currently, the Company's internal audit department comprises 1 departmental head and 3 internal audit staff members. One of our internal audit personnel have already earned Certified Professional Internal Audit of Thailand (CPIAT) and one of our internal audit personnel have already registered for the Information Technology Professionals Examination program (ITPE) and the Personal Data Protection Certificate (PDPC) Module: ICDL Data Protection. In addition, to ensure the internal audit plan of the Company efficiently covers the internal audit of the Company and its subsidiaries, the internal audit department will report its audit results according to the internal audit plan to the Audit Committee at least once in a quarterly basis.

Risk Management

Risk management is an importance process to manage uncertainties of business. The Board of Directors have assigned the Risk Management Committee to be responsible for manage the risk of the organization under ERM framework (Enterprise Risk Management) together with any standards in order to support business operation. This is to support strategic and business management and business and risk planning to meet overall business achievement. The Company encourages all employees to be responsible for risk management under their own functions with their own mindset as a corporate culture which ERM standard is consist as;

1. Strategic Risk
2. Operation Risk
3. Financial Risk
4. Compliance Risk

From the 4 main risks is included internal and external factors that impact to overall business with the possible trends and support operation to achieve goals.

In addition of the risk management framework above, the company recognizes the importance of warning signs system which is developed in order to monitor and evaluate risk management more effectively and comply with SET good governance. The warning signs system will identify the risk warning in core business e.g. production system, quality system, logistic system and cost management etc. and purpose to top executives in each function to acknowledge and continuously be cautious for the problem solving and control risk in an acceptable level under suitable conditions.

Risk management department on behalf of secretary of the Risk Management Committee has obtained the information of risks and warning signs include others the important data and reported to the Risk Management Committee and the Board of Directors on regular basis in order to meet the rules and regulations of the SET.

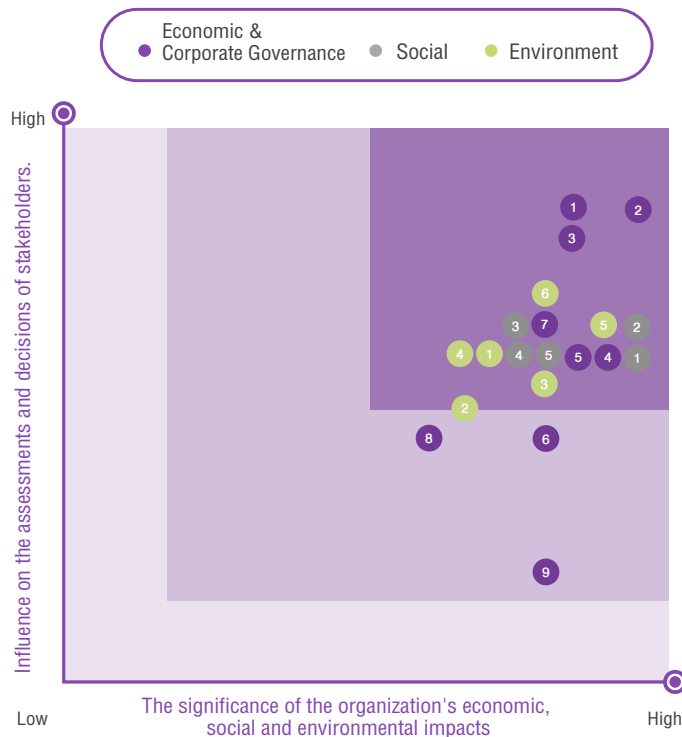
During 2020, the Company has to set up the BCM Steering Committee in order to develop and implement Business Continuity Management (BCM) which consists of CEO, CFO, top management from various departments and risk management department in order to prepare necessities to tackle any crisis and manage the business effectively with continuity and least disruption in line with international standards. This is also to ensure all stakeholders that the Company would be able to deal with any crisis and continue to deliver its products as committed. The Company targets to have effective and efficient BCM under international standards being developed and implemented in 2021 onwards.

In addition, Covid-19 has caused the Company to adapt its business operation in many aspects, for instance; virtual supply chain management both with suppliers and customers, communication through video conference in the organization, virtual meeting through Microsoft team program, Google Meeting and Zoom. The Company also sets up detailed procedures as protocols to immediate execution without chaos to handle such crisis. This includes manpower arrangement in case of workplace needs to be relocated, working system in case that certain functions/jobs are not able to perform their duties. IT department also developed its own program to track the travelling for the risky group and zone for Covid-19 prevention and detection in order to minimize risk to its staff and affect no or least business disruption.

CORPORATE SOCIAL RESPONSIBILITY

The Company operates business in accordance with the principle of good corporate governance, transparency and accountability. The Company strives towards the balance between business development and the economy, the society and the environment. The Company and its subsidiaries are committed to being the role model for the society in sustainability and to manage the business to achieve a strong growth and social recognition based on ethics and the principle of good corporate governance. The Company aims to efficiently generate returns for its shareholders taking into consideration the impact of its business operations on stakeholders of the Company.

The Company has identified and prioritized material issues which effect to business in order to find the right approach and set a proper management plan. The important issues from the analysis and ranking were verified by the working group and presented to the Board of Directors to approval for disclosure in the Sustainability Report 2020. The materiality issues are as follows:



Economic & Corporate Governance

1. Code of conduct and Good corporate governance
2. Anti-corruption
3. Good performance and continuous growth
4. Good and consistency remuneration
5. Risk management and Business continuity
6. Customer relations
7. Responsible for procurement
8. Supplier Development
9. Research and development

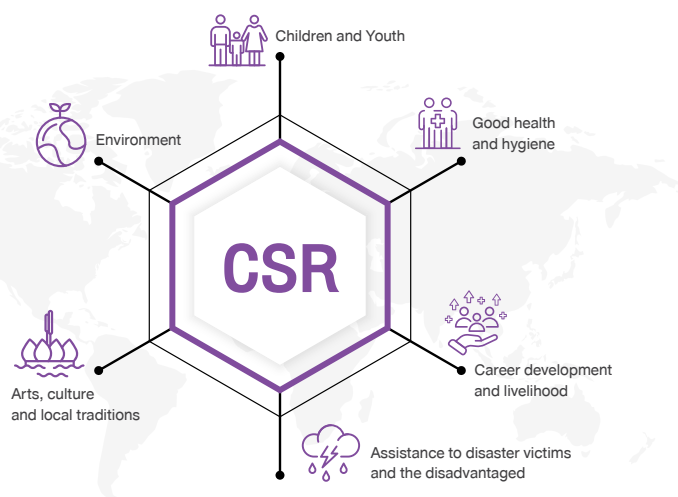
Social

1. Development and Employees' care
2. Occupational Health and Safety
3. Complaints management
4. Supporting and Participation with community
5. Product and Services

Environment

1. Environmental Impact
2. Energy Consumption
3. Greenhouse gas emission
4. Water Consumption and Waste Water Treatment
5. Air Emission
6. Waste Management

The Company attaches importance to participating in the development of the community and society to together with growth of business operation. This is achieved through various activities and projects initiated by the Company to meet the expectations of stakeholders as follows:



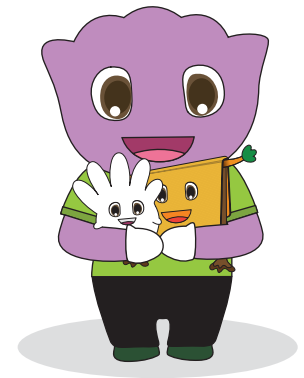
Children and youths

• Annual Children's Day

The Company believes that good children and youths are the future of the nation. The Company therefore takes part in promoting and developing children to be physically, mentally, emotionally, socially and intellectually healthy every year in each of the Company's branches by supporting various agencies in organizing events, including Children's Day events for children in the communities where the Company is located. In 2020, details of such events are as follows:

- Hat Yai branch and Surat Thani branch organized the National Children's Day event under the concept of "How to Discard", how to manage waste to save the world, with games such as "DIY cloth bag activity" - letting children decorate their imaginary fabric bags, "Garbage separation game booth" - inserting knowledge of waste separation into 4 categories: general waste, recyclable waste, hazardous waste, organic waste and "Saleng shop booth" aiming to teach children the value and benefits of waste separation, including how to do it correctly, with free food and drinking water provided throughout the event.

- Surat Thani Branch joined in organizing the National Children's Day activity at Kanchanadit Sub-district Municipality, providing game kiosks, giveaways, various activities on stage and food kiosks free of charge throughout the event.



- Trang Branch supported educational equipment and bicycles to be used for the National Children's Day activities for Bang Mak Sub-district Administrative Organization, Khuan Thani Sub-district Administrative Organization, Khuan Pring Sub-district Administrative Organization, schools in the neighborhood include Ban Bang Mak Yai School, Wat Khuan Thani School, Napor School and Kantang District Police Station A total of 90 sets of educational equipment and 11 bicycles are included.





- **“Volunteer to Paint, the Youngsters’ Dreams”**

On November 11, 2020, the Company, in collaboration with Wat Khuan Thani School, Khuan Thani Municipality and people of the community organized an activity to paint the walls of Wat Khuan Thani School, Kantang District, Trang Province, which was in disrepair to be bright as new again as well as helping to clean inside the school to be more beautiful and clean.

- **Support fund to build a playground
"Follow in the footsteps of the King"
Ban Phru Yai School**

On November 27, 2020, the Company donate fund to construction of a playground to be used for further development and enhancement of the educational quality of Ban Phru Yai School.



Career development and livelihood

In addition to job creation by recruiting people in the community to work, the Company places great emphasis on promoting and creating careers for the people in the community based on the needs and capabilities of the community to create a better life as follows:

- **Organic Self-Sufficiency Farming Project**

In 2018, the Company encouraged the organic farming group of Ban Ngong community, Phatong sub-district, Hat Yai district, Songkhla province to grow organic vegetables, cultivate mushrooms and make herbal drinks to create an occupation for the community according to the sufficiency economy guideline following the footsteps of King Bhumibol Adulyadej the Great. In 2020, the project can generate income for the community totaling over THB 400,000 in 3 years. Members also share 10 percent of their income to care for the disadvantaged elderly in the community.



- **Project to promote and support community occupation**

The Company has a policy to promote and support the community where the factory is located by purchasing goods and services from the community to use in the Company's activities such as food, snacks, beverages, New Year's gift baskets from Ban Yan Yao community, in Phathong Sub-district which in 2020, generated income of THB 27,456 for the community.



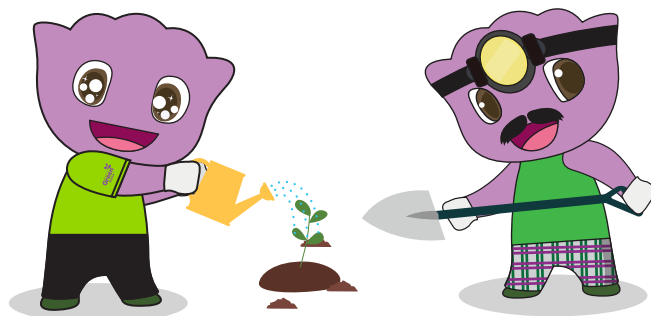
- **Development of the Khao Mai Daeng Village Hall**

Employees of Surat Thani Branch together with villagers in Khao Mai Daeng Village, Village No. 7, Phlai Wat Sub-district, improved the landscape of the village pavilion and repaired damaged electrical equipment such as plugs, lights, wall fans to make them ready for use in village activities. The Company also installed fire extinguishers and organized safety training for the village committee so that they can respond promptly to any fire emergency.



- **Road Safety for the Community Project**

On December 15, 2020, the Company joined villagers in Khlong Pratu Village to repair the damaged village road which had made travelling difficult and dangerous by supporting the budget of THB 5,000 to purchase ready-mixed concrete, which helped repair the 1-kilometer damaged road.



- **Bright Road Project 2**

Company employees collaborated with volunteers in Bang Mak Sub-district and Khuan Pring Sub-district to adjust the landscape on both sides of the Strategic Road by cutting grass, collecting garbage and cleaning roads under the Project “We Do Good by Heart” in honor of His Majesty King Maha Vajiralongkorn. Such activities are considered to unify the community and build a good relationship between the factory and the community for sustainable coexistence.



Good occupational health and hygiene

The Company takes into account the health and safety of people in the community and society. Therefore as a representation of this concern, it provided rubber medical gloves to communities and various organizations for use in ensuring safe exposure, such as at the Blood Donation Center, Thai Red Cross Society, Tambon Health Promotion Hospital, University, Por Taek Tung Foundation, Soi Dog and Rak Maew Foundation etc.

- **Support for Volunteer Veterinary Camps and Animal Rescue Foundations**

The Company provided support in conducting a volunteer veterinary camp for students and organizing activities for sterilization of cats and stray dogs and rabies vaccination. In 2020, when the world suffered the COVID-19 pandemic, the Company donated medical gloves to help hospitals and various agencies, both in Thailand and abroad, totaling THB 2,000,000.



- **1 million medical gloves donated to the Chinese government**

The Company donated 1,000,000 medical gloves to the Shanghai Charity Foundation to be passed on to the Ministry of Public Health, People's Republic of China, 15 hospitals and related institutions to be used in patient care and prevention of staff infection from the outbreak of the novel coronavirus (COVID-19).



- **Donated 1 million medical gloves to the Ministry of Public Health**

On February 25, 2020, Sri Trang Group delivered 1,000,000 pieces of medical gloves to the Ministry of Public Health, with Dr. Sukhum Kanchanaphimai, Permanent Secretary of the Ministry of Public Health. Along with the senior management of the Ministry of Public Health representing the Office of the Permanent Secretary, Ministry of Public Health. The donated medical gloves were to be handed over to hospitals and agencies involved in the monitoring and control of the novel coronavirus (COVID-19) outbreak.



- **Medical gloves donation to support the blood donation project of the Thai Red Cross**

The Company provided medical gloves to the Mobile Blood Donation Unit of the Thai Red Cross Society at Park Ventures Ecoplex, Wireless Road, Lumpini Sub-district, Pathumwan District, which has been held every 3 months since 2015. In 2020, the Company has donated 80 boxes or 8,000 rubber gloves to the Thai Red Cross Society.



- **Donated medical gloves to Songkhla, Trang and Surat Thani provinces**

The Company donated 100,000 pieces of rubber medical gloves each to the governors of Songkhla, Trang and Surat Thani provinces to be provided to hospitals and agencies involved in the supervision and control of the new coronavirus (COVID-19) pandemic in the respective province.



- **Blood Donation Project**

The Company organized activities for employees to donate blood with mobile blood donation units of the Thai Red Cross Society every 3 months, both at Bangkok branch, Hat Yai branch, Surat Thani branch and Trang branch to support the Thai Red Cross' blood supply service to replace blood that is used as a result of various incidents to save lives, this activity also encourages employees to be generous to others and to improve their health.



- **Support for the unity football match Kantang District Police Station**

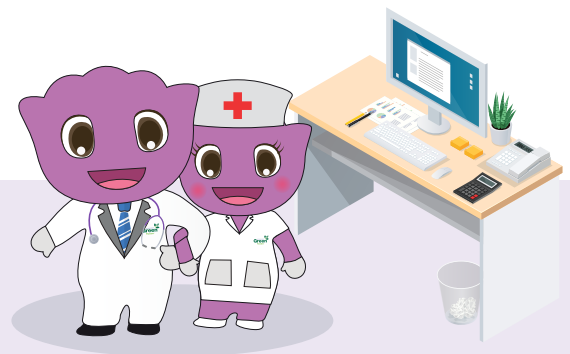
Trang Branch donated 5,000 baht to support the unity football match to the Kantang District Police Station.

Assistance to disaster victims and the disadvantaged

The Company provides assistance to disaster victims and the disadvantaged in society, both in the country and abroad, by providing assistance and relief in various forms such as job creation, participation by employees in relief activities, providing budget to help donate sustenance bags, donation of Sri Trang drinking water and medical gloves to frontline organizations providing direct assistance, as well as providing assistance through customers and company partners through donations and projects as follows:

- **Employment contract extension and capacity building of the disabled project**

In December each year, the Company in collaboration with the Handicap Employment Coordination Center, Hat Yai Hospital arranges activities to renew the employment contract for disabled workers and celebrate the New Year for disabled employees. In addition to helping to build careers and income, the Company also attaches importance to the development of the disabled employees employed by the Company to have self-confidence, be assertive and able to live happily with others in society.



- **"Sharing Love to Chronic Patients" Project**

In 2018, the Company joined the Social Work Unit of Songkhla Hospital and Tambon Health Promotion Hospital to provide essential items to patients and medical rubber gloves for use in the treatment process, with representatives of the Company joining hospital staff and village health volunteers in the field every 6 months to monitor the symptoms and progress of patients. In 2020, the Company had additional partners in the project, namely Rubberland Products Co., Ltd., Phatong Chalm Prakiat Health Center and the Songkhla Province Industry Network. There are currently 25 patients receiving assistance in the project, which can help reduce the cost to patients by THB 43,806.



- **"Sharing Kindness to Fight the Flood" Project**

- On June 14, 2020, the Company donated a flat boat to Phatong Sub-district Administrative Organization to be used as an emergency vessel to help the more than 1,300 households in the area of Phatong Municipality, Songkhla Province in the event of floods with a total budget of THB 162,300.



- On December 2, 2020, the Company tested response preparedness for the employee and community assistance plan in the event of flooding by setting up a 24-hour support team and preparing 100 sets of survival bags.



- On December 04, 2020, the Company donated survival bags to villagers in Village No. 7, Phlai Wat Sub-district, Kanchanadit District Surat Thani Province



- On October 17, 2020, the Company went to the area to donate survival bags, as well as ready meals, consumer goods, necessities, medicine and drinking water, etc. to flood victims at Trang River Community, Ban Binyi, Khuan Thani Sub-district, Kantang District, Trang Province.



- "Sharing the Touch of Love" Project**

In addition to providing rubber medical gloves, the Company has provided assistance to surrounding communities by distributing bento food boxes to COVID-19 affected people in Phathong Sub-district and Sadao District, Songkhla Province.



Arts, culture and local traditions

The Company supports local culture and traditions in every community where its factories are located by co-hosting Kathin ceremonies, participating in the Phapa offering ceremonies, as well as building improvements In order to preserve the good culture and traditions of that local area.

- Participation in Kathin Ceremony**

The Company participated in the Kathin ceremonies around the Company, including at Wat Thung Lung, Wat Khuan Niang, Wat Thung Prue and Wat Muang Kong in Phatong Sub-district, Hat Yai District, Songkhla Province.



- **Buddhist Lent Candle Offering**

On July 4, 2020, the Company gave Buddhist Lent candles to nearby areas, including areas of the Sub-district Administrative Offices of Bang Mak, Khuan Thani and Khuan Pring sub-districts.



- **Support Lawn mower for Wat Khlong Pratu.**

The company has provided 1 lawn mower for What Khlong Phra so that the temple can be used in landscape work.



- **Annual Chak Phra Festival**

The Company supports the annual Chak Phra Festival activities of Khuan Thani Municipality, Kantang District, Trang Province, with employees attending in order to carry on this ancient and wonderful tradition.

- **Contribute to the construction of a new mosque, Bann Phru Yai, to replace the old one**

On March 14, 2020, Trang Branch provided 5,000 baht to support the construction of a new mosque to replace the damaged one in order to being the place to hold the mind for the Ban Phru Yai Muslim community.

- **Trang Province constitution celebration**

The Company donated the refrigerator to the Kantang District Office and bicycles for the Red Cross office to support the activities of the Provincial Red Cross Chapter of Trang in the "Unite to Help the Red Cross" event between 4-15 December 2020 at Thung Chaeng Stadium.



Environment

The Company places great emphasis on preserving the natural environment and reducing global warming by increasing green areas to help absorb carbon dioxide and taking into account the restoration of the ecosystem and food chains in collaboration with local authorities and organizations in organizing forest plantation activities, building dams, releasing aquatic animals back into rivers, canals and the sea to help restore the community's ecosystem, preserve the food chain and the abundance of nature through the following projects:

- **Water Source Conservation Project: Releasing Freshwater Fish to the Community**

On November 4, 2020, the Company, together with Rubberland Company Limited and the community, released more than 6,000 freshwater fish species into the reservoir of Sadao District, Songkhla Province as a food source for the people in the community and as part of the FSC Sustainable Rubber Estate Management System.



- **Klong Tong Environmental Conservation Project**

The Company participated in the Klong Tong Environmental Conservation Project in collaboration with the Phatong Sub-District Municipality to build check dams which are organized annually. In 2020, a check dam was built at Ton Lung Community Bridge.



Additional information on the various activities is available on the company website www.sritranggloves.com under "Sustainability".

SECURITIES AND SHAREHOLDERS INFORMATION



Amount of Registered Capital and Paid-up Capital

As of 31 December 2020, the Company had a registered capital of THB 1,434,780,000 and a paid-up capital of THB 1,428,780,000 consisting of 1,428,780,000 ordinary shares and listed on the Stock Exchange of Thailand with a par value of THB 1 per share.

The Extraordinary General Meeting of Shareholders No.1/2020, on 25 December 2020, has passed the resolution approving the change of par value of the Company's shares from THB 1 per share to THB 0.5 per share. The Company completed the registration process of the change in the par value of the Company's shares with the Department of Business Development, Ministry of Commerce on 28 December 2020. The shares of the Company has been trading on the new par value since 5 January 2021. The change results in the increase of ordinary shares listed on the Stock Exchange of Thailand to be 2,857,560,000 shares with a par value of THB 0.5 per share.

Major Shareholders

As of 1 February 2021, the Company's top 10 major shareholders are as follows:

No.	Shareholders	Number of Shares (shares) ⁽¹⁾	Shareholding Proportion (percent)
1	STA ⁽²⁾	1,450,074,600	50.75
2	Sincharoenkul Group ⁽³⁾	178,211,800	6.24
3	RBL ⁽⁴⁾	155,326,800	5.44
4	Thai NVDR Co., Ltd.	124,543,723	4.36
5	STH ⁽⁵⁾	106,753,800	3.74
6	The Bank Of New York Mellon	97,674,429	3.42
7	Mr. Wichai Wachiraphong	25,061,900	0.88
8	State Street Europe Limited	21,607,103	0.76
9	Morgan Stanley & Co. International PLC	20,594,518	0.72
10	South East Asia UK (Type C) Nominees Limited	19,739,916	0.69
11	Other Shareholders	657,971,411	23.00
	Total	2,857,560,000	100.00

Remark : (1) The amount of shares as above was presented at a par value of THB 0.50 per share as the new par value has been trading in the SET since 5 January 2021.

(2) STA is a listed company on the SET and the Singapore Stock Exchange, operating in the business of manufacturing and distributing rubber smoked sheets, block rubber and concentrated latex. As of 1 February 2021, STA had the following top 10 major shareholders:

First 10 Major Shareholders	Number of Shares (shares)	Shareholding Proportion (Percent)
1. STH	343,790,629	22.38
2. Thai NVDR Co., Ltd.	193,542,074	12.60
3. Mr. Viyavood Sincharoenkul	132,987,509	8.66
4. Mrs. Promsuk Sincharoenkul	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. Mr. Vitanath Sincharoenkul	24,556,500	1.60
9. Mr. Vitchaphol Sincharoenkul	23,500,000	1.53
10. UOB Kay Hian Private Limited	22,503,090	1.47
Total number of shares held by the top 10 major shareholders.	882,126,637	57.44
Total number of shares	1,535,999,998	100.00

Source: STA

(3) As of 1 February 2021, there were shareholders in Sincharoenkul Group as follows:

Sincharoenkul Group	Number of Shares (shares)	Shareholding Proportion (percent)
1. Dr. Viyavood Sincharoenkul	139,418,400	4.88
2. Mr. Lee Paul Sumade	12,740,000	0.45
3. Mr. Kitichai Sincharoenkul	12,497,800	0.44
4. Mrs. Voradi Sincharoenkul	12,140,000	0.42
5. Ms. Vannisa Sincharoenkul	520,000	0.02
6. Mr. Veerasith Sincharoenkul	417,800	0.01
7. Mr. Somwang Sincharoenkul	177,800	0.01
8. Mrs. Duangjai Sincharoenkul	160,000	0.01
9. Mr. Vitanath Sincharoenkul	140,000	0.00
Total number of shares	178,211,800	6.24

Remark: The amount of shares as above was presented at a par value of THB 0.50 per share as the new par value has been trading in the SET since 5 January 2021.

(4) RBL is a limited company which operates the business of producing concentrated latex and block rubber. As of 1 February 2021, RBL had shareholders as follows:

Shareholders	Number of Shares (shares)	Shareholding Proportion (percent)
1. STA	15,999,994	99.99
2. Ms. Narisara Sincharoenkul	1	0.00
3. Prukha Mansion Co., Ltd.	1	0.00
4. Ms. Somsri Sirisuwat	1	0.00
5. Mrs. Oranuch Sirisuwat	1	0.00
6. Mr. Aram Sirisuwat	1	0.00
7. Mr. Ekkachai Chalothornsudthi	1	0.00
Total number of shares	16,000,000	100.00

Source: Department of Business Development, Ministry of Commerce

(5) STH is a limited company which conducts business by holding shares in other companies. As of 1 February 2021, the top 10 major shareholders of STH were as follows:

First 10 Major Shareholders	Number of Shares (shares)	Shareholding Proportion (percent)
1. Dr. Viyavood Sincharoenkul	1,825,700	20.74
2. Bradshaw Equities Holdings Limited ¹	1,646,000	18.70
3. Mr. Lee Paul Sumade	967,860	10.99
4. Ms. Sukuman Sirisuwat	672,000	7.63
5. Mrs. Promsuk Sincharoenkul	600,000	6.81
6. Mr. Chaiyos Sincharoenkul	542,860	6.16
7. Paktai Rubber Industries Limited Partnership ²	528,000	6.00
8. Nguan Chiang Company Limited ³	448,000	5.09
9. Mr. Kitichai Sincharoenkul	348,880	3.96
10. Mrs. Voradi Sincharoenkul	226,840	2.57
Total number of shares held by the first 10 major shareholders	7,806,140	88.65
Total number of shares	8,800,000	100.00

Source: Department of Business Development, Ministry of Commerce

Remarks: ¹ Bradshaw Equities Holdings Ltd. is an investment holding company incorporated in the British Virgin Islands, of which Mr. Lee Paul Sumade is the sole shareholder.

² Paktai Rubber Industries Limited Partnership is a limited partnership engaged in investment holding. Mr. Chaiyos Sincharoenkul and Mrs. Duangjai Sincharoenkul, the managing partners of the partnership, are partners with unlimited liability, and Dr. Viyavood Sincharoenkul is a partner with limited liability.

³ Nguan Chiang Co., Ltd. is a private limited company engaged in the wholesale and retail sale of soy sauce, soybean paste and other seasonings. The owners of Nguan Chiang Co., Ltd. are the Lekviriyakul family, who are not related to our Group.

Shareholding of the Directors and Executives

The details of shareholding of the Company's directors and executives as of 31 December 2020 were as follows ^{(2), (3)} :

No.	Directors and Executives	Shareholding ¹⁾ As of 29 Jun 20		Shareholding As of 31 Dec 20		Change	
		Amount (shares)	Proportion (%)	Amount (shares)	Proportion (%)	Amount (shares)	%
1	Prof. Dr. Weerakorn Ongsakul	240,000	0.01	260,000	0.01	20,000	8.33
2	Mr. Kitichai Sincharoenkul	12,957,800	0.45	12,497,800	0.44	(460,000)	(3.55)
3	Dr. Viyavood Sincharoenkul	140,658,400	4.92	139,418,400	4.88	(1,240,000)	(0.88)
4	Mr. Anan Pruksanusak	2,220,000	0.08	3,040,000	0.11	820,000	36.94
5	Mr. Veerasith Sinchareonkul	417,800	0.01	417,800	0.01	-	-
6	Mr. Vitnath Sincharoenkul	240,000	0.01	140,000	0.00	(100,000)	(41.67)
7	Ms. Jarinya Jirojkul	1,230,000	0.04	1,178,000	0.04	(52,000)	(4.23)
8	Ms. Thanawan Sa-ngiamsak	2,220,000	0.08	2,402,000	0.08	182,000	8.20
9	Mr. Chia Chee Ping	1,230,000	0.04	1,155,000	0.04	(75,000)	(6.10)
10	Mrs. Unakorn Phruithithada	240,000	0.01	240,000	0.01	-	-
11	Clinical Prof. Dr. Sarana Boonbaichaiyapruk	240,000	0.01	300,000	0.01	60,000	25.00
12	Gen. Bundit Boonyapan	-	-	-	-	-	-
13	Mr. Asom Aksornnam	1,390,000	0.05	426,000	0.01	(964,000)	(69.35)
14	Mr. Chalermchai Norsakul	399,200	0.01	40,000	0.00	(359,200)	(89.98)
15	Mr. Somrat Thapnual	400,000	0.01	240,000	0.01	(160,000)	(40.00)
16	Ms. Amornrat Awato	120,000	0.004	-	-	(120,000)	(100.00)
17	Mrs. Oralak Nakin	1,390,000	0.05	1,299,000	0.05	(91,000)	(6.55)
18	Ms. Worasa Maijaidee	400,000	0.01	552,200	0.02	152,200	38.05
	Total	165,993,200	5.81	163,600,200	5.73	(2,393,000)	(1.44)

Remarks: 1) Information according to the names appeared in the Company's shareholders list (Bor.Mor.Jor. 006) from Department of Business Development, Ministry of Commerce

2) The number of shares shown at the above included the shares held by spouses and minor children of the Company's directors and executives.

3) The amount of shares as above was presented at a par value of THB 0.50 per share as the new par value has been trading in the SET since 5 January 2021.

Newly issued shares offered to directors, executives and/or employees of the Company and/or subsidiaries of the Company (STGT ESOP)

The Extraordinary General Meeting of Shareholders of the Company on 22 November 2019 had passed the resolution approving the issuing and offering of 10,000,000 newly issued ordinary shares at a par value of THB 1 per share of the Company to directors, executives and/or employees of the Company and its subsidiaries of the Company in return for the performance of such directors, executives and/or employees and promote their sense of ownership of the Company. The preliminary details of STGT ESOP are as follows:

Securities name	:	Ordinary shares Sri Trang Gloves (Thailand) Public Company Limited
Type of securities	:	New ordinary shares
Duration	:	2 years from the date on which ordinary shares of the Company are listed on the SET (the "IPO Date"), i.e., from 2 July 2020 to 1 July 2022.
Amount of ordinary shares issued and offered	:	<p>Up to 10,000,000 shares with a par value of THB 1 per share, representing no more than 0.70 percent of the total number of shares sold and the total voting rights of the Company after the issuance and offering of the newly issued ordinary shares to the general public for the first time (IPO) (including the equity of the newly-issued ordinary shares offered to directors, executives and/or employees of the Company and subsidiaries of the Company under the STGT ESOP in the amount of THB 6,000,000 with a par value of THB 1 per share, for the offering in the first to the second year after IPO.</p> <p>After the change of the par value from THB 1 per share to THB 0.5 per share, the number of newly issued ordinary shares under the STGT ESOP to be offered in the first and the second year after IPO will be increased proportionately to the change in par value.</p>
Offering price per share	:	<p>The initial offering price per share under the STGT ESOP as of the IPO date (2 July 2020) was 90.00 percent of the initial public offering price (IPO price) of THB 34 per share at a par value of THB 1 per share and the offering price per share according to the subsequent STGT ESOP in the second and third year will be equal to 90.00 percent of the market price as specified in the Notification of the SEC concerning the calculation of offer price of securities and determination of market price for consideration of offer for sale of newly issued shares with discount , at the par value of THB 0.5 per share.</p> <p>Where the offering price of the newly issued ordinary shares at any one time is lower than the par value of the shares, the Company is required to offer the newly issued ordinary shares to the directors, executives and/or employees of the Company and its subsidiaries under the STGT ESOP at a price equivalent to the par value, subject to the provisions of Section 52 of the Public Limited Companies Act B.E. 2535 (as amended).</p>
Offer period	:	The Company has offered the newly issued ordinary shares as a project, which divided to 3 offerings. The first time on 2nd July 2020 was 40.00 percent of the newly issued ordinary shares offered in the STGT ESOP not exceeding 4,000,000 shares at a par value of THB 1 per share. The Company will offer for sale newly-issued ordinary shares under the STGT ESOP in another 2 offerings, each in the amount of 30.00 percent of the number of newly issued ordinary shares offered in the STGT ESOP or not exceeding 6,000,000 shares at a par value of THB 1 per share. The Company will complete the offerings within the duration term of the project.

**Conditions for the
allocation of newly
issued ordinary shares**

: Directors, executive and employees of the Company and its subsidiaries who meet the following conditions:

1. as at the Record Date¹, the director, executive or employee must have been a director, executive or employee of the Company or its subsidiaries for a period of no less than three months, must not be under probation, and such director, executive or employee must remain a director, executive or employee of the Company or its subsidiaries as at each Offering Date²; and

2. each director will be entitled to an equal number of Shares, while the number of Shares to which each executive or employee may differ depending on the individual's position, experience, areas of responsibility, term of employment, performance and contributions.

In a case where there are directors, executive and/or employees of the Company or its subsidiaries who do not wish to exercise their rights to purchase new Shares, the Executive Committee of the Company and/or their delegate may determine the names of other executive and/or employees of the Company and its subsidiaries of the Company to receive the allotment instead within the offering and allotment period, in accordance with the conditions for allotment. In this regard, each executive and/or employee will be entitled to an allocation of up to 5.00 percent of the total number of Shares to be offered under the STGT ESOP.

¹ "Record Date" means the date on which the Board of Directors of the Company, or their delegate, passes a resolution or approves the names of the persons who are entitled to an allotment of new Shares under the STGT ESOP. In this regard, the names of such persons will be determined based on the names of the persons entitled to the allotment of new Shares under the STGT ESOP as approved by the shareholders of the Company or the names of executive and/or employees as determined by the Executive Committee of the Company or their delegate.

² "Offering Date" means the date(s) which the Board of Directors of the Company, or their delegate, passes a resolution to approve or approves as the date(s) on which the new Shares under the STGT ESOP will be offered to the directors, executive and/or employees of the Company or its subsidiaries.

The rules, conditions and other details of the allocation of the newly issued ordinary shares of the Company to the directors, executives and/or employees of the Company and its subsidiaries, including names of employees of the Company and its subsidiaries who have been allocated the newly issued ordinary shares of the Company, the date and details of the allocation of thereof are to be at the discretion of the Executive Committee of the Company or a person assigned by the Executive Committee of the Company to determine or make amendments as deemed appropriate and assigned the Executive Committee of the Company or a person assigned by the Executive Committee to determine the conditions and duties of the directors, executives and/or employees of the Company and its subsidiaries as well as to prescribe or amend the rules, terms, conditions and various details related to the STGT ESOP in order to comply with the rules and regulations of the relevant authorities.

DIVIDEND PAYMENT POLICY



The Company has a dividend policy to pay dividend distributions to shareholders at least 50 percent of its net profit based on the Company's separate financial statements after deductions of corporate income tax and allocation of all types of reserves in accordance with the Company's Articles of Association and applicable laws. The dividend distributions to be made shall not exceed the Company's retained earnings as appeared in the separate financial statements. Dividend payment shall be made by taking into consideration relevant factors such as the Company's financial position, operating results, cash flow and the ability of the Company's subsidiaries to make dividend payments including the projected capital requirements for future growth, economic conditions, possible impacts from external factors on the operations of the Company and such other considerations as our Board of Directors may consider appropriate.

After the Board of Directors' resolution on approval for the annual dividend payment, the Board of Directors shall propose to shareholders' meeting for its approval on such payment, except for interim dividend payment which the Board of Directors has authority to approve from time to time when deemed that the Company has appropriate profits. The interim dividend payment will then be reported at the next shareholder meeting.

Moreover, the Board of Directors' Meeting No. 7/2020 on 25 December 2020 has approved to determine the interim dividend payments for the year 2021 in June, September, and December respectively. This policy shall be effective since the dividend payment on April 2021 onward.

RELATED PARTY TRANSACTION

Related Person that may have conflict of interest and Relationship

The related person that may have conflict of interest and entered into transactions with the Company and its subsidiaries for the year ended 31 December 2020 are as follows:

Related Person that may have conflict of interest and Nature of Business	Relationship as of 31 Dec 2020
1. STA Production and distribution of natural rubber products such as smoked sheet rubber, concentrated latex, and block rubber etc.	<ul style="list-style-type: none"> The Company's major shareholder which is holding 50.75 percent of the Company's shares. Having directors in common i.e. Dr. Viyavood Sincharoenkul, Mr. Kitichai Sincharoenkul, and Mr. Veerasith Sinchareonkul.
2. RBL Production of concentrated latex and block rubber.	<ul style="list-style-type: none"> The Company's shareholder which is holding 5.44 percent of the Company's shares. Having a major shareholder in common i.e. STA, which is holding 99.9 percent of RBL's shares. Having a director in common i.e. Mr. Veerasith Sinchareonkul.
3. NHR Production and export of smoked sheet rubber, concentrated latex, and block rubber.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 99.9 percent of NHR's shares.
4. STC Holding business in other companies which doing business of rubber and palm plantation.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 99.9 percent of STC's shares.
5. ANV Lumper production and manufacture of wooden furniture.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 99.9 percent of ANV's shares.
6. STL Provision of domestic logistics service.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 99.9 percent of STL's shares. Having a director in common i.e. Mr. Veerasith Sinchareonkul.
7. PSE Engineering services, design, produce, sell, installation and maintenance machineries.	<ul style="list-style-type: none"> As of 31 December 2020, having a major shareholder in common i.e. STA, which is direct and indirect holding 99.9992 percent of PSE's shares. Having a director in common i.e. Mr. Veerasith Sinchareonkul As of 7 January 2021, the Company has been transferred PSE's business investment from STA completely.
8. TK Manufacturing and distribution of rubber gloves.	<ul style="list-style-type: none"> Dr. Viyavood Sincharoenkul is a major shareholder and a director since 16 August 2018 until 31 March 2019. There was amalgamation with the Company since 1 April 2019.

Related Person that may have conflict of interest and Nature of Business	Relationship as of 31 Dec 2020
9. PS Production of smoked sheet rubber.	<ul style="list-style-type: none"> As of 31 December 2020, having a major shareholder in common i.e. STA, which is holding 99.9985 percent of PS's shares. As of 7 January 2021, the Company has been transferred PS's business investment from STA completely.
10. STI Registered in Singapore Distribution of natural rubber and gloves in Singapore.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 100.0 percent of STI's shares. Having directors in common i.e. Dr. Viyavood Sincharoenkul and Mr. Kitichai Sincharoenkul
11. STU Registered in United State of America. Distribution of gloves in United State of America.	<ul style="list-style-type: none"> As of 31 December 2562, the Company holds 100.0 percent of STU's shares. Having a director in common i.e. Mr. Veerasith Sinchareonkul
12. SDS Registered in People's Republic of China. Distribution of natural rubber and gloves in People's Republic of China.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 100.0 percent of SDS's shares. Having a director in common i.e. Dr. Viyavood Sincharoenkul
13. STV Registered in Socialist Republic of Vietnam Distribute of natural rubber from Socialist Republic of Vietnam to various customers and distribute latex gloves in Socialist Republic of Vietnam.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 100.0 percent of STV's shares through STC and STI.
14. SDME Registered in People's Republic of China. Distribution of gloves in United State of America in People's Republic of China.	<ul style="list-style-type: none"> The Company holds SDME's shares for 100.0 percent Having a director in common i.e. Dr. Viyavood Sincharoenkul
15. SAC Production of high-pressure hydraulic hoses.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 42.5 percent of SAC's shares. Having directors in common i.e. Dr. Viyavood Sincharoenkul, Mr. Kitichai Sincharoenkul and Mr. Veerasith Sinchareonkul
16. IBC Information technology system services provider.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 100.0 percent of IBC's shares. Having directors in common i.e. Dr. Viyavood Sincharoenkul, Mr. Kitichai Sincharoenkul and Mr. Veerasith Sinchareonkul
17. SRP Rubber plantation business.	<ul style="list-style-type: none"> Having a major shareholder in common i.e. STA, which is holding 100.00 percent of SRP's shares. Having a director in common i.e. Mr. Veerasith Sinchareonkul.
18. Alek-Tech Engineering Co., Ltd. Distribution and installation of CCTV.	<ul style="list-style-type: none"> Spouse of Mrs. Oralak Nakin, the Company's executive.
19. Provincial Electricity Authority Manufacturing and distribution of electricity.	<ul style="list-style-type: none"> Having a director in common i.e. Professor Dr. Weerakorn Ongsakul.
20. Mr. Anan Pruksanusak	<ul style="list-style-type: none"> The Company's director
21. Mrs. Woraphan Nirunsuk	<ul style="list-style-type: none"> A sister of the Company's director i.e. Mr. Anan Pruksanusak

Details of Related Party Transaction

Related party transactions between the company, its subsidiaries, and related persons that may have conflict of interest for the year ended 31 December 2020, which can be summarize as follow:

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
STA	Major shareholder of the Company and having the same directors	The Company <ul style="list-style-type: none"> Revenue from sales of gloves 	1,175.05	1,543.70	<p>The Company has sold natural rubber gloves to STA in order to distribute to certain domestic and foreign customers, due to STA has licensed to sell such products in oversea countries. All sales were transacted through purchase orders. Which the selling price of the gloves was the cost of the Company plus profit as appropriate, considered from the increase/decrease in the cost of main raw material i.e. concentrated latex, production cost, exchange rate, and gloves situation in the global market. The selling price of gloves was set monthly. In this regard, the aforementioned selling price was the price considered the appropriate profit that STA deserves for the business operation of distributing latex gloves.</p> <p>The Company is currently applying for license to sell gloves in oversea countries, thus it was necessary to sell the some latex gloves through STA until the license is granted. Further, STA had participated in the bidding to domestic and international distribution of gloves to the government and public sector which results in restriction in changing the name of the gloves seller. In addition, currently, the accounting system and the inventory control system is not sufficient and appropriate to support distribution of retail customers domestically. The Company is in the process of installing SAP system to support the distribution of latex gloves to domestic retail customers. The Company is therefore necessary to sell gloves to domestic customers through STA until the SAP system is completely installed. In this regard, the Company expects that it can be transferred all the selling gloves from STA to the Company by the end of 2020 to the beginning of 2021.</p>	<p>The selling price of such transactions can be compared with the market price that the Company sell rubber gloves to other customers and the selling price reflected a suitable business model including general commercial term, therefore such transactions were appropriate and reasonable. However, if the transaction is completely transferred from STA to the Company, it is expected that there will not be any similar operation as this transaction in the future.</p>

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Rental income received 	3.99	3.99	<p>The Company had arranged for an agreement with STA to lease the warehouse to store goods, the usable areas of 2,772 square meters located at no 209/2 Moo 2, Phreaksa Sub-District, Mueang District, Samut Prakan Province for STA to use as an area to store the gloves for distribution to domestic customers. The lease period is 1 year, starting from 1 February 2020 until 31 January 2021. The rent is THB 120 per square meter per month, calculated as THB 332,640 per month which is the rate equivalent to that collected by Denchai Pak Nahm Limited Partnership which is the original lessor to STA prior to the Company purchasing the aforementioned land and building from Denchai Pak Nahm Limited Partnership on 31 January 2018.</p>	<p>The rental rate was reasonable and can be compared with the market price as well as it was the same rental rate that STA used to rent from the third parties before the Company bought such warehouse. This transaction was a general commercial term which considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Other services income 	-	6.00	<p>The Company had income from collection of marketing services from STA by reference from the Company's shareholders' meeting no. 9/2019 on 21 November 2019. The meeting had a resolution acknowledging the STA's board of directors' meeting no 7/2019 re: guideline on the separation of the scope of business between STA and the Company. The income of the aforementioned services was calculated from the expenses relating to the sales of the Company's marketing staffs, by calculating the sales proportion between STA and the Company and began the calculations of services from the start of January 2020, which was the rate the Company considers to be appropriate and reflects the cost and the actual volume of sales proportion.</p>	<p>The aforementioned service rates were reasonable and reflect the proportion of sales volume and actual marketing costs. If the transaction of rubber gloves selling can be transferred from STA to the Company completely, it was expected that there will not be such selling transaction in the future.</p>
		<ul style="list-style-type: none"> Sales of factory materials 	0.10	0.11	<p>The Company had revenue from selling fuel to STA, Trang branch, which is used with forklifts used in the RBL area. As the Company had to use such raw materials in large quantities, it can purchase it in discounted price whilst STA uses such raw materials in small quantities, the Company thus sold such raw material to STA to efficiently reduce cost in the purchase order of fuels for the group of companies. The fuel price was referenced from the fuel price at the date of sale and reflects the appropriate related costs and profit.</p>	<p>The transaction was a comprehensive rate and reflected the relevant costs and appropriate profit margins. This transaction was transacted under general commercial terms which considered appropriate and reasonable.</p>

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Trade receivables 	106.35	91.11	The trade receivables resulting from revenue aforesaid transactions.	It was an outstanding balance based on payment criteria, which is general commercial term and list of normal trade accounts receivable that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Other receivables 	0.38	1.92	Other receivables arising from revenue aforementioned transactions.	It was an outstanding balance based on payment criteria, which is general commercial term that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Advance payment 	0.01	0.00	The Company made advance payment to the staffs working for STA and had collected the money after the work was completed.	It was an outstanding balance according to the normal business transactions of the Company which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Concentrated latex purchase 	1,783.55	3,375.39	<p>The Company purchased latex concentrate form STA and its subsidiaries which STA and its subsidiaries is the producer of such concentrate latex that can be produced at the specific quality according to the needs of the Company and the concentrate latex can be delivered in the volume and quality to the Company in accordance to the stipulated criteria.</p> <p>Furthermore, on 28 June 2019, the Company entered into a latex purchase agreement with STA and its subsidiaries with the price condition according to the market price and other factors namely the logistics cost, CESS and exchange rate.</p>	Price of concentrated latex that the Company purchased from STA was the purchase price in line with the market price and the reference price that other rubber glove manufacturers use for purchasing raw materials in production process. Moreover, the purchase price reflected the delivery conditions as well as the properties of concentrated latex that the Company required as appropriate. This transaction is general commercial terms that considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> IT Service Fee and Maintenance of SAP system 	16.65	10.34	<p>The Company used services relating to IT services and maintenance of SAP system from STA, namely computer lease fee, hardware services fee, software services fee etc. As STA had equipment and staffs that are ready to perform the aforementioned services. The service fee according to type of information technology can be compared with other service providers such as notebook lease that has a monthly service fee per notebook compared with the other service providers in charging the same fee, and the hardware service fee, examination fee, equipment repairmen fee, the service fee charged per machinery per month can be compared with other service providers that provides service in similar characteristics which may differ in detail of the space, type and equipment used to provide the service.</p>	Such service rates were reasonable and can be compared to the market price with the same kind of services. This transaction was transacted under general commercial terms that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Office Administrative Fee 	11.27	26.84	<p>The Company paid office administrative service fee and service fee to STA which covers the service for the server room, office area, warehouse area, legal, insurance, finance, human resource, branding and Corporate Social Responsibility. The calculations for the aforementioned service fees was a monthly basis, in this regard, the Company and STA had reviewed all the aforementioned services and agreed on the new service fee to reflect the appropriate and reasonable work and services in May 2020. In this regard, the policy has been stipulated to annual review of the price. The aforementioned rate was the rate that the Company considers to be reasonable if compared with procuring the staffs in such works or procuring such area, including performing the service work by itself.</p>	<p>The aforementioned service rates were reasonable comparing to the Company's costs and expenses for recruiting employees and space providing for the transaction. This price can be compared with the market price. This transaction is general commercial term that considered appropriate and reasonable.</p>

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Factory material cost 	10.76	5.70	STA, Kanchanadit branch, sold ammonia to the Company's Surat Thani branch as STA, Kanchanadit branch, regularly orders a large amount of ammonia to be used in the production of concentrate latex. In this regard, for to save costs for the size and to increase the price bargaining power and to save cost in purchase order of ammonia which is one of the chemicals used in producing latex gloves and for the efficient management of inventories of the group company. It has been considered that it is reasonable if compared to the requirement to purchase and procure staffs for such works by itself.	Such a transaction was cost savings for purchasing of ammonia and inventory management as well as the economies of scale and increasing the bargaining of the Company and group comparing to employee's recruitment by ourselves. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Weighing service fee 	0.84	0.84	The Company, Surat Thani branch paid weighing service fee to STA as the Company does not have the equipment to weigh the truck carrying all types of goods that is imported and exported from the factory such as concentrate latex ingredients, chemicals, logs, and finished products etc. The service fee was fixed as a monthly service fee. The rate was the rate that the Company considers to be reasonable if compared to procuring equipment, maintenance and procuring staffs in such sector, including its own area.	The weighing service was a monthly payment rate which comparing that the Company should have to supply equipment, maintenance and staff as well as area space by ourselves. This transaction is general commercial terms which considered appropriate and reasonable.
		Other service fees <ul style="list-style-type: none"> tank rental fees 	18.01	19.07	The Company, Surat Thani branch paid for the service fee for the lease of latex tank from STA, Kanchanadit branch to store nitrile latex in producing nitrile latex gloves by calculating the tank service fee at a monthly rate per tank. The service fee for tank lease also covered the related service, namely to load and offload latex, including the cleaning maintenance of the tank. The rate was compared to the market price of the tank of similar size or altered to be similar.	Tank rental fees were comparable to the market price. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Trade payables 	175.77	482.42	Trade payables that resulting from items cost and aforesaid expenses.	It was an outstanding balance based on payment criteria, which is general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Other payables 	0.04	-	Advance payment of STA staffs for performing the work for the Company which the expenses had been collected after the work was completed.	It was an outstanding balance according to the normal business transactions of the Company which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Investment 	USD 1 = THB 30.82	-	The Company purchased 100% shares in STU from STA for the restructuring of the group of company in arranging the gloves business to be under the shareholding of the Company. The purchase price of the share at USD 1 is the price that the purchaser and seller has agreed on by considering the book value price and fair market value of STU that is considered together by the working committee of both the purchaser and seller.	The investment in such business was in accordance with an agreement that was approved by authorized person for future fundraising purposes and the price was appropriate and reasonable for the Company's restructuring. This transaction was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Land Purchasing 	-	74.33	The Company purchased land from STA with an area of 103 rai 379 square wah according to the Company's production capacity expansion project in Phlai Wat Sub-district, Kanjanadit District, Surat Thani Province. The land is next to the Company's Surat Thani branch factory. Therefore, this transaction is appropriate. The land purchased price was agreed between the buyer and sellers based on the appraisal price of First Star Advisory Co., Ltd. which was approved by the Board of Directors Meeting No. 4/2020 on 14 May 2020.	The purchase was for the beneficial of production capacity expansion and internal management. This transaction was reasonable and beneficial to support the Company's business operations. In addition, this transaction was considered appropriate and can be compared with the appraisal market price by independent appraiser.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
STA	Major shareholder of the Company and having the same directors	STU (Subsidiary of the Company)			After restructuring of the Company by the Company purchasing 100% shares in STU from STA on 30 September 2019 (the transaction between 1 October 2019 – 31 December 2019 and 1 January 2020 – 31 December 2020)	
		• Accrued payments	0.00	-	STA collected telephone fee of the staffs in STU that worked in Thailand, the collection will occur after the work was completed, the rate collected was the actual rate of the telephone service fee.	It was an actual service charge that was considered to be appropriate and reasonable.
		• IT Service Fee and Maintenance of SAP system	0.39	1.55	STA provided IT service and maintenance of SAP system to STU, namely License SAP, Server SAP, Maintenance License SAP etc. As STA has the equipment and personnel that was ready to perform such services. The rate of the services was as stipulated by the type of information technology which can be compared with other service providers that provides the service in a similar manner but may differ in the details of the area and type of equipment used in the service.	It was reasonable rates comparable to the market price at the same kind of services. This transaction is general commercial terms which considered appropriate and reasonable.
		• Other service fees	0.04	-	STA collected the service in hosting the annual meeting 2019 with STU, the rate collected was the actual rate that occurred.	It was actual service charge that was considered appropriate and reasonable.
		• Other payables	0.04	0.00	The transactions of other payables was the transaction that the fee in issuing bank guarantee from Kasikorn Thai Bank and telephone fees of STU. STA had advanced the payment to STU and collected the expenses afterwards.	It is actual service charge that was general expenses payable. This transaction was considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
STA	Major shareholder of the Company and having the same directors	SDME (Subsidiary of the Company)			After restructuring of the Company by the Company purchasing 100% shares in SDME from Sri Trang Group on 28 June 2019 (the transaction between 1 July 2019 – 31 December 2019 and 1 January 2020 – 31 December 2020)	
		<ul style="list-style-type: none"> Other trade payables 	0.01	-	STA made advance payment to the staffs that worked for SDME and collected the expenses after the work was completed.	It was an outstanding balance according to the normal business transactions of the Company which considered appropriate and reasonable.
RBL	Juristic person that the major shareholder has control over and has the same directors	Company			The Company had revenue from selling fuel and chemical to RBL as the Company had to use a large quantity of such raw materials so it can purchase at a discounted price whilst RBL used the product at a small amount. The Company sold part of the raw material to RBL to efficiently reduce the cost of purchase order of fuel for the group company. The price of fuel was referenced from the price of oil on the transaction date, reflecting the related cost and appropriate profit and price of the chemical reflects the related cost and appropriate profits.	The transaction was comprehensive rate that reflected the relevant costs and appropriate profit margins. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Revenue from the sales of factory materials 	0.23	0.19		
		<ul style="list-style-type: none"> Other receivables 	0.01	0.02	Trade receivables resulting from the aforesaid expenses.	It was an outstanding balance based on payment criteria, which is general commercial term that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Advanced payment 	0.02	0.02	The Company made advance payment to the staffs working for RBL and collected the expenses after the work was completed.	It was an outstanding balance according to the normal business transactions of the Company which considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Concentrated latex purchase 	420.97	671.52	<p>The Company purchased latex concentrate from RBL which STA and subsidiaries of STA is the producer of the latex concentrate which can produce concentrate latex of the quality specific to the Company's requirement and the concentrate latex can be delivered in the quantity and quality in accordance with the stipulated criteria to the Company.</p> <p>Further, on 28 June 2019, the Company entered into a sales purchase agreement for concentrate latex with STA and subsidiaries of STA with the trade conditions that the market price and the method to fix the referenced market price and different factors namely transportation fees, CESS and exchange rate.</p>	Price of concentrated latex that the Company purchased from RBL was the prices in line with the market price and the reference price that other rubber glove manufacturers use for purchasing raw materials in production process. Moreover, the purchase price reflects the delivery conditions as well as the properties of concentrated latex that the Company required as appropriate. This transaction is general commercial terms that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Rental fees 	4.64	4.64	<p>The Company paid rental fee for housing to RBL to provide accommodation for the Company's staffs as the location of the Company's factory is located next to RBL. The service fee fixed by the Company to pay to RBL was the monthly fee for all types of buildings for 645 rooms. Furthermore, RBL also directly collected from the Company's staffs who rents the room at the value similar. The two rent fees combined were equivalent to the rate comparable to the rental fees of rooms in nearby area.</p>	The rental rate was comparable to the market price of monthly dormitories in a neighboring area. This transaction is a general commercial term which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Land lease fee 	1.08	1.08	<p>The Company leased land to store wood logs to be used in producing energy in production of the gloves. The total area leased was 5.42 rai, title deed no. 250477 at an annual rental rate which can be compared to the service fee for rent in the nearby area of Baan Pru Sub-District, Hat Yai District, Songkhla Province.</p>	The rental rate was comparable to the market price of neighboring area. This transaction is a general commercial term which considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> • Weighing service fee 	0.86	0.86	The Company paid weighing service fee to RBL as the Company does not have the equipment to weigh the truck carrying all types of goods that is imported and exported from the factory such as concentrate latex ingredients, chemicals, logs, and finished products etc. The service fee was fixed as a monthly service fee. The rate was the rate that the Company considers to be reasonable if compared to procuring equipment, maintenance and procuring staffs in such sector, including its own area.	The weighing service was a monthly payment rate which comparing that the Company should have to supply equipment, maintenance and staff as well as area space by ourselves. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> • Electricity expenses 	0.02	-	The Company used the electricity for water supply system of RBL for staff dormitories. The Company paid electricity at the unit rate as comparable to the Provincial Electricity Authority that billed directly to the Company. In May 2018, RBL has requested to transfer ownership of the electricity transformers to the Company and gradually transfer the power system, which was completed in April 2019.	The electricity rate was reasonable, which can be compared to the rate that the Provincial Electricity Authority directly billed to the Company. This transaction is general commercial terms that considered appropriate and reasonable. In addition, after the ownership of electricity transformers was transferred to the Company, this transaction will not be shown in the future.
		<ul style="list-style-type: none"> • Other service fees – tank rental fees 	22.22	10.50	The Company paid for the service fee for the lease of latex tank 100 tons and 250 tons from RBL to store nitrile latex in producing nitrile latex gloves by charging tank service at the rate per tank per month according to different sizes. The service fee for tank lease also covered the related service, namely to load and offload latex, including the cleaning maintenance of the tank. The rate was compared to the market price of the tank of similar size or altered to be similar.	Tank rental fees were comparable to the market price. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> • Trade payables 	42.96	107.81	Trade payables that resulting from items cost and aforesaid expenses.	It was an outstanding balance based on payment criteria, which is general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)			Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020			
		<ul style="list-style-type: none"> Other payables 	0.00	-		Other payable items are caused by damage the Company's employees has spilled off latex so that the Company have to pay for the damage to RBL.	It was an outstanding balance based on actual damages, which is general commercial term that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Accrued expenses 	1.32	1.45		The rental of latex tank that was accrued expenses from the abovementioned transactions.	It was an outstanding balance based on payment criteria, which is general commercial term and general outstanding payment that considered appropriate and reasonable.
NHR	Juristic person that the major shareholder has control over	Company					
		<ul style="list-style-type: none"> Revenue from sale of factory materials 	-	0.01		The Company had income from the sale of obsolete second-hand blue buckets to NHR. The sales price was comparable to the market price.	This transaction was comparable to the market price and is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Concentrated latex purchase 	107.90	236.18		The Company purchased latex concentrate from NHR which STA and subsidiaries of STA is the producer of the latex concentrate which can produce concentrate latex of the quality specific to the Company's requirement and the concentrate latex can be delivered in the quantity and quality in accordance with the stipulated criteria to company. On 28 June 2019, the Company entered into a sales purchase agreement for concentrate latex with STA and subsidiaries of STA with the trade conditions that the market price and the method to fix the referenced market price and different factors namely transportation fees, CESS and exchange rate.	Price of concentrated latex that the Company purchased from NHR was the price in line with the market price and the reference price that other rubber glove manufacturers use for purchasing raw materials in production process. Moreover, the purchase price reflected the delivery conditions as well as the properties of concentrated latex that the Company required as appropriate. This transaction is general commercial terms that considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Other service fees 	0.35	0.10	<p>The Company had a need to use increased labor for a short period of time such as the period where the Company had purchase order of gloves that had more varied packaging characteristics or during the period that some of the foreign workers were required done foreign labor law with to various government entities resulting in the Company to not have sufficient daily labor capacity etc. Therefore, the Company hired daily worker from NHR on during such period. The wage of the Company paid to NHR was equivalent to the actual wage that NHR paid to the staffs.</p>	The transaction reflected the actual cost and is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Trade payables 	0.01	25.68	<p>The trade payables resulting from items cost and aforesaid expenses.</p>	It was an outstanding balance based on payment criteria, which is general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.
STC	Juristic person that the major shareholder has control over	Company				
		<ul style="list-style-type: none"> Investment 	163.07	-	<p>The Company purchased 100% shares in SDME from STC for restructuring purposes of the group company in arranging the rubber gloves business to be under the shareholding of the Company. The purchase price of the share was at RMB 36,000,000 which was the price that the purchaser and seller agreed on by considering the book value price and the fair market value of SDME that had been considered and agreed on by the committee of the purchaser and the seller.</p>	<p>The investment in such business was in accordance with an agreement that was approved by authorized person for future fundraising purposes and the price was appropriate and reasonable for the Company's restructuring. This transaction was considered appropriate and reasonable.</p>

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
ANV	Juristic person that the major shareholder has control over	Company <ul style="list-style-type: none"> Firewood purchase 	836.71	1,202.54	<p>The Company purchased of its firewood from ANV as ANV has expertise in the business of procuring and distribution of rubber wood, with a 30 years' experience and staffs that are ready to provide such and has the ability to procure firewood in the quantity required by the Company (which there is a necessity to use a large quantity of firewood to produce energy to produce latex gloves). The transaction was done through a purchase order. The value of the firewood price was the purchase price of ANV at the date of the transaction, together with the operational costs which the Company considers and finds to be appropriate if compared to the Company having to proceed by itself which will result in increased cost, as well as the ability to procure and collect firewood by the Company which is currently not in the capacity to procure sufficient amount of firewood to use for the overall use by the Company.</p> <p>In this regard, on 2 September 2019, the Company entered into a long term sales and purchase agreement for logs with ANV by determining the price of the logs sold at the cost of ANV plus the operating fee of ANV</p>	<p>Purchase prices for firewood are market prices plus a reasonable operating cost. However, with the very high volume of firewood that the Company requires, it may be difficult to compare with the market prices due to factors of sourcing, volume and freight. But if considering the data, it was evident that the price was comparable to other firewood suppliers. Furthermore, the price was reasonable if compared with the Company procurement by ourselves which would entail increased costs. In addition, this transaction is general commercial terms which considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Pallet purchase 	0.37	-	<p>The Company purchased pallet to be used as part of the package to be sent with the products as required by the customers from ANV who operates the business of distributing rubber wood and pallet, as well as having the staffs available services. The rate of the price of pallet sold was comparable to the market price.</p>	<p>The purchase price of pallet was the market price plus reasonable operating cost. This transaction is general commercial term which considered appropriate and reasonable.</p>

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Other service fees 	0.00	-	<p>The Company used pallet wood repair services from ANV which operates the business of distributing rubber wood and pallet, as well as having the staffs available services. The rate of the service fee that ANV collects was the collection of the actual cost of labor and material that occurred which post sales services.</p>	<p>The transaction reflected the actual cost and was general commercial terms which considered to be appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Other expenses 	-	1.81	<p>The Company purchased factory license (ror. ngor.4) issued by the Ministry of Industry for the production of chopped wood from rubber wood and the 13 types of wood that was specifically planted, and license to establish a wood processing factory by using machineries to produce chopped woods from rubber wood and the 13 types of wood that was specifically planted to distribute to ANV.</p> <p>The collected expense was the price agreed in the wood processing factory sales and purchase agreement dated 12 May 2020 which the seller is the factory license holder (ror. ngor. 4) and the license to establish wood processing factory by using machinery in Nor.Sor.3 No. 2073 Kanchanawich Road, Pawong Sub-District, Hat Yai District, Songkhla Province. The purchaser is the producer of gloves and uses chopped wood as fuel to produce heat energy in the production process and the purchaser has the intention to own the chopped wood factory and hold rights over the license to produce the relevant chopped wood, it was considered that such transaction is required under the law to be in line with the business operations of the Company and the value was reasonable as it was a transaction calculated from actual cost in obtaining such license of ANV</p>	<p>This transaction calculated from actual cost plus operating expense. This transaction is general commercial terms and in line with the Company's business, which considered appropriate and reasonable.</p>

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STL	Juristic person that the major shareholder has control over and has the same directors	<ul style="list-style-type: none"> • Advance payment 	-	20.00	The advance payment made for cost abovementioned transaction to support the increased production capacity which has effect beginning from January 2020 onwards.	This was the estimate amount of firewood purchasing in advance according to general commercial terms and was normal prepaid item consistent to the production quantity and increasing of firewood usage, which considered appropriate and reasonable.
		<ul style="list-style-type: none"> • Trade payables 	10.93	9.86	The trade payables resulting from items cost and aforesaid expenses.	It was outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.
		Company <ul style="list-style-type: none"> • Other service income 	-	0.10	The Company received a compensation for fines in case of incorrect notification of container number in the Bill of Lading document from STL. The rate of fine charged was the actual fine that the Company had paid.	The fine was charged from the actual rate that the Company had to pay. This transaction was considered appropriate and reasonable.
		<ul style="list-style-type: none"> • Transportation fee 	61.87	77.88	STL provided transport services to the Company as STL operates transportation services and import and export document arrangement services, and has equipment and personnel available to provide the aforementioned services and has experience in the business more than 20 years'. The service was through purchase order and the rate of service fee was determined by the market price and adjusted according to the change in the oil price at different periods.	STL is specialist in transportation services, as well as import and export document arrangement services. The service rate was reasonable and reflected the operational costs of this company compared to other provider in the same kind of business. This transaction was general commercial terms and consistent with the company business operation, which was considered appropriate and reasonable.

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		<ul style="list-style-type: none"> Import and export document arrangement service fee 	7.08	10.49	STL provided import and export document arrangement services to The Company as STL has more than 20 years' experience in the business of arranging import and export documents service, and has the expertise and personnel available to provide such services. For service was provided through purchase order and the fee rate of the import and export of documents was per set of documents which was the rate comparable to the market price for the same characteristics of business.	STL is specialist in transportation services, as well as import and export document arrangement services. The service rate was reasonable and reflected the operational costs of this company compared to other provider in the same kind of business. This transaction was general commercial terms and consistent with the company business operation, which was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Other service fees 	21.92	9.95	STL provided transport services to the Company as STL has expertise and personnel available to provide such service. For service was provided through purchase order by calculating the trailer service fee in the time surplus of the free time per day per trailer which was a comparable market price of the car that provides overnight parking services. The Company paid transport service fee and management of car pool fee with STL as STL has expertise and personnel available for the aforementioned services and has the capability to support the goods to be couriered to the to meet the demand of the customers when compared with the increase in the volume of exports from the expansion of the organization and thus was considered as a service rate that was reasonable.	STL is specialist in transportation services, as well as import and export document arrangement services. The service rate was reasonable and reflected the operational costs of this company compared to other provider in the same kind of business. This transaction is general commercial terms and consistent with the company business operation, which was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Trade payables 	9.83	8.71	Trade payables resulting from items cost and aforesaid expenses.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable which considered appropriate and reasonable.

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PSE	Juristic person that the major shareholder has control over and has the same directors	<ul style="list-style-type: none"> Other payables 	0.32	0.36	Other payables resulting from items cost and aforesaid expenses.	It was an outstanding balance based on payment criteria, which was general commercial term which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Accrued expenses 	0.79	1.46	Accrued transport expenses resulting from the aforesaid transactions.	It was an outstanding balance based on payment criteria, which was general commercial term and general accrued expenses which considered appropriate and reasonable.
		Company				
		<ul style="list-style-type: none"> Revenue from the sale of factory materials 	6.08	6.00	The Company had revenue from the sale of chemicals, fuels and former cleaning equipment to PSE who is the machinery cleaner service provider of the Company. In this regards, as the Company regularly had a high purchase order of chemicals and equipment whilst PSE has a minimal use of the aforementioned raw materials and equipment. In order to save costs in the purchase order of chemicals, equipment and sufficiently manage the inventory of the group company, the Company sold parts of its raw materials and equipment to PSE at the average cost price of the Company.	This transaction was reasonable because it was overall savings on purchasing costs of the Company and the group companies. The price reflected the related costs as well as this transaction was general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Other service income 	-	0.03	The Company collected internet service fee from PSE due to the use of such service by the staffs. The rate was same rate that TOT PLC. collects from the Company.	The rate of service fee was comparable in the market. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Other receivables 	0.51	0.41	Other receivables resulting from the aforesaid income.	It was an outstanding balance based on payment criteria, which is general commercial term that considered appropriate and reasonable.

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		<ul style="list-style-type: none"> Production and installation of machinery 	847.08	508.51	<p>The Company had hired PSE to design, produce and install as it has long term expertise in designing, producing, installing and maintaining machineries and for production of latex gloves for the Company. An agreement was entered into for each separate project that was outsourced. Additionally, the production and installation of machineries in gloves production is considered to be trade secret technology that the Company does not wish for outside parties to have knowledge of such production technology, the aforementioned rate was in line with that of the service providers in the same category.</p>	<p>PSE specializes in providing such services as well as having personnel with the experience. The rate of service fee was comparable in the market. This transaction is general commercial terms which considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Purchase of equipment parts 	154.15	106.40	<p>The Company purchased equipment parts from PSE such as motor, pump, valve, electrical equipment etc. PSE has expertise in procuring machineries and equipment to produce gloves for group companies and has a higher purchase order volume as well as having a purchase order of equipment parts that is similar to that of Sri Trang group companies. In this regard, the aforementioned rate was comparable to the market price.</p>	<p>PSE specializes in providing such services and the rate of service fee was comparable in the market. This transaction is general commercial terms which considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Maintenance service fee 	595.51	189.25	<p>The Company made payment for the maintenance service fee to PSE who has a long term expertise in designing, installation and maintenance of machineries and equipment for the production of gloves for the Company. The service was through purchase orders, in addition the repair maintenance of the machineries used for glove production is considered to be access to trade secret technology which The Company does not intend for the outside persons to have access to. Furthermore, the hiring of PSE means that the Company does not have to procure its own staffs which would increase the burden in personnel expenses. In this regard, the rate of service fee can be comparable to that of the market price.</p>	<p>PSE specializes in providing such services as well as having personnel with the experience and tools that related to provision of the service. The rate of service fee was comparable in the market. This transaction is general commercial terms which considered appropriate and reasonable.</p>

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		<ul style="list-style-type: none"> Cleaning service fee 	81.07	106.32	The Company made cleaning service fee payment to PSE as PSE has expertise and knowledge in equipment and machineries in glove production. The service is provided through purchase order. Additionally, the cleaning of glove production machinery is considered to be access to trade secret technology which The Company does not intend for the outside persons to have access to. The rate of the service fee was comparable to that of the market price.	PSE specializes in providing such services as well as having personnel with the experience and tools that related to provision of the service. The rate of service fee was comparable in the market. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Calibrate fee 	4.67	5.92	The Company made payment for the calibrate fee of various machineries to PSE. The service was provided through purchase order. As PSE received the ISO IEC17025 certification for the calibration standard and has equipment and personnel available to provide service that is accessible in case of an emergency. The rate of the service fee was stipulated in accordance with the type of equipment which the rate of service fee was comparable to the market price of other calibrations of other outsiders.	PSE specializes in providing such services as well as having personnel with the experience and tools that related to provision of the service. The rate of service fee was comparable in the market. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Other service fee 	0.20	0.36	The Company made payment for equipment transportation service fee and asset certification service fee for crane, lift to PSE as indicated in the purchase orders, the service was provided on a case by case basis.	Such services were related to production process, machines installation, and maintenance. PSE specializes in providing such services as well as having personnel with the experience and tools that related to provision of the service. The rate of service fee was comparable in the market. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Factory material expenses 	0.20	1.08	The Company purchases control valve sawdust and miscellaneous equipment such as nets, shelves etc. from PSE. The purchase price was comparable to the market price.	This transaction's price was comparable in the market. This transaction is general commercial terms which considered appropriate and reasonable.

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		<ul style="list-style-type: none"> Other expenses 	0.08	0.17	The Company made payment to PSE for the service fee in using the place to host training to sufficiently reduce the training cost of the group company. The service fee was collected at the average cost price was PSE. The aforementioned price is comparable to that of the service fee in procuring a training place.	It was a cost saving of overall training of the Company and group companies. This transaction was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Trade payables 	118.54	93.52	The trade payables resulting from the aforesaid expenses.	It was outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Other payables 	0.00	0.21	Other payables resulting from the aforesaid expenses.	It was an outstanding balance based on payment criteria, which was general commercial term that considered appropriate and reasonable.
TK	Dr. Vivayood Sincharoenkul is the major shareholder and director	Company			Prior to merger of the companies (transaction during 16 August 2018 – 31 March 2019)	
		<ul style="list-style-type: none"> Revenue from sale of factory material 	0.34	-	The Company distributed gloves packaging and chemicals to TK to package latex gloves. In the case that the latex gloves package was damaged during the transport or during the customer's storage and to be used in production process. The purchase price was the cost price of the Company plus the related operating expenses and appropriate profit.	The Company distributed gloves package and chemicals to TK at the Company's cost plus related operating costs and reasonable profit. This transaction was general commercial terms which considered appropriate and reasonable.

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		<ul style="list-style-type: none"> Glove purchase 	276.82	-	The Company purchased latex gloves from TK, which was one of the glove producer that has the ability to produce the product that has specific quality as required by the Company's customers. This reduced the risk in procuring the product. All the purchases were done under the latex glove sales purchase agreement with the purchase price in accordance with the EX Factory conditions and it was comparable to the price of similar products that the Company sells at the same time.	The purchase price of rubber gloves to TK was comparable to the market price that the Company sells rubber gloves to other customers. This transaction was general commercial terms which the Company gained appropriate profit from this trading. This transaction was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Trade payables 	17.10	-	Trade payables resulting from the aforesaid expenses.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.
PS	Juristic person that the major shareholder has control over	Company <ul style="list-style-type: none"> Other expenses 	0.11	1.16	The Company had a need to use increased labor for a short period of time such as the period where the Company has purchase order of latex gloves that has more varied packaging characteristics and during the period that some of the foreign workers are required to attend matters regarding foreign labor law with various government entities resulting in the Company to not have sufficient daily labor capacity etc. Therefore, the Company hired staffs from PS on a daily basis during such period. The wage of the Company paid to PS was equivalent to the actual wage that PS paid to the staffs.	The transaction reflected the actual cost and was general commercial terms which considered appropriate and reasonable.

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STI	Juristic person that the major shareholder has control over and has the same directors	Company <ul style="list-style-type: none"> Revenue from sales of gloves 	236.03	-	<p>The Company sold gloves to STI to distribute to certain customers through purchase orders. The gloves price sold was the cost price of the Company plus the appropriate profit, considered by the change in price of the main raw material which is latex concentrate, production cost, exchange rate and global market situation of latex gloves. In setting the purchase price of latex gloves such price was set monthly. In this regard, the purchase price had taken in consideration the profit that STI will suitably receive as the latex glove distributor. The Company did not have any plans to bring STI under the Company as STI mainly operates the business of distributing natural rubber products. On 31 December 2019, the Company was able to completely transfer the sales of gloves from STI to the Company.</p>	<p>The selling price of this transaction was comparable to the market price that the Company sell rubber gloves to other customers and reflected a suitable business model. This transaction was general commercial terms which considered to be appropriate and reasonable. As of 31 December 2019, the Company has completely transferred the rubber gloves selling from STI to the Company, there will not be this transaction in the future.</p>
		<ul style="list-style-type: none"> Revenue from the sales of factory materials 	0.14	-	<p>The Company sold latex gloves packaging container to STI to be used in packaging gloves. In the case that the latex gloves packaging container was damaged during transportation or storage by the customer. The purchase price was the cost price of the Company plus the related operating cost and appropriate profit.</p>	<p>The Company distributed gloves packaging to STI at the Company's cost plus related operating costs and reasonable profit. This transaction was general commercial terms which considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Other service - Consultant fees 	-	6.65	<p>The Company paid a fee for consultants recruiting service to STI by considering the appropriate qualifications according to the Company's criteria under the Service Agreement. The business advisor has a role and responsibilities to perform the jobs in line with the business objectives of the Company. Considering to the complete knowledge, capability, experience and qualifications of the consultant, the advisory service rates are reasonable.</p>	<p>As considered the qualifications and roles of the consultants to the Company, this transaction was considered appropriate and reasonable.</p>

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STU	Juristic person that the major shareholder has control over and has the same directors	Company <ul style="list-style-type: none"> Revenue from sales of gloves 	237.86	-	<p>Prior to restructuring of the Company (transactions during 1 January 2018 – 30 September 2019)</p> <p>The Company sold gloves to STU to distribute to customers in the United States of America which was all done through sale through purchase orders. The gloves price sold was the cost price of the Company plus the appropriate profit, considered by the change in price of the main raw material which is concentrate latex, production cost, exchange rate and global market situation of gloves. In setting the purchase price of gloves such price was set monthly. In this regard, the purchase price had taken in consideration the profit that STU suitably receive as the latex glove distributor. In this regard, the Company purchased 100 % shares in STU from STA to restructure the group company for the latex gloves business to be under the shareholding of the Company on 30 September 2019.</p>	This selling price that can be compared to the market price that the Company sold to other customers and reflected to the suitable business model. This transaction was general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Trade receivables 	97.72	-	Trade receivables resulting from the aforesaid expenses.	
SDS	Juristic person that the major shareholder has control over	Company <ul style="list-style-type: none"> Other payables 	0.01	-	Advance payment to the employees of the Company to work at SDS, which shall be collected after such work was completed.	It was an outstanding balance which is general commercial term that considered appropriate and reasonable.

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SDS	Juristic person that the major shareholder has control over and has the same director	SDME (subsidiary of the Company)			After the restructuring of the Company, it acquired 100% shares of SDME from the Sri Trang group on 28 June 2019 (transactions during 1 July 2019 to 31 December 2019 and on 1 January 2020 to 31 December 2020).	
		• Office Service Expenses	2.26	5.73	SDME paid for the office service expenses to SDS, which provide human resource management service, accounting service, and branding service. The rates for such services were as agreed upon on 15 September 2019 and set out for a reconsideration every year, as set out in the terms of the contract, rates which SDME had considered to be appropriate when comparing with the efforts to find employees for such services or finding the location or carry out such service themselves.	The service rate was reasonable and can be compared to SDME's operating cost and expenses that for recruiting employees and service providing for the transaction by itself. This transaction is general commercial terms and consistent with the company business operation, which was considered appropriate and reasonable.
		• Other trade payables	1.70	-	Other trade payables resulting from the aforesaid expenses.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.

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STV	A juristic person with a controlling power by a major shareholder	The Company				
		<ul style="list-style-type: none"> Revenue from the sale of latex gloves 	8.27	37.61	<p>The Company sold gloves to STV for distribution to the customers in Vietnam by a way of purchase orders. The latex gloves price sold was the cost price of the Company plus the appropriate profit, considered by the change in price of the main raw material which is concentrate latex, production cost, exchange rate and global market situation of gloves. In setting the purchase price of gloves such price was set monthly. Furthermore, such sale price has considered on the profit ration that STV received is at an appropriate rates of a latex gloves manufacturer business model. Additionally,</p> <p>if the Company could sell latex gloves in Vietnam for more than 10 million pairs per month for a consecutive period of 3 months or if STA and the Company considered to be appropriate, whichever occurs first, the Company shall establish a subsidiary company to sell in Vietnam by itself and not through STV any longer.</p>	<p>The selling price of such transactions can be compared with the market price that the Company sold rubber gloves to other customers and the selling price reflected a suitable business model including general commercial term, therefore such transactions were appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Trade receivables 	0.91	7.75	Trade receivables from the aforesaid sales.	<p>It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Commission fees 	0.23	0.47	<p>The Company paid for commission fees for contacting customers and coordinating the sale of gloves to STV in accordance with the quantity sold at the agreed upon rates, comparable to the commission fees that the Company pays to other customers. Furthermore, The Company had set a policy its commission fees, announced on 7 February 2020.</p>	<p>The service rate was reasonable rates comparable to the commission rate that the Company paid to other customers and for the purpose of supporting the Company's business. This transaction was general commercial terms which considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Trade payables 	0.12	0.07	Trade payables from the aforesaid costs and expenses.	<p>It was outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.</p>

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SDME	A juristic person with a controlling power by a major shareholder and joint directors	The Company <ul style="list-style-type: none"> Revenue from selling latex gloves 	410.96	-	<p>Prior to the restructuring of the Company (Transactions between 1 January 2018 to 30 June 2019)</p> <p>The Company sold gloves to SDME for distribution to the customers in China by a way of purchase orders. The gloves were all sold at the cost price of the Company and add profit appropriate profit rates considered by the change in price of the main raw material which is concentrate latex, production cost, exchange rate and global market situation of gloves. In setting the purchase price of gloves such price was set monthly. Furthermore, such sale price has considered on the profit ration that SDME received was at an appropriate rates of gloves manufacturer business model.</p>	<p>The selling price of such transactions can be compared with the market price that the Company sold rubber gloves to other customers and the selling price that reflected a suitable business model including general commercial term, therefore such transactions are appropriate and reasonable.</p>
			283.44	-	<p>Trade receivables from the aforesaid revenue.</p>	<p>It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.</p>
SAC	A juristic person with a controlling power by a major shareholder and joint directors	The Company <ul style="list-style-type: none"> Revenue from sale of factory material 	1.08	0.84	<p>The Company sold chemical and fuel to SAC since the Company order those materials in a big lot while SAC consumes those materials in small amounts. To save cost of those materials and to enhance inventory management of the Group, the Company therefore sells chemical and fuel by referring to fuel price as at trading day in order to reflect related costs and appropriate profit of the Company and the price of the chemicals, which reflects the related costs and the appropriate profit of the company.</p>	<p>The transaction reflected the relevance cost and appropriate profit margin. This transaction was general commercial terms which considered appropriate and reasonable.</p>

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		• Other service income	6.98	4.84	The Company sold steam to SAC since SAC does not have a machine which product steam. The steam price was reference from the suitable related costs and profit of the Company.	The transaction reflected the relevance cost and appropriate profit margin. This transaction was general commercial terms which considered appropriate and reasonable.
		• Other trade receivables	0.37	0.48	Other trade receivables from the aforesaid revenue.	It was am outstanding balance based on payment criteria, which was general commercial term, that considered appropriate and reasonable.
		• Other expenses	0.06	0.12	The Company purchased hydraulic hoses from SAC via purchase orders to maintain and repair machinery. The hydraulic hoses price was reference from the market price.	This transaction was reasonable rates comparable to the market price was general commercial terms which considered appropriate and reasonable.
IBC	A juristic person with a controlling power by a major shareholder and joint directors	The Company <ul style="list-style-type: none"> IT Service Fee and Maintenance of SAP system 	7.24	46.14	The Company used services relating to communications and maintenance of SAP system from IBC, namely computer lease fee, hardware services fee, software services fee etc. As IBC has equipment and staffs that are ready to perform the aforementioned services. The service fee according to type of information technology can be compared with other service providers such as notebook lease that has a monthly service fee per notebook compared with the other service providers in charging the same fee, and the hardware service fee, examination fee, equipment repairmen fee, the service fee charged per machinery per month can be compared with other service providers that provides service in similar characteristics which may differ in detail of the space, type and equipment used to provide the service.	This rate of service fee was reasonable rates comparable to the market price at the same kind of business to the Company or nearest. This transaction is general commercial terms which considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Service Fees 	-	16.97	The Company paid for service fees to IBC, which was expenses for the services of 2 personnel under the secondment agreement to the Company and the marketing team and product research and development. It includes the setting of goal, vision and strategy in marketing and product research and development to be in line with the business objective of the Company. Considering to the knowledge, capabilities, experiences and qualities, the aforesaid service fees were suitable.	Even if was is unable to compare service rate with market price, but when considered to the qualification of each advisor, it was considered to be appropriate and reasonable.
		<ul style="list-style-type: none"> Trade payables 	1.86	8.62	Trade payables from the aforesaid expenses.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Accrued expenses 	2.23	-	Accrued expenses for the aforesaid services relating to IT and maintenance of SAP system.	It was an outstanding balance based on payment criteria, which was general commercial term and general accrued expenses that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Other payables 	0.01	-	Advanced payments to the employees of IBC for carrying out their work, which collected after such work was completed.	It was an outstanding balance based on payment criteria, which was general commercial term that considered appropriate and reasonable.
IBC	A juristic person with a controlling power by a major shareholder and joint directors	STU (A subsidiary of the Company)			After the restructuring of the Company, it acquires 100% shares of STU, from STA on 30 September 2019 (transactions between 1 October 2019 to 31 December 2019 and on 1 January 2020 to 31 December 2020).	
		<ul style="list-style-type: none"> IT Service Fee and Maintenance of SAP system 	0.03	0.14	STU used services relating to the maintenance of SAP system from IBC, as IBC has equipment and staffs that are ready to perform the aforementioned services. The service fee according to type of information technology can be compared with other service providers that provides service in similar characteristics which may differ in detail of the space, type and equipment used to provide the service.	This rate of service fee was reasonable and can be compared to the market price at the same kind of business or nearest. This transaction is general commercial terms which considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
		<ul style="list-style-type: none"> Accrued expenses 	0.00	-	Accrued expenses for the aforesaid services.	It was an outstanding balance based on payment criteria, which is general commercial term that considered appropriate and reasonable.
		<ul style="list-style-type: none"> Trade payables 	0.01	0.01	Trade payables from the aforesaid expenses.	It was an outstanding balance based on payment criteria, which is general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.
IBC	A juristic person with a controlling power by a major shareholder and joint directors	SDME (A subsidiary of the Company)			After the restructuring of the Company, it acquires 100% shares of SDME on 28 June 2019 (transactions between 1 July 2019 to 31 December 2019 and on 1 January 2020 to 31 December 2020).	
		<ul style="list-style-type: none"> IT Service Fee and Maintenance of SAP system 	-	0.11	SDME used services relating to the maintenance of SAP system from IBC, as IBC has equipment and staffs that are ready to perform the aforementioned services. The service fee according to type of information technology can be compared with other service providers that provides service in similar characteristics which may differ in detail of the space, type and equipment used to provide the service.	This rate of service fee was reasonable and can be compared to the market price at the same kind of business or nearest. This transaction is general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Trade payables 	-	0.11	Trade payables from the aforesaid expenses.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade accounts payable that considered appropriate and reasonable.
SRP	A juristic person with a controlling power by a major shareholder and joint directors	The Company				
		<ul style="list-style-type: none"> Other services income 	-	0.10	The Company had income from the sale of obsolete second-hand blue buckets to SRP, the price was comparable to the market price.	The transaction was market price and can be compared with selling price to other customers. Including general commercial terms, it was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Advance payment 	0.00	-	The Company made advance payment for the employees who carried out work for SRP, which shall be collected after the work is completed.	It was an outstanding balance according to the Company's normal business transactions that considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
Alek-Tech Engineering Co., Ltd.	The juristic person's director is a spouse of an executive, Mrs. Oralak Nakin, who is the finance and account manager	The Company • Equipment and spare parts expenses	0.00	-	The Company purchased smoke detectors from Alek-Tech Engineering Co., Ltd., in which the proposal and the price of the purchase went through the price comparison process from the procurement team, comparable with the market price.	The service rate was passed the process of price comparison and market price that was general commercial term that considered appropriate and reasonable.
		• Maintenance service expenses	0.00	-	The Company paid for the repair of fiber optic service to Alek-Tech Engineering Co., Ltd., in which the proposal and the price went through the price comparison process from the procurement team, comparable with the market price.	The service rate was passed the process of price comparison and market price that was general commercial term that considered appropriate and reasonable.
Provincial Electricity Authority	A juristic person in which a director, Prof.Dr.Weerakorn Ongsakul, is also a director there.	The Company • High voltage system installation expenses	10.63	3.12	The Company paid for the installation of high voltage system to the Provincial Electricity Authority to expand on the electricity distribution area to be utilized in the production of products, at the same rate that the Provincial Electricity Authority collect from other operators.	Such service rates were the rates as the market price. This transaction is general commercial terms that considered appropriate and reasonable.
		• Electricity expenses	617.43	629.73	The Company paid for electricity to the Provincial Electricity Authority, used in the production process and business operation of the Company at the same rate that the Provincial Electricity Authority collect from other operators.	Such service rates were the rates as the market price. This transaction is general commercial terms that considered appropriate and reasonable.
		• Electricity system repair expenses	0.03	0.06	The Company paid for the services in the detection of hot spots or electrical fault spots, at the same rate that the Provincial Electricity Authority collect from other operators.	Such service rates were the rates as the market price. This transaction is general commercial terms that considered appropriate and reasonable.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction	Opinion(s) of the Audit Committee
			Jan – Dec 2019	Jan – Dec 2020		
Mr. Anan Pruksanusak and Mrs. Suree Pruksanusak (Deceased) by Mr. Anan Pruksanusak as administrator)	Director and Member of Executive Committee	The Company <ul style="list-style-type: none"> Land Purchasing 	-	82.10	<p>The Company purchased land from Mr. Anan Pruksanusak with a total area of 137 rai 1 ngan 50.8 square wah under purchasing value of THB 63,193,420 and land of Mrs. Sureeporn Pruksanusak (Mr. Anan Pruksanusak As administrator) with a total area of 41 rai 44.6 square wah under purchasing value of THB 18,911,290 in order to construct the Company's rubber glove factory in Samnakhom Sub-district, Sadao District, Songkhla Province, which is located in a special economic zone promoted by the Board of Investment (BOI). The Company will receive tax exemption for 8 years and double benefit in electricity expenses for 10 years, as well as benefit in logistics due to the location is near Sadao Border. The Company will be able to transport products through Penang Port in Malaysia which will reduce the congestion of Songkhla Port and also save logistic costs. The land purchased price was agreed between the buyer and sellers based on the appraisal price of First Star Advisory Co., Ltd. This transaction was approved by the Board of Directors Meeting No. 5/2020 on 25 August 2020.</p>	<p>The land is located in a special economic zone promoted by the BOI, which is suitable for construct the Company's glove factory and located close to the sources of raw materials and energy facilities. This transaction was reasonable and beneficial to support the Company business operations in production capacity expansion of rubber gloves. In addition, this transaction was considered appropriate and can be compared with the appraisal market price by independent appraiser.</p>
Mrs. Woraphan Nirunsuk	Sister of the Director (Mr. Anan Pruksanusak)	The Company <ul style="list-style-type: none"> Land Purchasing 	-	12.59	<p>The Company purchased land from Mrs. Worapan Nirunsuk with a total area of 27 rai 1 ngan 52.1 square wah in order to construct the Company's rubber glove factory in Samnakhom Sub-district, Sadao District, Songkhla Province, which is located in a special economic zone promoted by the BOI. The Company will receive tax exemption for 8 years and double benefit in electricity expenses for 10 years, as well as benefit in logistics due to the location is near Sadao Border. The Company will be able to transport products through Penang Port in Malaysia which will reduce the congestion of Songkhla Port and also save logistic costs. The land purchased price was agreed between the buyer and sellers based on the appraisal price of First Star Advisory Co., Ltd. This transaction was approved by the Board of Directors Meeting No. 5/2020 on 25 August 2020.</p>	<p>The land is located in a special economic zone promoted by the BOI, which is suitable for construct the Company's glove factory and located close to the sources of raw materials and energy facilities. This transaction was reasonable and beneficial to support the Company business operations in production capacity expansion of rubber gloves. In addition, this transaction was considered appropriate and can be compared with the appraisal market price by independent appraiser.</p>

Measures and Approval Procedures for Related Party Transactions

In entering into related party transactions and connected transactions of the Company and its subsidiaries, the Company will comply with the requirements under the Securities and Exchange Act, B.E. 2535 (as amended), the Company's Articles of Association, notifications, orders and relevant requirements of the Capital Market Supervisory Board and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand including the disclosure requirements on related party transactions in the notes to financial statements audited by auditors of the Company and its subsidiaries and the Annual Statement Form 56-1.

Measures and Approval Procedures for Related Party Transactions and Connected Transactions

- The Board of Directors will put in place a consideration procedure for related party transactions and connected transactions in accordance with the work procedures of the Company and its subsidiaries subject to the framework of ethics and scrutiny of the Audit Committee taking into consideration the interests of the Company and its shareholders. The Board of Directors will ensure compliance with the Company's Articles of Association, relevant notifications, orders and requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand. The Board of Directors will also ensure that the disclosure requirements on related party transactions and connected transactions are complied with to ensure accurate and complete public disclosure of information.
- Price suitability and reasonableness of transactions will be taken into consideration in approving the transactions. Conditions of the transactions shall be in line with the normal business within relevant industry and/or will be compared with

prices offered by third parties and/or market price and/or shall be comparable to the prices or conditions offered by third parties and/or shall demonstrate reasonable or fair price or conditions. The Company will also monitor transactions that are entered into.

- In approving related party transactions or connected transactions with major shareholders, directors, executives or persons with possible conflict of interests or connected persons of the Company, it is prohibited for interested directors and/or directors who are connected persons to attend the meeting and to have the rights to vote on the approval for the transactions. This is to ensure that the transactions will not amount to the relocation or siphon of interests of the Company but will be entered into for the best interests of the Company and its shareholders.
- The Company or its subsidiaries will enter into related party transactions or connected transactions with directors, executives or connected persons once the transactions are approved in accordance with the requirements of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission. Such transactions shall have the characteristics as prescribed under the Company's policy except for transactions with arms' length terms and conditions without the negotiating power or influence of such directors, executives or connected persons, as the case may be and shall have the terms and conditions that have already been approved in principle by the Board of Directors.
- The Company may arrange for experts or specialists such as independent specialists, auditors or independent price valuers to express their opinion on the related party transactions or connected transactions in order to assist on the consideration of the Audit Committee and/or the Board of Directors and/or the general meetings of shareholders (as the case may be).

- The Company will prepare a report to summarize related party transactions and connected transactions for reporting at the quarterly meetings of the Audit Committee and the Board of Directors in order to comply with the law on securities and exchange, the Company's Articles of Association, relevant notifications, orders or requirements of the Office of the Securities and Exchange, the Capital Market Supervisory Board and the Stock Exchange of Thailand.
- The Company by the department of internal audit will carry out audits of related party transactions or connected transactions in accordance with the Company's audit plan and will report to the Audit Committee. There will be measures for the control and audit to allow random check on the transactions to ensure that they are correct and in accordance with the agreements or the defined policies.

Related Party Transaction Policy

Transactions with General Commercial Terms

The management team may approve related party transactions or connected transactions which contain general commercial terms or transactions which support normal business of the Company including recurring transactions in the future if such transactions contain general commercial terms with directors, executives, connected persons or persons with possible conflict of interests in accordance with the requirements of the Stock Exchange of Thailand, the Capital Market Supervisory Board and the Office of the Securities and Exchange Commission, and such business terms are on an arms' length basis without the negotiating power or influence of directors, executives, connected persons or persons with possible conflict of interests (as the case may be), and will not result in the siphon of benefits and/or could demonstrate reasonable or fair prices or conditions which have already been approved in principle by the Board of Directors or are in accordance with the principles approved by the Board of Directors.

Transactions without General Commercial Terms

Related party transactions or connected transactions without general commercial terms may be entered into subject to consideration and approval from the Audit Committee who shall approve based on the necessity of such transactions and the appropriateness of the pricing of the transactions, taking into consideration conditions that are in line with the normal course of business within the industry and/or will be compared with prices offered by third parties and/or market price and/or shall be comparable to the prices or conditions offered by third parties and/or shall demonstrate reasonable or fair price or conditions. The transactions shall be proposed to the Board of Directors for consideration and approval. However, if the transaction size is considered material in accordance with the requirements of the Stock Exchange of Thailand, the Capital Market Supervisory Board and the Office of the Securities and Exchange Commission, after the transactions have been approved by the Board of Directors, they shall be further proposed to the general meeting of shareholders for approval.

Policy for Related Party Transactions and Connected Transaction in the Future

When the Company has completed its public offering of shares and has become a listed company on the Stock Exchange of Thailand, its related party transactions and connected transactions shall be in accordance with the following principles:

- The Company will comply with its policy, the law on securities and exchange, the Company's Articles of Association, relevant notifications, orders or requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange and/or the Stock Exchange of Thailand. Such related party transactions or connected transactions shall not amount to the relocation or siphon of benefits between the Company or its shareholders but shall be for the best interests of the Company and all shareholders.

- If transactions are entered into in the normal course of business or for the support of the normal business of the Company and are expected to be regularly recurring in the future, the Company will comply with the relevant requirements and guidelines with respect to transactions with general commercial terms. Pricing and conditions of the transactions shall be appropriate, fair, reasonable and transparent. The transactions shall be entered into based on the principles for transactions with general commercial terms that have already been approved by the Board of Directors of the Company. For this purpose, the management shall prepare reports to summarize details of such transactions to be submitted to the quarterly meetings of the Audit Committee in preparation for the Annual Statement Form 56-1.
- Disclosures on related party transactions or connected transactions of the Company shall be in accordance with the law and regulations prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and the accounting standards relating to the Company or its related persons as prescribed by the Federation of Accounting Professions.
- Normal business support transaction such as engineering, maintenance, cleaning and calibration services between the Company and PSE, logistic services between the Company and STL, rental for warehouse, office equipment and others between the Company and STA and information technology service between the Company and IBC at a normal price and general commercial terms or with reasonable characteristics and qualifications.

In the future, if the Company Group enters into related party transactions other than the aforementioned transactions, the Company will comply with the regulations of the Securities and Exchange Act, and the announcement of the Capital Market Supervisory Board No. TorChor 21/2551 regarding rules on connected transactions, in addition to the announcement of the Stock Exchange of Thailand regarding disclosure of information and operations of listed companies on connected transactions, including various related rules of the Securities and Exchange Commission and the SET, as well as compliance with the disclosure of related party transactions in the notes to the financial statements audited by the Company's auditor and the Annual Registration Statement (form 56-1).

Related Party Transaction Trend in the Future

The Company expects that there will still be related transactions with persons who may have conflict of interests in the future which are normal business transactions and regular business support transaction as follows:

- Normal business transactions such as selling rubber gloves, purchase of latex and other raw materials such as firewood etc. The Company will purchase latex from STA, RBL and NHR and purchase firewood from ANV with normal prices and general commercial terms, whereby the Company has entered into a contract relating to such transaction.

RISK FACTORS



The following information describes significant risk factors which may have a material impact on business, cash flows, financial position, results of operations, prospects, and ability to make dividend payments as well as the share value of the Company. In addition, the following risk factors may not be exhaustive, and additional risks and uncertainties not presently known to us or which are currently deemed to be immaterial may become material in the future, which could have a material adverse effect on business, prospects, financial condition, results of operations and ability to make dividend payments of the Company and its subsidiaries or the value of shares,

RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY

- 1) **Risk of price fluctuations of the raw materials required for our production process that reflect our selling prices and other commercial terms**

The important raw materials in our production process, which are also our main costs, are (a) concentrated latex produced from natural rubber latex, which we use in the production of both powdered and powder-free natural rubber gloves, and (b) synthetic latex, which we use in the production of nitrile gloves. For the year ended 31 December 2020, we incurred total costs of THB 7,109.0 million for the purchase of concentrated latex and synthetic latex, representing 52.3% of our total cost of sales during the year.

Concentrated latex, which is the main raw material used in the production of our powdered and powder-free natural rubber gloves, is a midstream product of the natural rubber industry. Therefore, the supply and price of concentrated latex is directly correlated with the supply and price of natural rubber latex. However, natural rubber latex is a commodity and its price is susceptible to fluctuation according to market forces beyond our control. Factors which affect market demand and supply for natural rubber latex

include general economic conditions, rubber output of the main rubber producing countries, government intervention and the demand for natural rubber latex in other industries such as the tire industry. The price of natural rubber latex is also affected by market speculation. For the past three years, the reference price of concentrated latex of 60% dry rubber content listed on the Malaysian Rubber Board has fluctuated continuously, ranging from 3.65 to 5.03 Malaysian Ringgit per kg in 2018, from 3.81 to 5.11 Malaysian Ringgit per kg in 2019, and from 4.06 to 7.52 Malaysian Ringgit per kg in 2020. Between 2018 and 2020, the price of concentrated latex fluctuated between a high of November 2020 Malaysian Ringgit per kg as of 7.52 and a low of November 2018 Malaysian Ringgit per kg as of 3.65.

Synthetic latex is the other main raw material used by us, for the production of our nitrile gloves. It is a by-product of petroleum refining and natural gas separation processes. Therefore, the supply and price of synthetic latex often fluctuates depending on the demand for and supply of crude oil and natural gas in the world market. Factors which could impact the price of synthetic latex include, without limitation: (a) political conditions in crude oil producing regions, in particular major crude oil producing countries; (b) demand for petroleum products and natural gas, which affect the volume of oil refining and natural gas separation; (c) government regulations and (d) any shutdown or work stoppage by major oil refineries or natural gas separation plants. The prices of crude oil and natural gas are also affected by the price of natural rubber as well as market speculation. For the past three years, the price of synthetic latex has fluctuated continuously: the Southeast Asia Butadiene Olefins CFR Spot Price "FINSBSEA" index, which measures the price movements of styrene butadiene rubber in Southeast Asian countries, ranged from 1,000 to 1,745 USD per ton in 2018, from 825 to 1,270 USD per ton in 2019, from 245 to 1,305 USD per ton in 2020. Between 2018 and 2020, FINSBSEA recorded a high of 1,745 USD per ton in June 2018

and a low of 245 points in May 2020. In addition, the US Gulf Acrylonitrile Price "POLIACUG" index, which measures the price movements of acrylonitrile rubber in the US, ranged from 1,480 to 2,165 USD per ton in 2018, from 1,385 to 2,290 USD per ton in 2019, from 780 to 1,420 USD per ton in 2020. Between 2018 and 2020, POUACUG recorded a high of 2,290 USD per ton in May 2019 and a low of 780 USD per ton in May 2020.

Fluctuations in the prices of our main raw materials may result in significant increases to our costs of production, which may in turn lead to significant pressure on our working capital. We may not be able to adjust the prices of our products or negotiate commercial terms with our customers in response to such price fluctuations in a timely manner, or at all. Hence, price fluctuations could have a material negative impact on our business, cash flows, financial position, performance and prospects.

2) Risk of insufficiency of raw material supply and difficulty in ensuring continued supply of quality raw material.

We currently procure substantially all of our supply of concentrated latex from the STA and its subsidiaries. We have entered into a concentrated latex purchase agreement with the STA and its subsidiaries for the supply of concentrated latex to us. The concentrated latex purchase agreement is for an initial term of three years from 28 June 2019 and thereafter is automatically renewed on a yearly basis, unless the agreement is terminated by either party in accordance with the terms of the agreement. Under the terms of the concentrated latex purchase agreement, the STA and its subsidiaries are obliged to supply us with concentrated latex at the agreed specifications and in the quantities set out in our purchase orders. However, there is a risk that the STA and its subsidiaries may be unable to comply with the terms of our concentrated latex purchase agreement with them or that we may require excess volumes of concentrated latex which they are not able to supply.

We procure synthetic latex from several synthetic latex manufacturers and distributors and have not entered into any long-term supply agreements for synthetic latex. Synthetic latex is considered a commodity and is a by-product of the petroleum refining and natural gas separation. Accordingly, the supply of synthetic latex in the market depends on the productive capacities of petroleum refining plants and natural gas separation plants. The supply of synthetic latex in the market also depends on the demand for synthetic latex by major synthetic rubber glove manufacturers in the region as well as by other industries, which is beyond our control, and a shortage of synthetic latex in the world markets could adversely impact our ability to procure sufficient quantities of synthetic latex for our production.

In the event that we are unable to obtain sufficient supply of concentrated latex or synthetic latex from our suppliers, there is no guarantee that we will be able to procure sufficient quantities of concentrated latex or synthetic latex (as the case may be) with the properties and quality we require from alternative suppliers within a reasonable period of time, or at all. A shortage of concentrated latex or synthetic latex (as the case may be) could in turn have a material adverse effect on our business, cash flows, financial position, performance and prospects.

3) Risk of highly competition from major industry players and manufacturers of substitute products.

The business of manufacturing and distributing rubber gloves is highly competitive. We face competition from large manufacturers and distributors in the region, including in the regional markets where we export our products. Our competitors may reduce the prices of their products if they have lower costs and enough export volume to influence the market price of the product. In addition, the increase in production capacity and the introduction of new entrants to the rubber glove manufacturing industry,

especially in the wake of the COVID-19 pandemic, could lead to oversupply which in turn puts a downward pressure on prices.

In respect of our natural rubber glove business segment, we have advantages over our competitors in terms of ability to procure raw materials and lower manufacturing and distribution costs. We derive most of our revenue from sales of natural rubber gloves, which accounted for 59.2%, 62.3% and 59.8% of our total revenue for the years ended 31 December 2018, 2019 and 2020, respectively, as compared to sales of nitrile gloves, which accounted for 40.8%, 37.7% and 40.2% of our total revenue for the same periods. However, in respect of our nitrile glove business segment, we face significant competition from other major nitrile glove manufacturers who focus on continuously developing new nitrile glove products to replace the use of natural rubber gloves. In addition, our competitors are continuously improving their manufacturing capabilities to significantly reduce their costs of producing nitrile gloves. Nitrile gloves are now widely used as they are resistant to petroleum and other hydrocarbon solvents and have high flexibility. They are also partially used as a replacement for natural rubber gloves, especially by those who are allergic to the protein found in natural rubber gloves. Therefore, there is a risk that we may not be able to maintain our competitiveness in the production of nitrile gloves. Sales of our natural rubber gloves could also decrease due to an increase in the use of alternative products. In any of such events, our business, cash flows, financial position, performance and prospects could be materially and adversely affected.

4) Risk of rely on certain key suppliers for our supply of concentrated latex, synthetic latex and other raw materials and services.

We procure substantially all of our concentrated latex, which is the main raw material required for our production of natural rubber gloves, from companies

in the STA Group, and a significant portion of our synthetic latex from one of our third party suppliers. In addition, we procure firewood, which we rely on as a fuel source for our production process, from ANV. In the event that these suppliers are not able to supply concentrated latex, synthetic latex and/or firewood to us in the quantities or at the quality that we require, we may not be able to procure sufficient quantities of concentrated latex and/or firewood from alternative suppliers at commercially acceptable terms in a timely manner, or at all. We may also incur additional costs arising from increased shipping or other costs should we be required to procure raw materials from alternative sources (as we currently benefit from our factories being located in close proximity to the STA Group's natural rubber plants).

We also rely on the STA Group for the provision of other services, such as product transportation and delivery, office space services and administrative and information technology services. In the event that the STA Group is not able to provide such services to us and we are unable to find a replacement service provider in a timely manner, or at all, our business and performance may be materially and adversely affected.

5) Risk of utility shortages which could materially disrupt our manufacturing operations or significant increases in the price of utilities

Utilities that are essential to our manufacturing operations include electricity, water and thermal energy generated from the burning of wood chips. We procure such utilities from a number of sources, including purchasing from utility providers as well as generating our own such as generating our own thermal energy through the burning of wood chips. In the event of a utility shortage or if we are not able to procure utilities for use in our manufacturing processes for any reason, including due to a drought,

lack of groundwater or failure of or inefficiencies in our electrical systems and/or wastewater treatment systems, we may have to reduce our production output or stop production completely or we may face increased utility costs. Any of these events could materially and adversely impact our business and profitability.

6) Risk of insurance coverage that may be inadequate to cover potential liabilities or losses.

We are exposed to various risks arising from our business operations, including without limitation the risk of explosion, fire, natural disasters, machinery or equipment failure, improper installation and accidents. These risks could cause injury, death or damage or destruction to property, which may result in our operations being suspended or disrupted. We may also face civil and/or criminal penalties arising from any such incidents.

We maintain various insurance policies covering, among others, property damage, business interruption and public and product liability. However, we cannot assure you that our insurance coverage will be sufficient to cover all of the potential losses and risks arising from our business operations. There is a risk that we may be subject to liabilities that are not adequately insured, or at all, or liabilities that cannot be insured. Our insurance policies may not cover certain types of losses, or the amount insured may be insufficient to cover the amount of the loss. In addition, there is no assurance that we will be able to continue to maintain our existing insurance coverage should premiums increase significantly. In the event that our insurance coverage is insufficient to cover liabilities or losses arising from our business operations, our business, financial condition and operating results could be materially and adversely affected.

7) Risk of business operations disruption as a result of natural disasters or other events beyond our control affecting us or our suppliers.

We may face disruptions to our production due to unforeseen factors beyond our control, including without limitation natural disasters, the outbreak of an epidemic or dangerous communicable disease, power outages, interruptions to telecommunication systems, terrorism and political instability. The occurrence of any of these events may disrupt our production, affect our suppliers' ability to supply raw materials to us or cause a significant increase in our production costs, which may in turn materially and adversely affect our operating results and profitability and expose us to legal claims in the event we are unable to manufacture and deliver products in accordance with the delivery schedules agreed with our customers under our agreements with them. Further, while we maintain business interruption insurance, there is no assurance that we will be able to claim for all or any losses suffered as a result of any business interruption.

In 2010, we experienced heavy flooding at our Hat Yai factory, which resulted in our operations at that factory being halted for a total of 12 days. However, this incident did not result in any damage to our production lines. After the floods, we erected a water barrier around the factory and put in place measures to respond to future occurrences of flooding, including a flood response emergency plan. Since 2010, we have not experienced any flooding problems at any of our factories that have had an impact on our business operations.

8) Risk of governmental supervision and regulation, including licensing requirements, in respect of our operations.

The business operations of our Group are subject to the supervision and licensing requirements of various regulatory agencies in Thailand and elsewhere, including among others the Department

of Industrial Works of the Ministry of Industry, the Ministry of Natural Resources and Environment, the Ministry of Public Health and the Food and Drug Administration in Thailand, and the food and drug regulatory authorities in other countries.

These licences and permits are generally subject to conditions which are either stipulated in the licence or permit or under relevant regulations. The grant and/or renewal of these licences and permits may be conditional on periodic inspections by relevant authorities, for example to ensure that our licensed premises comply with all the relevant conditions and regulations. Any material non-compliance with the terms of any licences or permits or the relevant regulations may result in suspension, revocation or non-renewal of the relevant licences or permits or civil or criminal penalties being imposed against us.

There is no assurance that, upon the expiration of any of our licences or permits, we will be able to apply for or renew such licences or permits in a timely manner, or at all, or that we will be able to maintain or obtain all licences and permits necessary for our business operations in the future. In the event that we are unable to renew or obtain necessary licences or permits, our business and prospects could be materially and adversely affected.

9) Risk of changes in governmental policies and rules affecting the use and sale of medical gloves.

Medical gloves are regulated as medical devices in most countries and we may be adversely affected by changes in governmental policies and rules affecting their use and sale. In December 2016, the US Food and Drug Administration imposed a ban, which took effect in January 2017, on the use and sale of powdered patient examination gloves and powdered surgeon's gloves in the US, determining that there may be public's exposure to the risks of powdered gloves in relation to their public health benefit. At the time, this did not have a material impact on

our export sales to the US as most of our glove exports to the US were almost of the non-powdered variety. However, there is no assurance that other countries will not impose a similar ban on powdered medical gloves in the future. In the event that similar bans are proposed in other countries where we currently sell powdered medical gloves, our business and results of operations could be materially and adversely affected.

10) Risk of outbreak of a contagious disease, epidemic or other serious public health crisis may result in disruptions to our business operations.

The outbreak of H1N1 influenza, H5N1 influenza, Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), COVID-19 or other contagious disease or epidemic may severely hinder our business operations. If our employees or contract workers are at risk of infection or have contracted any such infections, we may be ordered to stop work by the relevant government agencies. We may also find it necessary to temporarily close our factories partially or completely, which may result in disruption to our business operations and inability to deliver products to our customers according to the agreed delivery schedule, which may have a material adverse effect on our profitability and financial position.

11) Risk of uncertain current heightened levels of demand for our medical gloves which will persist into the future.

The ongoing COVID-19 pandemic has resulted in unprecedented global demand for personal protective equipment, including medical gloves. In response, existing rubber glove manufacturers, including our Company, have ramped up production and/or are making significant capital investments to expand production capacities to meet the surge in demand, while new entrants have also entered the rubber glove manufacturing industry.

However, there is no guarantee that the current heightened levels of demand will persist in the coming years or that we will be able to maintain current levels of profitability. In December 2020, the US Food and Drug Administration issued the first emergency use authorisation for a vaccine for the prevention of COVID-19 and since then, various countries have rolled out nationwide COVID-19 vaccination programmes. In the event that the COVID-19 pandemic is brought under control whether as a result of widespread vaccine deployment or other reasons, there is no guarantee that demand for medical gloves will persist at current levels. A fall in demand, coupled with increases in supply due to increased production capacities and new entrants, could lead to a supply glut and drive down selling prices, which could in turn materially and adversely impact our financial condition, profitability and prospects.

12) Risk of dependence on the services of key management staff.

One of the key reasons for the growth of our Group has been our ability to attract and retain a team of experienced professional managers in rubber gloves manufacturing. Our continued success will depend on our ability to retain our key management staff and to attract and train new managers. If members of our senior management team are unable or unwilling to continue in their present positions, we may not be able to hire satisfactory replacements and our business may be adversely affected. In addition, the process of hiring new managers with the required combination of skills and attributes may be time-consuming and competitive. We may not be able to attract additional qualified persons to complement our expansion plans. As a result, our business and results of operations may be adversely affected.

13) Risk of exposure to labour shortage and labor dispute.

We require manual labour for certain of our production processes which are not automated, such as quality control and packing. In particular, we rely on a large number of workers including foreign workers to meet our operational needs. Any changes in the policies of the foreign workers' countries of origin or any restrictions in Thailand, where we operate, may affect the supply of foreign labour and cause disruptions to our business operations. In particular, we are required to comply with the minimum wage imposed by the Thai government, and increases to minimum wage would cause our costs to rise correspondingly. Also, government policies regarding the employment of foreign workers may become more stringent in the future. In the event that the number of foreign workers that we can employ is reduced and/or we are required to turn to alternative sources of labour, which may be more expensive, our financial performance may be adversely affected.

In addition, while we have not encountered instances of labour shortages, work stoppages or labour unrest or disputes in the past, there is no assurances that such events will not occur in the future. In the event that we face labour shortages, work stoppages or labour unrest or disputes, we may not be able to resolve these issues in a timely manner, or at all, and our operations may be materially and adversely affected as a result.

14) Risk of the fluctuations in foreign exchange rates.

The majority of Company and its subsidiaries' products are exported to overseas markets. In this regard, the Company and its subsidiaries set the selling prices of the export products mainly in US Dollars and Renminbi. As a result, most of the Company and its subsidiaries' income are denominated in US Dollars and Renminbi. However, most of costs and expenses

of the Company, which are concentrated latex costs, personnel-related expenses and other production costs are mainly in Thai Baht. In addition, our subsidiary has entered into loan agreements with foreign financial institutions in foreign currency, including the US Dollar. Therefore, the fluctuation of the exchange rate between Thai Baht, US Dollar or any other currencies may adversely affect the Company's business, cash flow, financial position, results of operations and prospects. Moreover, the fluctuation and difference of the exchange rate between the US Dollar and Thai Baht when compared with the exchange rate between the US Dollar and Malaysian Ringgit or Indonesian Rupiah or Renminbi may also adversely affect the price competitiveness of the Company and its subsidiaries when compared with other glove manufacturers and distributors from Malaysia, the People's Republic of China, and Indonesia.

Nevertheless, the Company and its subsidiaries have managed foreign exchange risks arising from fluctuations in foreign exchange rates by managing foreign currency income and expenditures in the same currency (Natural Hedge) due to the Company's procurement of synthetic latex, chemicals and various other raw materials are in US Dollars. As a result, the Company is able to partially mitigate the impact of exchange rates from the fluctuation of the US Dollar currency. For the years ended of 31 December 2019 and 2020, the Company's expenses in proportion of US Dollars are 28.0 percent and 11.9 percent of income in US Dollars currency, respectively.

In addition, the Company and its subsidiaries have a hedging policy to use financial instruments in order to manage such exchange rate fluctuation as appropriate, such as using financial derivatives in order to mitigate the risks associated with foreign exchange rates which may arise from the sale in currencies other than Thai Baht.

15) Risk of successfully implement our growth strategies and returns on investment may not meet our expectations.

As part of our growth strategy, we intend to continually increase the production capacity of our factories to meet increasing demand in the domestic and international markets and maintain our competitiveness in relation to other major regional rubber glove manufacturers and distributors. We also intend to explore opportunities to invest in the research and development of rubber glove products which are different from, or of better quality than, our existing products, and/or acquisition or merger opportunities with other businesses. However, there is no assurance that we will be able to successfully execute our growth strategies within the planned budget, within the expected timeframe, or at all, or that our strategies will be commercially successful. We may not achieve revenue targets or we may face higher operating costs, resulting in lower than expected returns from the business expansion or loss of investment opportunities, which could in turn have a material adverse on our business, cash flows, financial position and results of operations.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

1) Risk of foreign ownership restrictions could limit ability to transfer our Shares and limit our ability to raise equity financing.

Our Articles of Association provide that no more than 49.0% of our Company's issued and outstanding Shares may be held by non-Thai persons. Our Articles of Association also provide that transfers of Shares in violation of applicable foreign ownership limitations may be restricted. In the event that the applicable foreign ownership limitations have been reached, Thai Shareholders may not be able to

transfer their Shares to persons who are non-Thai nationals. As a result, the liquidity and market price for our Shares may be adversely affected.

Furthermore, it may not always be possible for a non-Thai Shareholder, or purchaser or seller of our Shares, to know in advance whether the relevant Shares fall within applicable limits and will be eligible to be registered in the name of the purchaser, or whether the registrar will decline to register the transfer of Shares.

Ownership of Thai companies by non-Thai persons is generally limited to 49.0% of a company's outstanding shares. In the event such shareholding limit is lowered, holders of our Shares may be subject to increased risks of forced transfers or sales or may be required to hold non-voting depository receipts in lieu of our Shares.

MANAGEMENT DISCUSSION AND ANALYSIS



Business Overview

The outbreak of COVID-19 has led to a surge in demand for gloves globally. During 2017-2019, global glove demand was growing 10-12% annually. But demand in 2020 has been estimated to grow by as much as 20-50% to 360-585 billion pieces per year*. As the world's third largest glove producer by annual production capacity, we had a record sales volume of 27,965 million pieces in FY2020 with customers in over 140 countries around the world.

While demand keeps growing, glove supply continues to be limited as glove production is an undertaking that requires advanced production technology and large capital investment in constructing a production facility of the size that would lead to economies of scale. The construction itself takes time to complete. Additionally, medical gloves need to have certificates from various regulatory bodies of the countries in which they are to be marketed. These factors all serve as barriers to entry for new industry entrants. A robust growth in demand combined with the limited production capacity and scarcity of raw materials to drive selling prices up.

On the back of a substantial growth in sales volume and ASP, we had a record revenue of THB 30,405.1 million in 2020, growing 153.5% YoY, and recorded an all-time-high profit after tax of THB 14,400.9 million, increasing 2,245.8% YoY, representing a net profit of THB 5.94 per share. With over 30 years of experience in the global glove industry and having been through the outbreak of SARS, H5N1 and MERS, all of which served as a key driver of glove consumption, we believe that the current COVID-19 pandemic has led to a structural shift in consumption of gloves, which have become essential in the so-called "New Normal". Amid the current climate of limited supply and demand that continues to grow, we are committed to our capacity expansion plan, utilizing cutting-edge technology that will lead to optimum efficiency.

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

Income Statement Overview

(In million THB)	FY2020	FY2019	%YoY	4Q20	4Q19	%YoY
Volume (in million pcs.)	27,964.8	19,891.9	40.6%	7,162.9	5,457.4	31.3%
Sales revenue	30,405.1	11,994.1	153.5%	13,645.7	3,137.8	334.9%
COGS	(13,602.3)	(10,555.5)	28.9%	(3,874.5)	(2,807.6)	38.0%
Gross profit	16,802.8	1,438.7	1067.9%	9,771.1	330.2	2859.3%
Other income	248.1	140.3	76.9%	80.2	83.7	-4.1%
SG&A	(1,100.3)	(725.4)	51.7%	(420.1)	(201.8)	108.2%
Gain (loss) on exchange rate, net	161.3	48.0	236.0%	(10.4)	27.1	-136.5%
Other gains, net	(62.4)	5.3	NM	92.1	12.2	751.8%
Operating profit (loss)	16,049.4	906.8	1669.8%	9,512.9	251.3	3684.9%
EBITDA	17,160.4	1,707.7	904.9%	9,833.8	458.6	2044.2%
EBIT	16,088.6	912.1	1663.9%	9,542.1	254.1	3655.7%
Finance income	39.2	5.3	640.2%	29.2	2.7	968.0%
Finance costs	(142.2)	(194.3)	-26.8%	(32.6)	(45.9)	-28.9%
EBT	15,946.5	717.9	2121.4%	9,509.4	208.2	4467.2%
Tax	(1,545.6)	(103.9)	1386.9%	(989.2)	(27.2)	3541.2%
Net profit	14,400.9	613.9	2245.8%	8,520.3	181.0	4606.2%
GP margin	55.3%	12.0%	43.3%	71.6%	10.5%	61.1%
EBITDA margin	56.4%	14.2%	42.2%	72.1%	14.6%	57.4%
Net profit margin	47.4%	5.1%	42.2%	62.4%	5.8%	56.7%
Financial Ratio						
Current ratio	5.69	1.56	265.8%	5.69	1.56	265.8%
Cash cycle (days)	34.55	40.55	-14.8%	27.49	41.52	-33.8%
IBD/E	0.20	1.61	-87.6%	0.20	1.61	-87.6%
Interest coverage ratio	113.18	4.70	2310.5%	292.45	5.54	5178.7%
ROA	33.3%	4.6%	28.6%	78.1%	5.4%	72.6%
ROE	45.4%	13.9%	31.5%	106.6%	16.3%	90.3%

Sales revenue

In the FY2020, the Company had consolidated revenue from sales of THB 30,405.1 million, increased THB 18,411.0 million from THB 11,994.1 million in FY2019 or 153.5%. The increase was contributed mainly by the increase in sales volume of gloves from expansion of the project that was completed in the first quarter of the FY2020 and the selling price of rubber gloves that was increased due to high global demand.

Cost of sales

In the FY2020, cost of sales was THB 13,602.3 million, increased THB 3,046.8 million from THB 10,555.5 million in FY2019 or 28.9%. The increase was primarily from the increase in sale volume with the expansion capacity and the increase of raw material prices.

Gross profit

For the reasons discussed above, our gross profit increased from THB 1,438.7 million in FY2019 to THB 16,802.8 million in FY2020. The increase in gross profit margin was mainly due to the increase in the average selling price of rubber gloves from approximately THB0.60 per piece in FY2019 to THB1.09 per piece in FY2020. Despite the increase in raw material prices, which resulted from the increase in demand for concentrated latex and synthetic latex in the second half of FY2020, we were able to increase average selling prices by a greater proportion than our increase in costs.

Other income

In the FY2020, other income was THB 248.1 million, increased THB 107.9 million from THB 140.3 million in 2019 or 76.9%. The increase was mainly from the proceed from the sales of scrap materials and income from interest subsidy pursuant to the Thai government's subsidy programme, partially offset by a decrease in insurance claims.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 47.3%, or THB 194.3 million, from THB411.0 million in FY2019 to THB 605.3 million in FY2020. This was primarily due to an increase in transportation expenses owing to increases in freight costs as a result of a switch in incoterm from FOB to CIF for a certain group of customers, as well as an increase in sales volume, an increase in personnel expenses which corresponded to the growth in operation, and an increase in brokerage fees owing to an increase in sales volume and average selling price, partially offset by a decrease in marketing expenses and other selling and distribution expenses.

Administrative Expenses

Our administrative expenses increased by 57.4%, or THB 180.6 million, from THB 314.4 million in FY2019 to THB 495.1 million in FY2020. This was primarily due to an increase in salary, wages and welfare, and office services usage, partially offset by a decrease in depreciation and amortisation.

Gains/Losses from Foreign Exchange and Other Gains/Losses

Our gain from foreign exchange and other gains increased THB 45.6 million from THB 53.3 million in FY2019 to THB 98.9 million in FY2020. This was primarily due to the gain from the foreign exchange offset by the loss of the derivative instruments such as, forward and option contracts that the Company entered during the FY2020.

Finance Income

Our finance income on interest earned from bank deposits increased from THB 5.3 million in FY2019 to THB 39.2 million in FY2020. This was primarily due to an increase in cash deposits at banks.

Finance Costs

Our finance costs decreased by 26.8%, or THB 52.1 million, from THB 194.3 million in FY2019 to THB 142.2 million in FY2020. This was primarily due to a decrease in long-term loans and short-term loans in FY2020 from the repayment of a long-term loan amounting to THB 2,843.0 million and the repayment of short term loans amounting to THB 274.3 million, as well as a decrease in interest rates in FY2020, although the additional long-term loan was being drawn-down amounting to THB 2,347.0 million in FY2020.

Income Tax Expenses

Our income tax expenses increased by 1,386.9%, or THB 1,441.7 million, from THB 103.9 million in FY2019 to THB 1,545.6 million in FY2020. This was primarily due to an increase in taxable income.

Net Profit

Our net profit increased 2,245.8% or THB 13,787.0 million from THB 613.9 million in FY2019 to THB 14,400.9 million in FY2020.

Financial position as at 31 December 2020

Total Assets

Total assets as at 31 December 2020 increased by THB 30,077.3 million to THB 43,293.4 million or an increase of 227.6% from 31 December 2019, mainly due to (1) increase in cash and cashequivalents that was largely received from the IPO and the profit during the period; (2) trade receivables and other receivables increased by THB 3,295.1 (3) inventory increased by THB 1,421.8 million and (4) property, plant and equipment increased by THB 959.1 million.

Total Liabilities

Total liabilities as at 31 December 2020 increased by THB 2,781.8 million to THB 11,595.9 million or an increase of 31.6% from 31 December 2019, mainly due to (1) the increase in trade and other payables

by 156.6 percent mainly from the advance payment of goods received from the purchase order (2) the increase of account payable from an increase in production capacity, and (3) the increase of income tax payable of THB 1,241.2 million offset by the Company's prepayment of its long term loan at the amount of THB 2,093.0 million to the financial institutions at the end of the second quarter of 2020.

Total Shareholders' Equity

Total shareholders' equity as at 31 December 2020 increased by THB 27,295.5 million to THB 31,697.5 million, or an increase of 620.1 percent from 31 December 2019, mainly due to the proceeds from IPO and the increase to the retained earnings from the operations in YE2020 offset by the interim dividend payment of THB 1,785.8 million.

Credit Policy

STGT defines the criteria for setting the credit and payment terms for each customer according to their risk profile, taking into account from various factors such as, size of business, nature of business, financial position, historical payment and credit limit etc. Our credit term giving to the customers is generally up to 60 days.

Research and development (R&D) expenditure

In the FY2020, Company had the expenses related to the research and development of THB 99.7 million, decrease 2.3% from FY2019. Such expenses are associated with the research and development in relation to product development, as well as the improvement on the efficiency on the production process, energy reduction, quality assurance, packing process, and stock or warehouse management by using new technology including the automation. Also, we give the priority to the development of the new product such as low protein gloves by minimizing the protein level in order to serve the market needs. Throughout the year 2020, we had developed 89 projects for R&D and 73 projects of that will be continued to conduct in 2021.

Cash flow

For the FY2020 ending 31 December 2020, the Company had profit from operating activities before changes in operating assets and liabilities at THB 17,176.0 million, mainly due to profit before income tax of THB 15,946.5 million and the depreciation and amortisation of THB 1,071.8 million and the finance cost of THB 142.2 million. However, the Company had cash outflow provided by the changes in operating activities in assets and liabilities at the amount of THB 3,145.8 million mainly due to the increase in trade and other receivables of THB 3,304.6 million, increase in inventories of THB 1,384.9 million, increase in other current assets of THB 488.2 million, and increase in other assets of THB 175.6 million offset by the increase in trade and other payables of THB 2,166.9 million and the increase in other current liabilities of THB 41.3 million including income tax payment of THB 251.1 million and interest payment of THB 196.5 million resulting in the Company to have the net cash flow from operating activities of THB 13,610.6 million.

The Company had cash flow from investment activities of THB 2,051.4 million due to the purchase in property, plant and equipment and intangible assets of THB 2,054.9 million mainly from the expansion the factory in Hat Yai branch with the total increase of 10 production lines, factory in Trang branch with the total increase of 12 production lines that were completed in the first quarter of FY2020 and the factory in Surat Thani in the third quarter of FY2020.

The Company had net cash flow from financing activities of THB 12,035.5 million, mainly due to cash received from the proceeds from the increase in ordinary shares at the amount of THB 14,609.3 million, long term borrowings from financial institutions at THB 2,347.0 million offset by the prepayment of long term borrowings from financial institutions that did not receive the support from RAOT at the amount of THB 2,694.0 million, repayment of short term

borrowings from financial institutions of THB 274.3 million, and repayment of lease liabilities at the amount of THB 17.8 million.

Financial Ratios

Interest coverage ratio

For the year ending 31 December 2020, the Company had interest coverage ratio equivalent to 71.55 times, increase from the year ending 31 December 2019 that had the interest coverage ratio at 7.08 times. The main reason was the increase in profit and the decrease in interest from the long-term borrowings with the financial institution in the FY2020 as there was a prepayment of the loan borrowings.

Current ratio

Current ratio as at 31 December 2020 was 5.77 times, increase from 31 December 2019 at 1.56 times, mainly due to the increase in current assets at a higher proportion than the increase in current liabilities. In this regard, the increase in current assets was mainly due to the cash and cash equivalents received from the IPO proceeds and the profit of the period whilst the increase in current liabilities came from the trade and other payables, and the increase in income tax payable offset by a decrease of the current portion of long-term borrowings.

Cash cycle

Cash cycle for the year ending 31 December 2020 was 34.55 days, decrease from the year ending 31 December 2019 at 40.55 days, mainly due to the increase in account payables days from 26.05 days to 32.48 days and the decrease in the account receivables days from 45.84 days to 37.05 days offset by the increase inventory days from 20.76 days to 29.98 days.

Return on Assets ("ROA")

Return on assets for the year ending 31 December 2020 was 51.06%, increase from the year ending 31 December 2019 at 5.14% due to a significant increase in the profit of the period in FY2020 as a

result of the increase in production capacity and average selling price, even though, the average total assets in FY2020 (average amount between FY2019 and FY2020) increased more than the average total assets increase in FY2019 (average amount between FY2018 and FY2019). This was due to the proceeds from IPO, growth of the business, and the profit during FY2020.

Return on Equity (“ROE”)

The return on equity for the year ending 31 December 2020 was 79.78%, increase from the year ending 31 December 2019 at 18.57% due to a significant increase in the profit for the period in FY2020 as a result of the increase of the profit during the period, even though, the average total shareholders' equity in FY2020 (average amount between FY2019 and FY2020) increased more than the average total shareholders' equity increase in FY2019 (average amount between FY2018 and FY2019). This was due to the proceeds from IPO and the profit during FY2020.

Debt to Equity ratio and Interest Bearing Debt to Equity Ratio

The debt to equity ratio for the year ending 31 December 2020 was 0.36 times, decrease from the year ending 31 December 2019 at 2.00 times. The interest bearing debt to equity ratio decreased from 1.61 times in FY2019 to 0.20 times in FY2020, mainly due to the Company's prepayment of its long term loan, increase in the shareholders' equity from the IPO proceeds and the profit during FY2020.

THE AUDIT COMMITTEE REPORT



The Audit Committee was appointed by the Board of Directors, which consists of 3 independent directors, two-thirds of them have financial and accounting knowledge, the list as follows:

1. Prof.Dr. Weerakorn Ongsakul	Chairman of the Audit Committee Be Appointed at the Board of Directors Meeting No. 6/2020 on 13 November 2020 to replace Mr. Prakob Visitkitjakarn, who passed away on 14 October 2020, resulting in his retirement on 14 October 2020 onward.
2. Mrs. Unakorn Phruithithada	Member of the Audit Committee
3. Gen. Bundit Boonyapan	Member of the Audit Committee Be Appointed at the Board of Directors Meeting No. 7/2020 on 25 December 2020.

The Audit Committee performs its duties and responsibilities as assigned by the Board of Directors. In the year 2020, the Audit Committee convened a total of 5 meetings. Mr. Prakob Visitkitjakarn attended of 3 meetings (he passed away on 14 October 2020), Prof.Dr. Weerakorn Ongsakul and Mrs. Unakorn Phruithithada attended all the meetings and. the Audit Committee meeting with the senior executives, the internal audit department manager and the auditors in relevant matters. 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 addition, the Audit Committee met with the auditor. Without management attending the meeting At the Audit Committee meeting of The Company No. 1/2021, Monday 15 February 2021, which in 2020, the auditor did not have any significant observations.
- Submitted the names of the persons to be appointed the Company's auditors and the proposed auditing fees for the year 2020 to the Board of Directors in order to obtain approval from the Company's shareholders during the 2020 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.
- Reviewed the Audit Committee Charter and improve the appropriateness of the Audit Committee Charter annually. Ensured that the Company complied with the principles of good corporate governance as well as the regulations of the SEC and the SET.
- 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.

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.

Prof.Dr. Weerakorn Ongsakul

Chairman of the Audit Committee

February 2021

REPORT ON 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 Gloves (Thailand) Public Company Limited and the consolidated financial statements of Sri Trang Gloves (Thailand) 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 31 December 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 of Directors 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 of Directors 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.

Prof. Dr. Weerakorn Ongsakul

Chairman of the Board of Directors

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sri Trang Gloves (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sri Trang Gloves (Thailand) 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 Gloves (Thailand) 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 Gloves (Thailand) Public Company Limited and its subsidiaries and of Sri Trang Gloves (Thailand) 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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the 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.

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 matter. I describe this matter 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

STATEMENT OF FINANCIAL POSITION

Sri Trang Gloves (Thailand) 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	24,188,754,171	581,264,398	23,049,358,311	557,163,099
Trade and other receivables	9	4,906,963,718	1,611,825,443	5,571,773,099	1,726,140,774
Inventories	10	3,033,589,221	1,611,750,682	2,124,389,782	1,343,588,550
Derivative financial instruments	33.1	39,554,629	21,761,393	39,554,629	21,761,393
Other current assets	11	969,254,212	485,705,757	969,254,212	475,320,096
Total current assets		33,138,115,951	4,312,307,673	31,754,330,033	4,123,973,912
Non-current assets					
Investments in subsidiaries	12	-	-	430,487,831	163,072,831
Property, plant and equipment	13	9,521,412,815	8,562,265,443	9,520,664,880	8,561,520,281
Right-of-use assets	14.1	33,105,330	-	17,225,778	-
Intangible assets - computer software	15	99,525,831	13,160,819	98,874,281	12,858,930
Goodwill	16	220,884,790	220,884,790	220,884,790	220,884,790
Deferred tax assets	26	104,232,530	106,920,487	-	-
Other non-current assets		176,132,701	557,923	175,242,808	188,291
Total non-current assets		10,155,293,997	8,903,789,462	10,463,380,368	8,958,525,123
Total assets		43,293,409,948	13,216,097,135	42,217,710,401	13,082,499,035

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

STATEMENT OF FINANCIAL POSITION (continued)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	3,573,446,656	1,392,796,653	3,259,625,660	1,351,310,382
Short-term borrowings from financial institutions	18	-	263,847,500	-	-
Current portions of:					
- Long-term borrowings from financial institutions	18	774,216,364	947,490,585	774,216,364	947,490,585
- Finance lease liabilities	4.2	-	6,321,906	-	6,321,906
- Lease liabilities	14.2, 18	15,930,134	-	5,815,002	-
Income tax payable		1,360,396,664	119,168,121	1,196,334,631	115,263,192
Derivative financial instruments	33.1	45,960,950	29,388,190	45,960,950	29,388,190
Other current liabilities		55,305,252	13,997,181	19,131,918	13,997,181
Total current liabilities		5,825,256,020	2,773,010,136	5,301,084,525	2,463,771,436
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	18	5,525,490,314	5,845,922,511	5,525,490,314	5,845,922,511
- Finance lease liabilities	4.2	-	8,258,713	-	8,258,713
- Lease liabilities	14.2, 18	12,682,347	-	6,588,673	-
Derivative financial instruments	33.1	44,471,537	-	44,471,537	-
Deferred tax liabilities	26	68,044,138	85,341,314	68,044,138	85,341,314
Provision for retirement benefit obligations	19	119,969,130	101,536,976	119,969,130	101,536,976
Total non-current liabilities		5,770,657,466	6,041,059,514	5,764,563,792	6,041,059,514
Total liabilities		11,595,913,486	8,814,069,650	11,065,648,317	8,504,830,950

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

STATEMENT OF FINANCIAL POSITION (continued)

Sri Trang Gloves (Thailand) 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	20				
Registered					
2,869,560,000 ordinary shares of Baht 0.5 each (2019: 1,434,780,000 ordinary shares of Baht 1 each)		<u>1,434,780,000</u>	<u>1,434,780,000</u>	<u>1,434,780,000</u>	<u>1,434,780,000</u>
Issued and fully paid					
2,857,560,000 ordinary shares of Baht 0.5 each (2019: 990,000,000 ordinary shares of Baht 1 each)		1,428,780,000	990,000,000	1,428,780,000	990,000,000
Premium on ordinary shares	20	14,243,224,859	-	14,243,224,859	-
Share-based payment reserve	21	8,153,441	-	8,153,441	-
Surplus from the amalgamation	1.2	483,694,988	483,694,988	483,694,988	483,694,988
Deficit from business combination under common control	1.3	(143,211,674)	(143,211,674)	-	-
Retained earnings					
Appropriated - statutory reserve	22	143,478,000	64,769,469	143,478,000	64,769,469
Unappropriated		15,239,044,923	2,664,104,733	14,551,958,444	2,694,229,988
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax		328,349,582	344,973,640	328,349,582	344,973,640
Exchange differences on translation of financial statements in foreign currency		1,559,573	(2,303,671)	-	-
Cash flow hedge reserve - net of income tax	4.1	<u>(35,577,230)</u>	<u>-</u>	<u>(35,577,230)</u>	<u>-</u>
Total shareholders' equity		<u>31,697,496,462</u>	<u>4,402,027,485</u>	<u>31,152,062,084</u>	<u>4,577,668,085</u>
Total liabilities and shareholders' equity		<u>43,293,409,948</u>	<u>13,216,097,135</u>	<u>42,217,710,401</u>	<u>13,082,499,035</u>
		-	-	-	-

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

STATEMENT OF COMPREHENSIVE INCOME

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2020	For the period as from 1 April 2019 to 31 December 2019
Profit or loss:					
Revenues from sales of goods		30,405,119,838	11,994,145,114	29,733,807,362	8,901,080,638
Cost of sales		(13,602,326,084)	(10,555,480,997)	(14,127,945,962)	(7,990,051,952)
Gross profit		16,802,793,754	1,438,664,117	15,605,861,400	911,028,686
Other income	23	248,115,939	140,250,075	247,835,000	125,761,385
Dividend income	12	-	-	30,665,796	-
Selling and distribution expenses		(605,256,955)	(410,960,498)	(470,303,354)	(232,671,378)
Administrative expenses		(495,081,983)	(314,439,459)	(396,770,141)	(190,881,857)
Gain on exchange rates		161,316,560	48,016,654	140,204,980	58,258,146
Other gain (loss)	24	(62,438,899)	5,299,487	(62,438,899)	36,729,088
Operating profit		16,049,448,416	906,830,376	15,095,054,782	708,224,070
Finance income		39,175,298	5,292,569	37,823,401	4,659,126
Finance cost		(142,151,870)	(194,266,073)	(137,810,154)	(132,979,091)
Profit before income tax		15,946,471,844	717,856,872	14,995,068,029	579,904,105
Income tax	26	(1,545,602,891)	(103,949,377)	(1,311,410,810)	(87,237,958)
Profit for the year/period		14,400,868,953	613,907,495	13,683,657,219	492,666,147
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		3,863,244	(4,682,682)	-	-
Loss on cash flow hedges - net of income tax		(7,072,137)	-	(7,072,137)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(3,208,893)	(4,682,682)	(7,072,137)	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax		(6,565,947)	1,504,511	(6,565,947)	1,504,511
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(6,565,947)	1,504,511	(6,565,947)	1,504,511
Other comprehensive income for the year/period		(9,774,840)	(3,178,171)	(13,638,084)	1,504,511
Total comprehensive income for the year/period		14,391,094,113	610,729,324	13,670,019,135	494,170,658

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

STATEMENT OF COMPREHENSIVE INCOME (continued)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
As at 31 December 2020

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
		For the year ended	For the year ended	For the year ended	For the period as
		31 December 2020	31 December 2019	31 December 2020	from 1 April 2019
Note					to 31 December 2019
Profit (loss) attributable to:					
	Owners of the Company	14,400,868,953	634,295,523	<u>13,683,657,219</u>	<u>492,666,147</u>
	Former shareholders before the restructuring	<u>-</u>	<u>(20,388,028)</u>		
		<u>14,400,868,953</u>	<u>613,907,495</u>		
Total comprehensive income attributable to:					
	Owners of the Company	14,391,094,113	631,635,232	<u>13,670,019,135</u>	<u>494,170,658</u>
	Former shareholders before the restructuring	<u>-</u>	<u>(20,905,908)</u>		
		<u>14,391,094,113</u>	<u>610,729,324</u>		
Earnings per share					
	28				
Basic earnings per share					
	Profit attributable to owners of the Company	<u>5.94</u>	<u>0.42</u>	<u>5.64</u>	<u>0.26</u>
Diluted earnings per share					
	Profit attributable to equity holders of the Company	<u>5.93</u>	<u>0.42</u>	<u>5.64</u>	<u>0.26</u>

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements											
	Equity attributable to owners of the Company											
	Other components of shareholders' equity											Total shareholders' equity
	Other comprehensive income											
Issued and paid-up share capital	Premium on ordinary shares	Share-based payment reserve	Surplus from the amalgamation	Deficit from business combination under common control	Retained earnings	Surplus on revaluation of assets - net of income tax	Exchange differences on translation of financial statements in foreign currency	Cash flow hedge reserve - net of income tax	Total other components of shareholders' equity	Total equity attributable to owners of the Company		
200,000,000	-	-	-	-	-	24,449,469	362,820,794	-	362,820,794	2,430,906,444	1,358,464,548	3,789,370,992
	-	-	-	-	-	-	-	-	-	634,295,523	(20,388,028)	613,907,495
	-	-	-	-	-	-	(4,164,802)	-	(4,164,802)	(2,660,291)	(517,880)	(3,178,171)
Total comprehensive income for the year	-	-	-	-	-	-	(4,164,802)	-	(4,164,802)	631,635,232	(20,905,908)	610,729,324
Amalgamation (Note 1.2)	625,000,000	-	-	483,694,988	-	8,700,000	198,441,364	-	-	1,315,836,352	(1,315,836,352)	-
Amortisation on asset revaluation	-	-	-	-	-	-	(17,847,154)	-	-	(17,847,154)	-	-
Issuance of additional share capital	165,000,000	-	-	-	-	-	-	-	-	165,000,000	-	165,000,000
Subsidiary acquisitions (Note 1.3)	-	-	-	-	(143,211,674)	-	-	1,861,131	1,861,131	(141,350,543)	(21,722,288)	(163,072,831)
Transferred unappropriated retained earnings to statutory reserve (Note 22)	-	-	-	-	-	31,620,000	(31,620,000)	-	-	-	-	-
Balance as at 31 December 2019	990,000,000	-	-	483,694,988	(143,211,674)	64,769,469	344,973,640	(2,303,671)	-	342,669,969	4,402,027,485	4,402,027,485
Balance as at 1 January 2020	990,000,000	-	-	483,694,988	(143,211,674)	64,769,469	344,973,640	(2,303,671)	-	342,669,969	4,402,027,485	4,402,027,485
Cumulative effects of the initial adoption of new financial reporting standards (Note 4.1)	-	-	-	-	-	-	-	-	(28,505,093)	(28,505,093)	-	-
Balance as at 1 January 2020 - as restated	990,000,000	-	-	483,694,988	(143,211,674)	64,769,469	344,973,640	(2,303,671)	(28,505,093)	314,164,876	4,402,027,485	4,402,027,485
Profit for the year	-	-	-	-	-	-	-	-	-	14,400,868,953	-	14,400,868,953
Other comprehensive income for the year	-	-	-	-	-	-	-	3,863,244	(7,072,137)	(3,208,893)	(9,774,840)	(9,774,840)
Total comprehensive income for the year	-	-	-	-	-	-	-	3,863,244	(7,072,137)	14,391,094,113	-	14,391,094,113
Amortisation on asset revaluation	-	-	-	-	-	-	(16,624,058)	-	-	(16,624,058)	-	-
Issuance of additional ordinary shares (Note 20)	438,760,000	14,229,624,859	-	-	-	-	-	-	-	14,668,404,659	-	14,668,404,859
Share-based payments (Note 21)	-	-	21,753,441	-	-	-	-	-	-	21,753,441	-	21,753,441
Transfer share-based payment reserve to premium on ordinary shares (Note 21)	-	13,600,000	(13,600,000)	-	-	-	-	-	-	-	-	-
Transferred unappropriated retained earnings to statutory reserve (Note 22)	-	-	-	-	-	78,708,531	-	-	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	1,428,760,000	14,243,224,859	8,153,441	483,694,988	(143,211,674)	143,478,000	328,349,582	1,559,573	(35,577,230)	294,331,925	31,697,496,462	(1,785,783,436)

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

	Separate financial statements										(Unit: Baht)
	Other components of shareholders' equity										
	Retained earnings					Other comprehensive income					
	Issued and paid-up share capital	Premium on ordinary shares	Share-based payment reserve	Surplus from the amalgamation	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets - net of income tax	Cash flow hedge reserve - net of income tax	Total other components of shareholders' equity	Total shareholders' equity	
Balance as at 1 April 2019	825,000,000	-	-	483,694,988	33,149,469	2,219,206,992	357,445,978	-	357,445,978	3,918,497,427	
Profit for the year	-	-	-	-	-	492,666,147	-	-	-	492,666,147	
Other comprehensive income for the year	-	-	-	-	-	1,504,511	-	-	-	1,504,511	
Total comprehensive income for the year	-	-	-	-	-	494,170,658	-	-	-	494,170,658	
Amortisation on asset revaluation	-	-	-	-	-	12,472,338	(12,472,338)	-	(12,472,338)	-	
Issuance of additional share capital	165,000,000	-	-	-	-	-	-	-	-	165,000,000	
Transferred unappropriated retained earnings to statutory reserve (Note 22)	-	-	-	-	31,620,000	(31,620,000)	-	-	-	-	
Balance as at 31 December 2019	990,000,000	-	-	483,694,988	64,769,469	2,694,229,988	344,973,640	-	344,973,640	4,577,668,085	
Balance as at 1 January 2020	990,000,000	-	-	483,694,988	64,769,469	2,694,229,988	344,973,640	-	344,973,640	4,577,668,085	
Cumulative effects of the initial adoption of new financial reporting standards (Note 4.1)	-	-	-	-	-	28,505,093	-	(28,505,093)	(28,505,093)	-	
Balance as at 1 January 2020 - as restated	990,000,000	-	-	483,694,988	64,769,469	2,722,735,081	344,973,640	(28,505,093)	316,468,547	4,577,668,085	
Profit for period	-	-	-	-	-	13,683,657,219	-	-	-	13,683,657,219	
Other comprehensive income for the period	-	-	-	-	-	(6,565,947)	-	(7,072,137)	(7,072,137)	(13,638,084)	
Total comprehensive income for the period	-	-	-	-	-	13,677,091,272	-	(7,072,137)	(7,072,137)	13,670,019,135	
Amortisation on assets revaluation	-	-	-	-	-	16,624,058	(16,624,058)	-	(16,624,058)	-	
Issuance of additional ordinary shares (Note 20)	438,780,000	14,229,624,859	-	-	-	-	-	-	-	14,668,404,859	
Share-based payments (Note 21)	-	-	21,753,441	-	-	-	-	-	-	21,753,441	
Transfer share-based payment reserve to premium on ordinary shares (Note 21)	-	13,600,000	(13,600,000)	-	-	-	-	-	-	-	
Transferred unappropriated retained earnings to statutory reserve (Note 22)	-	-	-	-	78,708,531	(78,708,531)	-	-	-	-	
Dividend paid (Note 30)	-	-	-	-	-	(1,785,783,436)	-	-	-	(1,785,783,436)	
Balance as at 31 December 2020	1,428,780,000	14,243,224,859	8,153,441	483,694,988	143,478,000	14,551,958,444	328,349,582	(35,577,230)	292,772,352	31,152,062,084	

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

CASH FLOW STATEMENT

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2020	For the period as from 1 April 2019 to 31 December 2019
Cash flows from operating activities				
Profit before income tax	15,946,471,844	717,856,872	14,995,068,029	579,904,105
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange rates	21,978,573	(5,695,186)	23,041,331	10,450,268
Unrealised loss (gain) on revaluation of derivative financial instruments	27,284,617	5,615,027	27,284,617	(23,482,064)
Share-based payment expenses	21,753,441	-	21,753,441	-
Allowance for expected credit losses/doubtful debts (reversal)	3,336,082	(5,678,827)	3,292,478	-
Reversal of inventory cost to net realisable value	(36,958,712)	(3,011,184)	(33,238,128)	(18,096,971)
Expenses for retirement benefit obligations	11,033,520	36,259,773	11,033,520	33,119,295
Depreciation	1,069,977,460	789,208,233	1,060,100,900	599,152,975
Amortisation - intangible assets	1,834,503	6,330,279	1,717,124	4,535,680
Dividend income	-	-	(30,665,796)	-
Finance income	(39,175,298)	(5,292,569)	(37,823,401)	(4,659,126)
Finance cost	142,151,870	194,266,073	137,810,154	132,979,091
Loss on disposal and write-off of machinery and equipment and intangible assets	6,288,038	2,514,297	6,288,038	1,578,175
Profit from operating activities before changes in operating assets and liabilities	17,175,975,938	1,732,372,788	16,185,662,307	1,315,481,428
Operating assets (increase) decrease				
Trade and other receivables	(3,304,638,092)	320,203,403	(3,855,088,538)	117,002,951
Inventories	(1,384,879,827)	72,639,284	(747,563,104)	63,469,424
Other current assets	(488,160,989)	(410,434,196)	(490,596,973)	(358,075,955)
Other non-current assets	(175,574,778)	5,439,329	(175,054,517)	574,866
Operating liabilities increase (decrease)				
Trade and other payables	2,166,933,871	36,630,046	1,893,536,388	56,720,003
Other current liabilities	41,308,071	255,615	5,134,737	(18,241,733)
Provision for retirement benefit obligations	(808,800)	(27,658,093)	(808,800)	(27,658,093)
Cash flows provided by operating activities	14,030,155,394	1,729,448,176	12,815,221,500	1,149,272,891
Cash received from interest income	20,154,916	5,264,487	18,803,019	4,668,318
Cash paid for interest expenses	(196,492,495)	(244,925,108)	(192,150,779)	(179,840,869)
Cash paid for income tax	(251,114,503)	(147,218,006)	(181,309,111)	(138,980,946)
Cash received from returning of corporate income tax	7,918,861	-	-	-
Net cash flows provided by operating activities	13,610,622,173	1,342,569,549	12,460,564,629	835,119,394

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

CASH FLOW STATEMENT (continued)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2020	For the period as from 1 April 2019 to 31 December 2019
Cash flows from investing activities				
Decrease in fixed deposits pledged as collateral	-	25,284,400	-	25,284,400
Dividend received	-	-	30,665,796	-
Cash paid for investment in subsidiaries	-	(163,072,831)	(267,415,000)	(163,072,831)
Cash received from disposal of machinery and equipment	3,551,514	3,219,404	3,551,514	1,808,817
Cash paid for purchases of property, plant and equipment and intangible assets	(2,054,925,229)	(3,180,445,018)	(2,053,999,789)	(2,395,491,109)
Net cash flows used in investing activities	(2,051,373,715)	(3,315,014,045)	(2,287,197,479)	(2,531,470,723)
Cash flows from financing activities				
Decrease in short-term borrowings from financial institutions	(274,253,875)	(206,498,844)	-	(105,949,835)
Proceeds from long-term borrowings	2,347,000,000	3,068,000,000	2,347,000,000	2,318,000,000
Repayments of long-term borrowings	(2,843,000,000)	(1,020,000,000)	(2,843,000,000)	(928,000,000)
Repayments of lease liabilities	(17,776,124)	(6,617,347)	(8,664,576)	(5,116,847)
Proceeds from increase in ordinary shares	14,609,276,074	165,000,000	14,609,276,074	165,000,000
Dividend paid	(1,785,783,436)	-	(1,785,783,436)	-
Net cash flows provided by financing activities	12,035,462,639	1,999,883,809	12,318,828,062	1,443,933,318
Increase (decrease) in translation adjustments	12,778,676	(19,446,352)	-	-
Net increase (decrease) in cash and cash equivalents	23,607,489,773	7,992,961	22,492,195,212	(252,418,011)
Cash and cash equivalents at beginning of the year/period	581,264,398	573,271,437	557,163,099	809,581,110
Cash and cash equivalents at end of the year/period	24,188,754,171	581,264,398	23,049,358,311	557,163,099
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	-	57,779,948	-	51,919,510
Increase in retention	17,056,162	34,305,129	17,056,162	15,728,163
Purchases of assets by entering into lease agreements	3,012,710	8,205,525	3,012,710	1,912,132

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

1. General information

1.1 Company information

Sri Trang Gloves (Thailand) Public Company Limited (“the Company”) is a public company incorporated through registration of the amalgamation (Note 1.2) in accordance with Thai law on 1 April 2019 and domiciled in Thailand. The parent company is Sri Trang Agro-Industry Public Company Limited (“STA”), which is incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of rubber gloves. The registered office of the Company is at 110 Kanjanavanit Road, Pahtong, Hat Yai, Songkhla, Thailand.

The Stock Exchange of Thailand approved the Company’s ordinary shares as listed securities, with trading permitted from 2 July 2020, as discussed in Note 20 to the consolidated financial statements.

1.2 The amalgamation

The amalgamating companies are as follows:

- 1) Sri Trang Gloves (Thailand) Company Limited (“Sri Trang Gloves”)
- 2) Thaikong Public Company Limited (“TK”)

Even though the legal form of the Company was registered and formed by the amalgamation on 1 April 2019, since Dr. Viyavood Sincharoenkul (“Dr. Viyavood”), who is the major shareholder and Director of STA, has invested in TK through the acquisition of shares held by Thaikong Group Co., Ltd. since 16 August 2018. For the accounting purpose, the Company adopted Thai Accounting Guidance for business combination under common control. The Company restated the consolidated financial statements for comparative purposes, as if Dr. Viyavood had invested in TK, applying the purchase method, and the amalgamation of TK and Sri Trang Gloves had taken place on 16 August 2018.

In preparing the separate financial statements on the date of the amalgamation (1 April 2019), the Company included the book values of assets, liabilities, capital, retained earnings and other components of shareholders’ equity on the basis information of the financial statements of the two amalgamating companies as at 31 March 2019, adjusted to the fair value of the net assets of TK acquired under the purchase method, in accordance with related financial reporting standards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

1.3 Business combination under common control

a) Shi Dong Shanghai Medical Equipment Co., Ltd.

On 28 June 2019, the Company acquired all ordinary shares of Shi Dong Shanghai Medical Equipment Co., Ltd. ("SDME") from Startex Rubber Co., Ltd. ("STC"), a subsidiary of Sri Trang Agro-Industry Public Company Limited ("parent company"). The Company recorded the difference of Baht 11 million between the cost of business combination under common control and the net book value of the subsidiary as "Surplus from business combination under common control" and presented it under shareholders' equity of the Company.

b) Sri Trang USA, Inc.

On 30 September 2019, the Company acquired all ordinary shares of Sri Trang USA, Inc. ("STU") from the parent company. The Company recorded the difference of Baht 155 million between the cost of the business combination under common control and the net book value of the subsidiary as "Deficit from business combination under common control" and presented it under shareholders' equity of the Company.

Because the two subsidiaries acquired were under the common control of the parent company both before and after the acquisition, the Group has restated the consolidated financial statements presented for comparative purposes, as if the two subsidiaries had operated under the Group before 1 January 2019, even though the legal relationships between companies under the Group and the acquisition of the subsidiaries occurred afterward.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Sri Trang Gloves (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Country of incorporation	Paid-up capital
		<u>2020</u>
		(USD)
Shidong Shanghai Medical Equipment Co., Ltd.	China	4,150,000
Sri Trang USA, Inc.	United states of America	115

The subsidiaries are principally engaged in the distribution of rubber gloves. The Company hold 100% interest in the subsidiaries.

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

As described in Notes 1.2 and 1.3 to the consolidated financial statements, the Group restated the consolidated financial statements for comparative purposes as if Thaikong Public Company Limited had amalgamated with Sri Trang Gloves (Thailand) Company Limited on 16 August 2018 and the two subsidiaries had conducted their businesses under the Group before 1 January 2019.

- 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.
- 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - h) Equity of former shareholders before the restructuring represents the portion of profit or loss and net assets of the former shareholders before the restructuring under common control (Notes 1.2 and 1.3) and is presented separately in the consolidated profit or loss and under shareholders' equity in the consolidated statements of financial position in accordance with the accounting practice guidelines for business combinations under common control.
- 2.3 The separate financial statements present investments in subsidiaries 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 2019) 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:

Financial reporting standards related to financial instruments

The 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

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 for recognition of credit losses. For recognition of derivatives, the Group already measured at their fair value. Moreover, the Group applies hedge accounting for certain derivatives during the current year.

Cumulative effects of the initial adoption of new financial reporting standards are disclosed in Note 4.1 to the consolidated financial statements. 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 33.1 to the consolidated financial statements.

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 new financial reporting standards are disclosed in Note 4.2 to the consolidated 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the consolidated 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 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.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	1 January	31 December	1 January
	2019	2020	2019	2020
Recognition of cash flow hedges				
<i>Retained earnings</i>				
Retained earnings - unappropriated	2,664,105	2,692,610	2,694,230	2,722,735
<i>Other components of shareholders' equity</i>				
Cash flow hedge reserve				
- net of income tax	-	(28,505)	-	(28,505)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

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	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	69,125	47,301
Less: Short-term leases and leases of low-value assets	(737)	(737)
Less: Contracts reassessed as service agreements	(42,945)	(42,945)
Add: Others	3,345	-
Less: Deferred interest expenses	(1,412)	(144)
Increase in lease liabilities due to TFRS 16 adoption	27,376	3,475
Liabilities under finance lease agreements as at		
31 December 2019	14,581	14,581
Lease liabilities as at 1 January 2020	41,957	18,056
Weighted average incremental borrowing rate (percent per annum)	3.16 - 6.68	3.16 - 6.68
Comprise of:		
Current lease liabilities	17,332	8,121
Non-current lease liabilities	24,625	9,935
	41,957	18,056

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
Buildings and building improvement	23,901	-
Motor vehicles	24,292	24,292
Total right-of-use assets	48,193	24,292

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

5. Significant accounting policies

5.1 Revenue and expense recognition

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 upon 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.

Dividends

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

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 allowance the expected credit loss (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.

5.2 Government Grants

The Company recognises government grants when all attached conditions are met and there is reasonable assurance that the grants will be received. The Company 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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5.5 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

5.6 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.

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 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 - 50	years
Buildings and structures	-	5 - 50	years
Machinery and equipment	-	2 - 20	years
Furniture, fixtures and office equipment	-	3 - 10	years
Motor vehicles	-	5	years

Depreciation is included in profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

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.

5.7 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.

5.8 Intangible assets - computer software

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

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 computer software may be impaired. The amortisation period and the amortisation method of such 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.

5.9 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 allowance for impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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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.

5.10 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 recognises rental expenses on a straight-line basis over the lease term not more than 12 months or leases of low-value assets.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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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.

Building and structures	-	1 - 3	years
Motor vehicles	-	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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5.11 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 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.

5.12 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.

5.13 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 assets 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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5.14 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 Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company have obligations in respect of the severance payments it must make to employees upon retirement under labor law of each country. The Company 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.

5.15 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.

5.16 Share-based payments with equity-settled transactions

The Company 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 vesting period, 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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5.17 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.

5.18 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.

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.

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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.

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 5.19 to the consolidated 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.

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.

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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.

5.19 Derivatives and hedge accounting

The Group uses derivatives, such as foreign exchange options, forward foreign exchange contracts and interest rate swap, to hedge its foreign currency risks, and interest rate risks, respectively.

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.

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.

5.20 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.

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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.

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.

Property, plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the income 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 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.

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7. Related party transactions

During the years/period, 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	
			For the year ended	For the period as from 1 April 2019 to
	For the year ended 31 December	For the year ended 31 December	31 December 2020	31 December 2019
	<u>2020</u>	<u>2019</u>		
Transactions with parent company				
Sales of goods	1,543,700	1,261,832	1,543,700	826,716
Purchases of goods	3,375,394	1,909,566	3,375,394	1,400,653
Service income	6,110	99	6,110	72
Rental income	3,992	3,992	3,992	2,994
Service expenses	64,346	60,243	62,792	46,794
Purchases of fixed assets	74,327	-	74,327	-
Transactions with subsidiaries				
Sales of goods	-	-	4,663,256	1,008,072
Purchases of goods	-	-	789	-
Dividend income	-	-	30,666	-
Other income	-	-	137	87
Commission expenses	-	-	390	840
Transactions with related companies				
Sales of goods	37,607	244,300	37,607	19,915
Purchases of goods	2,216,765	1,541,993	2,216,765	1,240,553
Other income	12,115	14,515	12,115	10,396
Service expenses	497,328	346,943	491,349	258,192
Commission expenses	473	234	473	234
Purchases of fixed assets	508,506	1,540,945	508,506	1,297,057
Transactions with directors and related parties				
Purchases of fixed assets	94,700	-	94,700	-

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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, rental and commission income/expenses are based on contract prices.
- (3) Dividend income is made with announced payment rate.
- (4) Other income is based on contract prices or agreement prices.
- (5) Purchases of fixed assets are based on contract prices which reference to market prices.

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)				
Parent company	91,114	106,348	91,114	106,348
Subsidiaries	-	-	1,415,907	336,848
Related companies	7,747	908	7,747	908
	<u>98,861</u>	<u>107,256</u>	<u>1,514,768</u>	<u>444,104</u>
Other receivables (Note 9)				
Parent company	1,921	391	1,921	391
Subsidiaries	-	-	1,723	74
Related companies	933	927	933	927
	<u>2,854</u>	<u>1,318</u>	<u>4,577</u>	<u>1,392</u>
Advance payments (Note 9)				
Related company	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Trade accounts payables (Note 17)				
Parent company	482,416	175,774	482,416	175,774
Subsidiaries	-	-	540	881
Related companies	205,478	96,181	205,357	94,474
	<u>687,894</u>	<u>271,955</u>	<u>688,313</u>	<u>271,129</u>

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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>
Advance receipt for goods and others (Note 17)				
Subsidiary	-	-	29,219	-
Other payables (Note 17)				
Parent company	2	98	-	39
Subsidiaries	-	-	259	-
Related companies	52,393	94,439	52,392	94,438
	<u>52,395</u>	<u>94,537</u>	<u>52,651</u>	<u>94,477</u>

Directors and management's benefits

During the years/period, the Group had employee benefit expenses of its directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate financial statements	
	financial statements			
			For the period as	
	For the year ended	For the year ended	For the year ended	from 1 April 2019 to
	31 December	31 December 2020	31 December 2019	31 December 2019
	<u>2020</u>	<u>2019</u>		
Short-term employee benefits	96,634	74,440	56,810	30,947
Post-employment benefits	2,133	11,801	1,192	10,479
Share-based payment benefits	12,506	-	12,506	-
Total	<u>111,273</u>	<u>86,241</u>	<u>70,508</u>	<u>41,426</u>

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	187	204	145	165
Bank deposits	24,188,567	581,060	23,049,213	556,998
Total	<u>24,188,754</u>	<u>581,264</u>	<u>23,049,358</u>	<u>557,163</u>

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As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.60 percent per annum (Separate financial statements: 0.05 and 0.60 percent per annum) (2019: between 0.50 and 1.10 percent per annum, Separate financial statements: 0.50 and 1.10 percent per annum).

9. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Trade accounts receivable - related parties (Note 7)				
Aged on the basis of due dates				
Not yet due	98,861	106,443	1,514,768	430,136
Past due				
Up to 30 days	-	813	-	12,809
31 - 60 days	-	-	-	53
121 - 365 days	-	-	-	1,106
Total trade accounts receivable - related parties	98,861	107,256	1,514,768	444,104
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	4,371,976	1,196,972	3,748,483	1,016,002
Past due				
Up to 30 days	278,089	137,749	165,987	124,806
31 - 60 days	127	21,331	-	15,890
61 - 90 days	544	2,797	121	709
91 - 120 days	1,972	9,510	1,878	1,209
121 - 365 days	2,490	8,653	2,490	5,981
Over 365 days	3,422	17,457	3,422	17,457
Total	4,658,620	1,394,469	3,922,381	1,182,054
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(4,844)	(1,508)	(3,292)	-
Total trade accounts receivable - unrelated parties, net	4,653,776	1,392,961	3,919,089	1,182,054
Total trade accounts receivable - net	4,752,637	1,500,217	5,433,857	1,626,158

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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>
Other receivables				
Other receivables - related parties (Note 7)	2,854	1,318	4,577	1,392
Other receivables - unrelated parties	58,194	76,501	57,399	74,937
Advance payments - related parties (Note 7)	20,000	-	20,000	-
Prepaid expenses and advance payments				
- unrelated parties	73,279	33,789	55,940	23,654
Total other receivables	154,327	111,608	137,916	99,983
Total trade and other receivables - net	4,906,964	1,611,825	5,571,773	1,726,141

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	1,618,937	665,601	(2,795)	(16,155)	1,616,142	649,446
Work in process	298,858	251,564	(26,135)	(47,836)	272,723	203,728
Raw materials, packaging, and chemicals	849,459	451,261	(11,357)	(11,004)	838,102	440,257
Spare parts and supplies	313,463	327,412	(6,841)	(9,092)	306,622	318,320
Total	3,080,717	1,695,838	(47,128)	(84,087)	3,033,589	1,611,751

	(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	707,533	391,840	(590)	(10,229)	706,943	381,611
Work in process	298,858	251,564	(26,135)	(47,836)	272,723	203,728
Raw materials, packaging, and chemicals	849,459	450,934	(11,357)	(11,004)	838,102	439,930
Spare parts and supplies	313,463	327,412	(6,841)	(9,092)	306,622	318,320
Total	2,169,313	1,421,750	(44,923)	(78,161)	2,124,390	1,343,589

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During the years/period, reduction of cost to net realisable value was summarised as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the period as from 1 April 2019 to 31 December 2019
	2020	2019	2020	2019
Reversal and reduced the amount				
inventories recognised as cost of sales	37	3	33	18

11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Refundable value-added tax	935,897	459,676	935,897	457,240
Prepaid withholding tax	9,621	14,234	9,621	6,284
Input tax waiting for tax invoice or not yet due	23,736	11,796	23,736	11,796
Total other current assets	969,254	485,706	969,254	475,320

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2020 and 2019 are as follows:

Company's name	Cost	
	2020	2019
	(Million Baht)	
Shidong Shanghai Medical Equipment Co., Ltd.	163	163
Sri Trang USA, Inc.	267	-
Total	430	163

Shi Dong Shanghai Medical Equipment Co., Ltd. ("SDME")

On 3 August 2020, SDME's Annual General Meeting of shareholders passed a resolution to approve a dividend payment to the shareholders. SDME paid the dividend to its shareholders in September 2020 amounting to RMB 6.8 million. The Company recognised the dividend income from SDME approximately Baht 31 million in the statement of comprehensive income.

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Sri Trang USA, Inc. (“STU”)

On 19 September 2019, the Company's Board of Directors meeting passed resolutions to approve the Company's purchase of additional shares of STU in an amount not exceeding USD 8.5 million, to enable STU to repay its loans from the financial institutions. The Company paid USD 6.5 million, or approximately Baht 205 million in February 2020 and USD 2 million, or approximately Baht 62 million in August 2020.

Investment in capacity expansion projects

On 25 December 2020, the Extraordinary General Meeting of the Company's shareholders No. 1/2020 passed resolutions approving the following important matters.

1. Approval of the acquisition of the ordinary shares of Premier System Engineering Co., Ltd. (a subsidiary of the parent company) from the parent company 83.9992 percent and from Rubberland Products Co., Ltd. (a subsidiary of the parent company) 16.0000 percent of all shares with voting rights, for a total of Baht 1,120 million (in comparison with report of independent professional financial advisor).
2. Approval of the acquisition of the ordinary shares of Sadao P.S. Rubber Co., Ltd. (a subsidiary of the parent company) from the parent company 99.9985 percent of all shares with voting rights, for Baht 147 million (in comparison with 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 of the parent company), for Baht 69 million (in comparison with report of the independent professional appraiser).
4. Approval of the purchase of land and buildings thereon located in Patew, Chumporn from the parent company, for Baht 177 million. (in comparison with report of the independent professional appraiser).

Subsequently, in January 2021, the Company paid the full payment to the parent and the related companies. In addition, ownership of the ordinary shares and land and buildings thereon had been transferred to the Company in the same month.

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13. 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	982,996	1,501,306	8,080,557	111,826	139,469	746,912
Less: Accumulated depreciation	(88,774)	(138,194)	(5,155,356)	(17,996)	(103,660)	-
Less: Allowance for impairment	-	-	(20,984)	-	-	-
Net book value	894,222	1,363,112	2,904,217	93,830	35,809	746,912
						6,038,102
For the year ended 31 December 2019						
Net book value at beginning of year	894,222	1,363,112	2,904,217	93,830	35,809	746,912
Additions	661	3,521	81,309	67,043	15,248	3,101,635
Transfers in (out)	53,581	132,185	706,498	19,589	1,029	(912,882)
Transfers to intangible assets (Note 15)	-	-	-	-	-	(1,251)
Disposals and write-off, net	-	(1,034)	(2,549)	(1,373)	(755)	-
Depreciation for the year (Note 25)	(35,448)	(81,802)	(616,112)	(42,211)	(13,635)	-
Interest capitalised to assets	-	-	-	-	-	50,992
Translation adjustment, net	-	-	-	-	(76)	(76)
Net book value at end of year	913,016	1,415,982	3,073,363	136,878	37,620	2,985,406
						8,562,265
As at 31 December 2019						
Cost / Revalued amount	1,038,333	1,636,843	8,756,339	369,170	150,714	2,985,406
Less: Accumulated depreciation	(125,317)	(220,861)	(5,667,446)	(232,292)	(113,094)	-
Less: Allowance for impairment	-	-	(15,530)	-	-	-
Net book value	913,016	1,415,982	3,073,363	136,878	37,620	2,985,406
						8,562,265

(Unit: Thousand Baht)

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(Unit: Thousand Baht)

	Separate 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 April 2019						
Cost / Revalued amount	987,764	1,501,057	8,087,881	303,082	136,626	1,518,545
Less: Accumulated depreciation	(97,069)	(157,747)	(5,291,366)	(204,866)	(101,168)	-
Less: Allowance for impairment	-	-	(20,984)	-	-	-
Net book value	890,695	1,343,310	2,775,531	98,216	35,458	1,518,545
						12,534,955
						(5,852,216)
						(20,984)
						6,661,755
For the period as from 1 April 2019 to 31 December 2019						
Net book value at beginning of period	890,695	1,343,310	2,775,531	98,216	35,458	1,518,545
Additions	661	2,722	64,965	52,138	13,402	2,320,888
Transfers in (out)	48,812	132,186	702,149	19,589	(1,204)	(901,532)
Disposals and write-off, net	-	(39)	(2,546)	(24)	(755)	-
Depreciation for the period (Note 25)	(27,152)	(62,197)	(466,736)	(33,041)	(10,027)	-
Interest capitalised to assets	-	-	-	-	-	47,506
Net book value at end of period	913,016	1,415,982	3,073,363	136,878	36,874	2,985,407
						8,561,520
As at 31 December 2019						
Cost / Revalued amount	1,038,333	1,636,843	8,756,339	369,170	144,683	2,985,407
Less: Accumulated depreciation	(125,317)	(220,861)	(5,667,446)	(232,292)	(107,809)	-
Less: Allowance for impairment	-	-	(15,530)	-	-	-
Net book value	913,016	1,415,982	3,073,363	136,878	36,874	2,985,407
						14,930,775
						(6,353,725)
						(15,530)
						8,561,520

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	Separate financial statements						(Unit: Thousand Baht)
	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	Total
For the year ended 31 December 2020							
Net book value at beginning of year	913,016	1,415,982	3,073,363	136,878	36,874	2,985,407	8,561,520
Adjustments of TFRS 16 adoption (Note 4.2)	-	-	-	(20,817)	-	-	(20,817)
Additions	179,032	9,009	83,399	27,395	11,279	1,677,092	1,987,206
Transfers in (out)	60,570	798,850	2,258,721	417	10,918	(3,129,476)	-
Transfers to intangible assets (Note 15)	-	-	-	-	-	(3,882)	(3,882)
Disposals and write-off, net	-	-	(9,666)	(126)	(48)	-	(9,840)
Depreciation for the year (Note 25)	(38,125)	(100,899)	(857,231)	(38,264)	(15,503)	-	(1,050,022)
Interest capitalised to assets	-	-	-	-	-	56,500	56,500
Net book value at end of year	1,114,493	2,122,942	4,548,586	105,483	43,520	1,585,641	9,520,665
As at 31 December 2020							
Cost / Revalued amount	1,277,935	2,444,694	11,056,864	348,182	166,780	1,585,641	16,880,096
Less: Accumulated depreciation	(163,442)	(321,752)	(6,492,748)	(242,699)	(123,260)	-	(7,343,901)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	1,114,493	2,122,942	4,548,586	105,483	43,520	1,585,641	9,520,665
Depreciation for the year/ period							
Included in manufacturing cost						2020	2019
Included in selling and administrative expenses						1,042,832	592,751
						7,190	6,402
						1,050,022	599,153

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2020</u>	<u>2019</u>
Land and land improvements	1,121,170	782,073
Buildings and structures	2,137,897	1,047,502

As at 31 December 2020, the Group had an outstanding balance of new plants under construction amounting to Baht 1,586 million (2019: Baht 2,734 million), which has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 57 million (2019: Baht 51 million) were capitalised. The weighted average rates of 2.17% - 3.78% (2019: 2.87% - 3.78%) had been used to determine the amount of borrowing costs eligible for capitalisation.

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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:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<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	4,379	3,936	4,379	3,936

14. Leases

14.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

				(Unit: Thousand Baht)
	Consolidated			Separate
	financial statements			financial statements
	Building and			
	structures	Motor vehicles	Total	Motor vehicles
As at 1 January 2020	-	-	-	-
Adjustments of TFRS 16 adoption				
(Note 4.2)	23,901	24,292	48,193	24,292
Additions	-	3,013	3,013	3,013
Depreciation for the year (Note 25)	(9,359)	(10,079)	(19,438)	(10,079)
Translation adjustment	1,337	-	1,337	-
As at 31 December 2020	15,879	17,226	33,105	17,226

14.2 Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Lease payments	29,841	13,076
Less: Deferred interest expenses	(1,229)	(672)
Total	28,612	12,404
Less: Portion due within one year	(15,930)	(5,815)
Lease liabilities - net of current portion	12,682	6,589

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Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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14.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	19,438	10,079
Interest expense on lease liabilities	1,475	688
Expense relating to leases of low-value assets	10,847	10,250

15. Intangible assets - computer software

	(Unit: Thousand Baht)
	Consolidated
	financial statements
As at 1 January 2019	
Cost	46,946
Less: Accumulated amortisation	(39,989)
Net book value	6,957
For the year ended 31 December 2019	
Net book value at beginning of year	6,957
Additions	11,320
Transfers from equipment (Note 13)	1,251
Write-off, net	(23)
Amortisation (Note 25)	(6,330)
Translation adjustment	(14)
Net book value at end of year	13,161
As at 31 December 2019	
Cost	58,851
Less: Accumulated amortisation	(45,690)
Net book value	13,161

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Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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	(Unit: Thousand Baht)
	Consolidated financial statements
For the year ended 31 December 2020	
Net book value at beginning of year	13,161
Additions	84,290
Transfers from equipment (Note 13)	3,882
Amortisation (Note 25)	(1,835)
Translation adjustment	28
Net book value at end of year	99,526
As at 31 December 2020	
Cost	146,973
Less: Accumulated amortisation	(47,447)
Net book value	99,526
	(Unit: Thousand Baht)
	Separate financial statements
As at 1 April 2019	
Cost	48,850
Less: Accumulated amortisation	(41,706)
Net book value	7,144
For the period as from 1 April 2019 to 31 December 2019	
Net book value at beginning of period	7,144
Additions	10,274
Write-off, net	(23)
Amortisation (Note 25)	(4,536)
Net book value at end of period	12,859
As at 31 December 2019	
Cost	58,473
Less: Accumulated amortisation	(45,614)
Net book value	12,859

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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	(Unit: Thousand Baht) Separate financial statements
For the year ended 31 December 2020	
Net book value at beginning of year	12,859
Additions	83,850
Transfers from equipment (Note 13)	3,882
Amortisation (Note 25)	(1,717)
Net book value at end of year	98,874
As at 31 December 2020	
Cost	146,121
Less: Accumulated amortisation	(47,247)
Net book value	98,874

16. Goodwill

For the propose of annual impairment testing for goodwill, the Group determines 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 was prepared.	0.0% per annum
Pre-tax discount rate	10.9% per annum

The management determined the forecasted 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 unit.

The management determines that goodwill is not impaired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade accounts payable - related parties (Note 7)	687,894	271,955	688,313	271,129
Trade accounts payable - unrelated parties	937,663	557,324	931,606	550,702
Other payables - related parties (Note 7)	52,395	94,537	52,651	94,477
Other payables - unrelated parties	642,252	383,839	582,512	360,616
Advance receipt for goods and others - related parties (Note 7)	-	-	29,219	-
Advance receipt for goods and others - unrelated parties	1,253,243	85,142	975,325	74,386
Total trade and other payables	<u>3,573,447</u>	<u>1,392,797</u>	<u>3,259,626</u>	<u>1,351,310</u>

18. Borrowings

Movements in the borrowing account for the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2019	7,071,841	6,807,994
Decrease in short-term borrowings from financial institutions	(274,254)	-
Proceeds from long-term borrowings from financial institutions	2,347,000	2,347,000
Repayments of long-term borrowings from financial institutions	(2,843,000)	(2,843,000)
Amortisation of finance fee	2,293	2,293
Adjustments of TFRS 16 adoption (Note 4.2)	27,376	3,475
Increase in lease liabilities	3,013	3,013
Repayments of lease liabilities	(17,776)	(8,665)
Translation adjustment	11,826	-
Balance as at 31 December 2020	<u>6,328,319</u>	<u>6,312,110</u>

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Short-term borrowings from financial institutions

STU had credit facilities and balances of short-term borrowings with an overseas financial institution and the standby-letters of credit of a commercial bank which were guaranteed by the parent company (in January 2021, the Company has guaranteed short-term borrowings on behalf of the parent company) as follows:

	Consolidated financial statements			
	31 December 2020		31 December 2019	
	Million	(Equivalent)	Million	(Equivalent)
	US Dollar	Million Baht	US Dollar	Million Baht
Credit facilities	10	300	15	452
Balances of short-term borrowings	-	-	9	264

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18.1 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	Consolidated and Separate financial statements	
					2020	2019
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
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 THBFIX 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

(Unit: Thousand Baht)

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No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	(Unit: Thousand Baht)	
					Consolidated and Separate financial statements	
					<u>2020</u>	<u>2019</u>
7	Baht 1,000 Million granted in 2020	6 years	6M THBFIX 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 Jun 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					6,302,000	6,798,000
Less Deferred financial service fees					(2,294)	(4,587)
Long-term borrowings - net					6,299,706	6,793,413
Less Current portion of long-term borrowings					(774,216)	(947,490)
Long-term borrowings - net from current portion					5,525,490	5,845,923

* 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 has yet to draw down the loans.

The long-term borrowing agreements of the Group contain certain covenants that, among other things, require the Group to maintain certain financial ratios.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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During the current year, the Company made an early repayment of its no.1 and no.2 long-term loans totaling Baht 2,093 million and canceled the credit facilities. In addition, the Company 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.

19. Provision for retirement benefit obligations

Provision for retirement benefit obligations, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	For the year ended	
	31 December	
	2020	2019
Provision for retirement benefit obligations at beginning of year	101,537	94,816
Included in profit or loss:		
Current service cost	9,230	9,357
Interest cost	1,804	3,205
Past service cost	-	23,698
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	(10,358)
Financial assumptions changes	3,436	3,898
Experience adjustments	4,771	4,579
Benefits paid during the year	(809)	(27,658)
Provision for retirement benefit obligations at end of year	119,969	101,537

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Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
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	(Unit: Thousand Baht)	
	Separate financial statements	
	For the year ended	For the period as
	31 December	from 1 April 2019
	2020	2019
Provision for retirement benefit obligations as at beginning of year/		
period	101,537	97,956
Included in profit or loss:		
Current service cost	9,230	7,018
Interest cost	1,804	2,404
Past service cost	-	23,698
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	(10,358)
Financial assumptions changes	3,436	3,898
Experience adjustments	4,771	4,579
Benefits paid during the year/period	(809)	(27,658)
Provision for retirement benefit obligations as at end of year/		
period	119,969	101,537

The Company expects to pay Baht 1 million of long-term employee benefits during the next year.

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 17 years.

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated and Separate financial statements	
	2020	2019
Discount rate	1.58	1.84
Future salary increase rate	3.0 - 4.0	3.0 - 4.0
Turnover rate	0.0 - 35.0	0.0 - 35.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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 and Separate financial statements		
	Increase 1%	Decrease 1%
Discount rate	(14,770)	17,268
Salary increase rate	16,935	(14,602)
	Increase 20%	Decrease 20%
Turnover rate	(10,441)	12,577

(Unit: Thousand Baht)

As at 31 December 2019		
Consolidated and Separate financial statements		
	Increase 1%	Decrease 1%
Discount rate	(12,962)	15,444
Salary increase rate	14,960	(12,843)
	Increase 20%	Decrease 20%
Turnover rate	(9,359)	11,263

20. Share capital

	Consolidated and Separate financial statements				
		Number of shares		Share capital	
		Issued and		Issued and	
Value per share	Registered	fully paid	Registered	fully paid	
(Baht)	(Million Shares)		(Million Baht)		
Share capital as at 1 January 2020	1	1,434.78	990.00	1,434.78	990.00
Increase from receipt for additional shares	1	-	438.78	-	438.78
Change in a par value	0.5	1,434.78	1,428.78	-	-
Share capital as at 31 December 2020	0.5	2,869.56	2,857.56	1,434.78	1,428.78

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Increase in registered share capital and allocation of newly-issued ordinary shares of the Company

On 22 November 2019, the Extraordinary General Meeting of the Company's shareholders passed a resolutions approving the increase in the Company's registered share capital, from Baht 990,000,000 (990,000,000 ordinary shares with a par value of Baht 1 each) to Baht 1,434,780,000 (1,434,780,000 ordinary shares with a par value of Baht 1 each) through the issuance of 444,780,000 new ordinary shares with a par value of Baht 1 each, and the allocation of the newly-issued ordinary shares is as follows:

1. Allocation of not more than 432,780,000 new shares with a par value of Baht 1 each for the initial public offering (IPO)
2. Allocation of not more than 2,000,000 new shares with a par value of Baht 1 each to be offered to the directors, executives, and/or employees of STA and the STA's subsidiaries
3. Allocation of not more than 10,000,000 new shares with a par value of Baht 1 each to be offered under the STGT ESOP as described in Note 21 to the consolidated financial statements

During 23 to 25 June 2020 the Company offered the newly-issued ordinary shares as detailed below:

1. Offered in initial public offering of 432,780,000 of new shares with a par value of Baht 1 each, at an offering price of Baht 34 per share, amounting to Baht 14,714,520,000
2. Offered to directors, executives, and/or employees of STA and the STA's subsidiaries of 2,000,000 of new shares with a par value of Baht 1 each, at an offering price of Baht 34 per share, amounting to Baht 68,000,000
3. Offered under the STGT ESOP for the first allocation of 4,000,000 of new shares with a par value of Baht 1 each, at an offering price of Baht 30.6 per share, amounting to Baht 122,400,000 (The Company records the difference from IPO price as share-based payment expenses amounting to Baht 13.6 million.)

Subsequently, on 29 June 2020, the Company received full payment of the additional capital and then 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. 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.

The Company incurred expenses relating to the share offering amounting to approximately Baht 237 million (net after tax benefits) and these expenses were recorded as a deduction against premium on ordinary shares.

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The change in the par value of the ordinary shares

On 25 December 2020, the Extraordinary General Meeting of the Company's shareholders No. 1/2020 passed resolutions approving the change in the par value of the ordinary shares from Baht 1 each to Baht 0.5 each. As a result, the Company's registered share capital is Baht 1,434,780,000 (2,869,560,000 ordinary shares of Baht 0.5 each) and the Company's registered and paid-up share capital is Baht 1,428,780,000 (2,857,560,000 ordinary shares of Baht 0.5 each). The Company registered the change in a par value with the Ministry of Commerce on 28 December 2020.

21. Share-based payments

Options to purchase newly-issued ordinary shares of the Company offered to the directors executives and/or employees of the Group ("STGT ESOP")

The details of STGT ESOP after the change in the par value of the ordinary shares as described in Note 20 to the consolidated financial statements are as follows:

Type of securities	Newly-issued ordinary shares of the Company to be offered to the directors, executives, and/or employees of the Company and the Company's subsidiaries		
Term	Two years from the date on which the ordinary shares of the Company are listed on the SET		
Number of newly-issued ordinary shares to be issued and offered	Not more than 20,000,000 shares with a par value of Baht 0.5 per share		
Offering price per share	At the date of the IPO: 90 percent of the IPO price The first to second year after the IPO: 90 percent of the market price * * As specified under the notification of the Office of the Securities and Exchange Commission regarding the calculation of offer price of securities and determination of market price for consideration of offer for sale of newly-issued shares with discount		
Offering period	The Company will offer the newly-issued ordinary shares through the STGT ESOP's scheme as detailed below: The first allocation The date of the IPO: Not more than 40 percent or 8,000,000 shares The second allocation The first year after the IPO: Not more than 30 percent, or 6,000,000 shares The third allocation The second year after the IPO: Not more than 30 percent, or 6,000,000 shares		

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Conditions of the allocation	<p>At the record date</p> <ul style="list-style-type: none"> • Being a director, executive, and/or employee of the Company and the subsidiaries no less than 3 months • Not being under a probationary period <p>At the offering date</p> <ul style="list-style-type: none"> • Remaining a director, executive, and/or employee of the Company and the subsidiaries
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The Company recorded transfer of share-based payment reserve for the first allocation amounting to Baht 13.6 million to premium on ordinary shares on 29 June 2020.

The Company recognised share-based payment expenses amounting to Baht 21.8 million Baht for the year ended 31 December 2020.

Details of option movements are as follows:

	Number of options	Weighted average exercise price
	(Units)	(Baht)
Outstanding as at 1 January 2020	-	-
Issued during the year	20,000,000	1.76
Exercised during the year	(8,000,000)	1.70
Outstanding as at 31 December 2020	12,000,000	1.80
Exercisable as at 31 December 2020	-	-

As at 31 December 2020, the fair value of remaining option granted and the inputs of the model used were summarised below.

	The first year after the IPO:	The second year after the IPO:
Fair value of options granted (Baht)	1.77	1.84
Dividend yield (%)	1.90	1.90
Expected stock volatility* (%)	56.52	47.94
Risk-free interest rate (%)	0.49	0.52
Expected life of share options (Years)	1.05	2.05
Model used	Monte Carlo	Monte Carlo

* The expected volatility of the share options is based on historical data of the comparable company's stock price.

22. 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. At present, the statutory reserve has fully been set aside.

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23. Other income

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	For the year ended		For the period as	
	31 December		31 December 2020	from 1 April 2019 to 31 December 2019
	<u>2020</u>	<u>2019</u>		
Rental income	13,134	11,222	13,134	8,598
Gain from scrap sales	53,389	11,092	53,389	7,127
Revenue from tax compensation	29,623	12,562	29,623	9,897
Income from insurance claim and business interruption	18,231	24,156	18,231	26,136
Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand	78,595	46,386	78,595	46,386
Others	55,144	34,832	54,863	27,617
Total other income	<u>248,116</u>	<u>140,250</u>	<u>247,835</u>	<u>125,761</u>

24. Other gain (loss)

	Consolidated financial		(Unit: Thousand Baht)	
			Separate financial	
	statements		statements	
	For the year ended		For the period as	
	31 December		31 December 2020	from 1 April 2019 to 31 December 2019
	<u>2020</u>	<u>2019</u>		
Gain (loss) on derivative financial instruments	(56,151)	7,813	(56,151)	38,307
Loss on disposal and write-off of machinery and equipment and intangible assets	(6,288)	(2,514)	(6,288)	(1,578)
Total other gain (loss)	<u>(62,439)</u>	<u>5,299</u>	<u>(62,439)</u>	<u>36,729</u>

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25. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	For the year ended 31 December		For the period as from 1 April 2019 to 31 December 2020	
	2020	2019	31 December 2020	31 December 2019
Changes in inventories of finished goods and work in progress	(1,000,630)	67,826	(362,987)	141,910
Raw materials and consumables used	7,974,800	5,276,274	7,974,235	4,093,247
Reversal of reduction of inventory cost to net realisable value	(36,959)	(3,011)	(33,238)	(18,097)
Salaries and wages and other employee benefits	1,884,803	1,348,376	1,781,352	957,181
Depreciation	1,069,977	789,208	1,060,101	599,153
Amortisation of intangible assets	1,835	6,330	1,717	4,536

26. Income tax

Income tax are made up as follows:

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	For the year ended 31 December		For the period as from 1 April 2019 to 31 December 2020	
	2020	2019	31 December 2020	31 December 2019
Current income tax:				
Current income tax charge	1,494,894	170,328	1,265,444	115,263
Adjustment in respect of corporate income tax of previous year	(6,401)	5,297	(6,401)	-
Income tax directly related to shareholders' equity	59,129	-	59,129	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,019)	(71,676)	(6,761)	(28,025)
Income tax reported in the profit or loss	1,545,603	103,949	1,311,411	87,238

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The amounts of income tax relating to each component of other comprehensive income are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	For the year ended 31 December	For the period as from 1 April 2019 to 31 December 2019
	<u>2020</u>	<u>2019</u>
Deferred tax relating to gain on actuarial (gain) loss	(1,642) 376	(1,642) 376
Deferred tax relating to loss on cash flow hedges	(8,894) -	(8,894) -

The reconciliation between accounting profit and income tax is shown below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	For the year ended 31 December	For the period as from 1 April 2019 to 31 December 2019
	<u>2020</u>	<u>2019</u>
Accounting profit before tax	15,946,472	717,857
Applicable tax rate	20 - 25%	20 - 25%
Accounting profit before tax multiplied by income tax rate	3,220,878	142,583
Adjustment in respect of income tax of previous year	(6,401) 5,297	(6,401) -
Effects of:		
Promotional privileges	(1,679,867)	(48,046)
Income which is not taxable	-	-
Non-deductible expenses	7,772	10,905
Additional expense deductions allowed	(2,377)	(6,843)
Others	5,598	53
Total	(1,668,874)	(43,931)
Income tax reported in the profit or loss	1,545,603	103,949

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The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets				
Loss from changes in fair value of				
derivative financial instruments	12,575	197	12,575	197
Allowance for diminution in value of				
inventories	4,528	13,080	4,000	11,634
Cumulative loss from assets revaluation				
and allowance for asset impairment	3,721	3,906	3,721	3,906
Provision for retirement benefit obligations	23,994	20,307	23,994	20,307
Unused tax losses	3,859	85,892	-	-
Intercompany profit in inventories	84,364	7,227	-	-
Others	16,182	12,413	653	-
Total	149,223	143,022	44,943	36,044
Deferred tax liabilities				
Assets revaluation surplus	102,910	107,105	102,910	107,105
Gain from changes in fair value on				
derivative financial instruments	3,167	4,352	3,167	4,352
Fair value adjustments from business				
acquisition	6,451	9,928	6,451	9,928
Others	506	58	459	-
Total	113,034	121,443	112,987	121,385
Deferred tax assets (liabilities) - net	36,189	21,579	(68,044)	(85,341)

Deferred tax assets (liabilities) presented in the consolidated and the separate statements of financial position are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets	104,233	106,920	-	-
Deferred tax liabilities	(68,044)	(85,341)	(68,044)	(85,341)
	36,189	21,579	(68,044)	(85,341)

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27. Promotional privileges

The Company was granted certain privileges on its manufactures of rubber gloves pursuant to the Investment Promotion Act B.E. 2520, for the period during 2010 - 2027 totaling 9 certificates, subjected to certain imposed conditions, the privileges included among the others as follows:

- (a) Exemption from payment of import duty on imported machinery and equipment as approved by BOI committee
- (b) Exemption from payment of income tax for the periods of 5 to 8 years starting from the commencement date of the promoted business (started in 2010), 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 Company must comply with certain conditions and restrictions provided for in the promotional certificates.

The Company's operating revenues divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the year ended 31 December					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Revenue from sales						
Domestic sales	1,901,908	825,978	477,921	2,581,625	2,379,829	3,407,603
Export sales	24,891,529	4,087,004	7,797,806	5,942,104	32,689,335	10,029,108
Total sales	26,793,437	4,912,982	8,275,727	8,523,729	35,069,164	13,436,711
Inter-company elimination					(4,664,044)	(1,442,566)
Total					30,405,120	11,994,145

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(Unit: Thousand Baht)

	Separate financial statements		
	For the year ended 31 December 2020		
	Promoted operations	Non-promoted operations	Total
Revenue from sales			
Domestic sales	1,901,908	477,921	2,379,829
Export sales	24,891,529	2,462,449	27,353,978
Total sales	26,793,437	2,940,370	29,733,807

(Unit: Thousand Baht)

	Separate financial statements		
	For the period as from 1 April 2019 to 31 December 2019		
	Promoted operations	Non-promoted operations	Total
Revenue from sales			
Domestic sales	379,300	845,706	1,225,006
Export sales	3,224,166	4,451,909	7,676,075
Total sales	3,603,466	5,297,615	8,901,081

28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year/period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares to reflect the impact of the change in the par value of the ordinary shares, as discussed in Note 20 to the consolidated the financial statements, as if the change in the par value of the ordinary shares had been distributed at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the year/period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the date of the issue of the options to purchase newly issued ordinary shares.

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The following tables set forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
For the year ended 31 December						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	(Thousand Baht)		(Thousand Baht)		(Baht per Share)	
	2020	2019	2020	2019	2020	2019
				(Restated)		(Restated)
Basic earnings per share						
Profit attributable to equity holders of the parent	14,400,869	634,296	2,425,973	1,525,386	5.94	0.42
Effect of dilutive potential ordinary shares						
The options of newly issued ordinary shares (STGT ESOP)	-	-	665	-		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of the options to ordinary shares	14,400,869	634,296	2,426,638	1,525,386	5.93	0.42

Separate financial statements						
For the year ended 31 December 2020						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	(Thousand Baht)		(Thousand shares)		(Baht per share)	
Basic earnings per share						
Profit attributable to equity holders of the parent	13,683,657		2,425,973		5.64	
Effect of dilutive potential ordinary shares						
The options of newly issued ordinary shares (STGT ESOP)	-		665			
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of the options to ordinary shares	13,683,657		2,426,638		5.64	

Separate financial statements						
For the period during 1 April 2019 to 31 December 2019						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	(Thousand Baht)		(Thousand shares)		(Baht per share)	
				(Restated)		(Restated)
Basic earnings per share						
Profit attributable to equity holders of the parent	492,666		1,893,695		0.26	

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29. Segment information

This operating segment is consistent with the internal management reports provided to the Chief Operating Decision Maker, who makes decisions related to the allocation of resources to the segment and assesses its performance. The chief operating decision-maker has been identified as the Managing Director.

The Group operates in one business segment, manufacturing and distribution of rubber glove in 3 main geographical areas including Thailand, China and the United States of America. The Group measures the business based on a measure of segment profit, which is derived on a basis consistent with the measurement of profit for the years in the consolidated financial statements.

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	2020	2019
Revenue from external customers		
United States of America	6,850,954	1,937,301
China	3,007,933	1,138,422
Japan	2,938,048	867,193
Germany	1,996,860	820,042
Thailand	1,809,772	1,639,857
Singapore	34,412	1,115,484
Others	13,767,141	4,475,846
Total	30,405,120	11,994,145

	(Unit: Thousand Baht)	
	As at 31 December	
	2020	2019
Non-current assets (other than financial instrument and deferred tax assets)		
Thailand	10,032,893	8,795,452
China	14,931	862
United States of America	3,237	555
Total	10,051,061	8,796,869

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Major customers

For the years 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues. (2019: a major customer with revenue amounting to Baht 1,262 million).

30. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2020	Board of Directors' meeting on 13 November 2020	1,785.78	1.25

31. Commitments and contingent liabilities

	(Unit: Million Baht) Consolidated and Separate financial statements 31 December 2020
Capital commitments - purchase of fixed assets	3,776
Commitments from guarantees and contingent liabilities	
Bank guarantees to guarantee electricity usage	64
Letters of credit with overseas suppliers (USD 16.7 million)	505
Bank guarantee for export transactions	11
The future aggregate minimum payments under non-cancellable lease and service agreements	
Not later than 1 year	10
Later than 1 year but not later than 5 years	2

32. 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 and Separate financial statements As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property and plant	-	-	3,237,435	3,237,435
Derivative financial instruments	-	39,555	-	39,555
Liabilities measured at fair value				
Derivative financial instruments	-	(90,432)	-	(90,432)

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	(Unit: Thousand Baht)			
	Consolidated and Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property and plant	-	-	2,328,998	2,328,998
Derivative financial instruments	-	21,761	-	21,761
Liabilities measured at fair value				
Derivative financial instruments	-	(29,388)	-	(29,388)

33. Financial instruments

33.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	<u>2020</u>	<u>2019</u>
Derivative assets		
<i>Derivative assets not designated as hedging instruments</i>		
Foreign exchange options	8,953	3,814
Forward foreign exchange contracts	30,602	17,947
Total derivative assets	39,555	21,761
Derivative liabilities		
<i>Derivatives liabilities not designated as hedging instruments</i>		
Foreign exchange options	(45,903)	(883)
Forward foreign exchange contracts	(58)	-
Interest rate swap	-	(28,505)
<i>Derivatives liabilities designated as hedging instruments</i>		
Interest rate swap	(44,471)	-
Total derivative liabilities	(90,432)	(29,388)

Derivatives not designated as hedging instruments

The Group uses foreign exchange options and forward foreign exchange contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 month to 6 months.

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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.

33.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, 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, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

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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 and customer rating.

Cash deposits and financial instruments

The credit risk on cash deposits and financial instruments are limited because the Group has a policy to consider and approve credit limits assigned to each counterparty by the Group's Board of Directors. The counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- foreign exchange options and forward foreign exchange contracts to hedge the foreign currency risk arising on the export or import of goods;
- interest rate swaps to mitigate the risk of rising interest rates;

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange options and forward foreign exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

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	86.99	39.57	50.56	10.98	30.0371	30.1540

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020.

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The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase / (decrease)	Effect on profit before tax
	(Percent)	(Thousand Baht)
US dollar	3.1	33,873
	(3.1)	(33,873)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term 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.

The Group manages its interest rate risk by enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate were summarised in the table below, with those financial assets and liabilities that carried fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statements							
As at 31 December 2020							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (percent per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	6,000,000	-	-	18,050,163	138,591	24,188,754	0.05 - 0.60
Trade and other receivables	-	-	-	-	4,906,964	4,906,964	-
Total	<u>6,000,000</u>	<u>-</u>	<u>-</u>	<u>18,050,163</u>	<u>5,045,555</u>	<u>29,095,718</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	3,573,447	3,573,447	-
Long-term borrowings from financial institutions	-	-	-	6,299,707	-	6,299,707	(1) , (2)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,299,707</u>	<u>3,573,447</u>	<u>9,873,154</u>	

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(Unit: Thousand Baht)

Consolidated financial statements							
As at 31 December 2019							
Fixed interest rates							
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing	Total	Effective interest rate (percent per annum)	
Financial assets							
Cash and cash equivalent	-	-	-	488,819	92,445	581,264	0.5 - 1.1
Trade and other receivables	-	-	-	-	1,611,825	1,611,825	-
Total	-	-	-	488,819	1,704,270	2,193,089	
Financial liabilities							
Trade and other payables	-	-	-	-	1,392,797	1,392,797	-
Short-term borrowings from financial institutions	-	-	-	263,848	-	263,848	(3)
Long-term borrowings from financial institutions	-	-	-	6,793,413	-	6,793,413	(1) , (2)
Total	-	-	-	7,057,261	1,392,797	8,450,058	

(Unit: Thousand Baht)

Separate financial statements							
As at 31 December 2020							
Fixed interest rates							Effective interest rate (percent per annum)
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing	Total		
Financial assets							
Cash and cash equivalent	6,000,000	-	-	16,910,809	138,549	23,049,358	0.05 - 0.60
Trade and other receivables	-	-	-	-	5,571,773	5,571,773	-
Total	6,000,000	-	-	16,910,809	5,710,322	28,621,131	
Financial liabilities							
Trade and other payables	-	-	-	-	3,259,626	3,259,626	-
Long-term borrowings from financial institutions	-	-	-	6,299,707	-	6,299,707	(1) , (2)
Total	-	-	-	6,299,707	3,259,626	9,559,333	

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(Unit: Thousand Baht)

Separate financial statements							
As at 31 December 2019							
Fixed interest rates							Effective interest rate (percent per annum)
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing	Total		
Financial assets							
Cash and cash equivalent	-	-	-	488,819	68,344	557,163	0.5 - 1.1
Trade and other receivables	-	-	-	-	1,726,141	1,726,141	-
Total	-	-	-	488,819	1,794,485	2,283,304	
Financial liabilities							
Trade and other payables	-	-	-	-	1,351,310	1,351,310	-
Long-term borrowings from financial institutions	-	-	-	6,793,413	-	6,793,413	(1) , (2)
Total	-	-	-	6,793,413	1,351,310	8,114,723	

(1) MLR less fixed rate per annum

(2) 6M THBFIX plus fixed rate per annum

(3) LIBOR plus fixed rate per annum

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans from financial institutions affected as at 31 December 2020, with all other variables held constant.

Increase (decrease)	Effect on profit before tax	Effect on equity
(Percent)	(Thousand Baht)	(Thousand Baht)
0.75	(47,248)	23,599
(0.75)	47,248	(23,599)

Liquidity risk

The Group implements liquidity risk management procedures through the use of loan from financial institution and leases. The Group's management assessed the risk relating to its ability to repay as low since the Group has access to sufficient and varied sources of funding and ability to request an extension to the repayment period for debts due within 12 months. Moreover, the management of the Group considers that there is sufficient working capital to the meet the cash flows to be paid in the near future.

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The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than	1 - 5	Over 5 years	Total
	1 year	years		
Non-derivatives				
Trade and other payables	2,320,204	-	-	2,320,204
Long-term loans	955,404	5,644,000	246,861	6,846,265
Lease liabilities	16,756	13,085	-	29,841
Total non-derivatives	3,292,364	5,657,085	246,861	9,196,310
Derivatives				
Foreign exchange options	45,903	-	-	45,903
Forward foreign exchange contracts	58	-	-	58
Interest rate swap	-	44,471	-	44,471
Total	45,961	44,471	-	90,432

(Unit: Thousand Baht)

	Separate financial statements			
	Less than	1 - 5	Over 5 years	Total
	1 year	years		
Non-derivatives				
Trade and other payables	2,255,082	-	-	2,255,082
Long-term loans	955,404	5,644,000	246,861	6,846,265
Lease liabilities	6,224	6,852	-	13,076
Total non-derivatives	3,216,710	5,650,852	246,861	9,114,423
Derivatives				
Foreign exchange options	45,903	-	-	45,903
Forward foreign exchange contracts	58	-	-	58
Interest rate swap	-	44,471	-	44,471
Total derivatives	45,961	44,471	-	90,432

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 December 2020

33.3 Fair values of financial instruments

Since the majority of the Group's 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 and interest rate yield curve. 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.

34. 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.

35. 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 2.0 per share, totaling of Baht 5,715.12 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2021.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2021.

GENERAL AND OTHER SIGNIFICANT INFORMATION

The Company's General Information

The Company's Name (TH)	: บริษัท ศรีตรังโกลฟ์ส์ (ประเทศไทย) จำกัด (มหาชน)
The Company's Name (EN)	: Sri Trang Gloves (Thailand) Public Company Limited
Security Symbol	: STGT
Type of Business	: Production and distribution of NR gloves and NBR gloves
Company Registration Number	: 0107562000106
Registered Capital	: 2,869,560,000 บาท
Paid-up Capital	: 2,857,560,000 บาท
Par value of shares	: THB 0.5 ¹
Website	: www.sritranggloves.com

Office Location

Head Office	: No. 110 Kanjanavanich Road, Phatong Sub-district, Hat Yai District, Songkhla Province 90230, Thailand Tel. (+66)74 471 471 Fax. (+66)74 291 650
Hat Yai Office	: No. 10, Soi 10, Phetkasem Road, Hatyai, Songkhla 90110, Thailand Tel. (+66)74 344 663 Fax. (+66)74 344 667
Bangkok Office	: Park Venture Ecoplex 17th Floor, Unit 1701, 1707-1712 No.57 Wireless Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand Tel. (+66) 2207 4500 Fax. (+66) 2108 2241

Factory Location

Hat Yai Factory	: (1) No. 109/2 Kanjanavanich Road, Phatong Sub-district, Hat Yai District, Songkhla Province 90230, Thailand (2) No. 352 Kanjanavanich Road, Phatong Sub-district, Hat Yai District, Songkhla Province 90230, Thailand
Surat Thani Factory	: No. 189 Moo 7, Playwas, Kanchanadit, Suratthani 84160, Thailand
Trang Factory	: (1) No. 85 Moo 6, Khuan Thani, Kantang, Trang, 92110, Thailand (2) No. 10/2-3 Moo 3, Bang Mak, Kantang, Trang, 92110, Thailand

¹ The Extraordinary General Meeting of Shareholders No. 1/2020, which was held on 25 December 2020, has passed the resolution approving the change of par value of share from THB 1 per share to THB 0.5 per share. The change has effective from 5 January 2021 as the notification of the Stock Exchange of Thailand.

Information of Subsidiaries

Company Name	Nature of Business	Shareholding Proportion	Registered / Paid-up Capital (THB million)	Location of Head Office
Shi Dong Shanghai Medical Equipment Co., Ltd.	Distribution of rubber gloves in the People's Republic of China	100.0%	139.4	5F Block B of W Square, No. 1686 Wuzhong Rd., Minhang District, Shanghai, People's Republic of China
Sri Trang USA, Inc.	Distribution of rubber gloves in the United States	100.0%	205.1	Suite H No. 5820 West Cypress Rd. Tampa, Florida, U.S.A.
Premier System Engineering Co., Ltd.	Engineering services, design, produce, sell, install and maintenance machineries	99.9992%	50.0	123 Moo 8, Kanjanavanit Road, Ban Phu Subdistrict, Hatyai District, Songkhla Province, 90250 Thailand
Sadao P.S. Rubber Co., Ltd.	Currently cease to operate the business of producing and selling ribbed smoked sheets. Future business is to rent its land to the Company for the construction of glove factory	99.9985%	40.0	207/1 Padangbazar Road, Sadao Subdistrict, Sadao District, Songkhla Province, 90120 Thailand

References

(a) Share Registrar

Thailand Securities Depository Company Limited

Address : No. 93 Ratchadaphisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400

Tel : (+66) 2009 9000

Fax : (+66) 2009 9991

(b) Auditor

EY Office Limited

Address : No. 193 / 163-137, Lake Ratchada Building, 33rd Floor, Ratchadaphisek Road, Klongtoey, Bangkok 10110

Tel : (+66) 2264 9090

Fax : (+66) 2264 0789

(c) Legal advisor

Weerawong, Chinnavat and Partners Limited

Address : No. 540 Mercury Tower, 22nd Floor, Ploenchit Road Lumpini Sub-district, Pathumwan District, Bangkok 10330

Tel : (+66) 2264 8000

Fax : (+66) 2657 2222

DEFINED TERMS AND ABBREVIATIONS

Our Group Companies and Other Entities

ANV	:	Anvar Parawood Company Limited
IBC	:	Sri Trang iBC Co., Ltd.
NHR	:	Nam Hua Rubber Company Limited
PS	:	Sadao P.S. Rubber Company Limited
PSE	:	Premier System Engineering Company Limited
RBL	:	Rubberland Products Company Limited
SAC	:	Semperflex Asia Corporation Limited
SDME	:	Shi Dong Shanghai Medical Equipment Co., Ltd.
SDS	:	Shi Dong Shanghai Rubber Co., Ltd.
SRP	:	Sri Trang Rubber & Plantation Co., Ltd.
STA	:	Sri Trang Agro-Industry Public Company Limited
STC	:	Startex Rubber Corporation Limited
STGT or The Company	:	Sri Trang Gloves (Thailand) Company Limited and/or Sri Trang Gloves (Thailand) Public Company Limited and/or Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries (as the case may be)
STH	:	Sri Trang Holding Co., Ltd.
STI	:	Sri Trang International Pte. Ltd.
STL	:	Starlight Express Transport Co., Ltd.
STU	:	Sri Trang USA, Inc.
STV	:	Sri Trang Indochina (Vietnam) Co., Ltd.
TK	:	Thaikong Company Limited and/or Thaikong Public Company Limited (as the case may be)
TKG	:	Thaikong Group Company Limited
Group Company	:	Sri Trang Gloves (Thailand) Public Company Limited and its Subsidiaries and/or The Company and its Subsidiaries (as the case may be)
Sri Trang Group / STA Group	:	Sri Trang Agro-Industry Public Company Limited and its subsidiaries and/or STA and subsidiaries of STA

General

BOI	:	Thailand Board of Investment
CESS	:	Centre for Experimental Social Sciences
FSC	:	Forest Stewardship Council
GMP	:	Good Manufacturing Practice
GSP	:	Generalized System of Preferences
HACCP	:	Hazard Analysis and Critical Control Point
IPO	:	Initial Public Offering
IRSG	:	International Rubber Study Group
IRSG	:	The International Rubber Study Group
KPS Audit	:	KPS Audit Company Limited
MARGMA	:	Malaysian Rubber Glove Manufacturers Association
MRB	:	Malaysian Rubber Board
MREPC	:	the Malaysian Rubber Export Council
NBR	:	Nitrile Butadiene Rubber Glove
NCDs	:	Non-communicable Diseases
NRPF	:	Natural Rubber Powder Free Glove
OBM	:	STGT's Own Brands and its subsidiaries' and STA Group's brands
OECD	:	Organization for Economic Co-operation and Development
OEM	:	Original Equipment Manufacturer
PAHO	:	The Pan American Health Organization
UHS	:	The Unified Health System
UN DESA	:	United Nations Department of Economic and Social Affairs
WHO	:	World Health Organization
Trang Branch Factory	:	The Company's rubber glove factory located in Kantang District, Trang Province
Suratthani Branch Factory	:	The Company's rubber glove factory located in Kanchanadit District, Suratthani Province
Hat Yai Branch Factory	:	The Company's rubber glove factory located in Hat Yai District, Songkhla Province
SET	:	the Stock Exchange of Thailand
SEC	:	the Securities and Exchange Commission

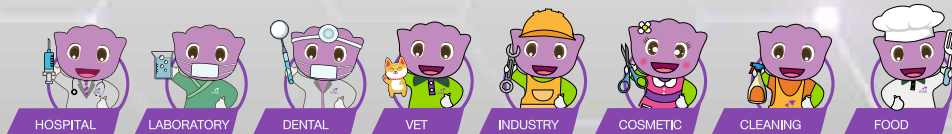
Note to Information

The investors can study additional information of Sri Trang Gloves (Thailand) Public Company Limited ("STGT") from the Company's Annual Registration Statement (Form 56-1) as shown on <https://www.set.or.th> or the Company's website <https://www.sritranggloves.com>.



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