

Sri Trang Agro-Industry Public Company Limited

Part 1

The Issuing Company

1. POLICY AND BUSINESS OVERVIEW

1.1 Background

Sri Trang Agro-Industry Public Company Limited (“STA”) was established by our founders, Mr. Somwang Sincharoenkul and Dr. Viyavood Sincharoenkul on 23 April 1987 as a private limited company in Thailand with an initial registered capital of Baht 31 million to produce Ribbed Smoked Sheets in Hat Yai District, Songkhla Province, Thailand. STA is a producer and exporter of natural rubber, which is one of the most important agricultural products in the southern part of Thailand. STA expanded its business to include Concentrated Latex and Technically Specified Rubber to cover the market’s demand and continued to increase the production capacity and expand the production bases until we became the fully integrated natural rubber company.

In 1991, we filed for an initial public offering in Thailand and listed the shares on the SET on 22 August 1991. STA was converted to a public limited company on 27 December 1993. On 31 January 2011, STA made an offering of its newly issued shares to the public, including institutional investors, (Public Offering) in Singapore and listed the shares on the SGX-ST. At present, STA shares are listed securities on both the SET and SGX-ST (Dual Listing).

Vision and Mission

Vision

Passionately, we drive possibilities

>> the green rubber company>>

1. We are committed to delivering to our shareholders, having regard to sustainable growth and reasonable, consistent returns to shareholders, the highest level of satisfaction.
2. We are committed to an environmentally sound approach to production, through which we strive to inspire satisfaction and confidence in our customers and suppliers.
3. We are committed to the practices of good corporate governance and to operating with fairness and transparency with a view to improving the living and working conditions of our stakeholders.
4. We are committed to providing our employees with a pleasant work environment, fair compensation and career advancement opportunities.
5. We are committed to minimizing the social and environmental impact of our operations and to the sustainable consumption of natural resources.

Mission and Objective

2019 : Gen 2 (Generation 2)

The natural rubber expansion especially the great work of the past 10 years has pushed Sri Trang natural rubber manufacturing and distribution into the No. 1 spot in the worldwide natural rubber industry. Sri Trang has now the size, the economies of scale, depth and the dominance in the mid-stream supply chain and a force to be reckoned with in the natural rubber world for many years to come.

To ensure profitability and sustainability and to continue with our successful “**Growth Strategy**”, Sri Trang has further integrated and expanded into the downstream rubber finished product. The successful take over and acquisition of “Siam Sempermed Corporation” has given Sri Trang an edge and opportunity of a lifetime to go full steam into the manufacturing of medical gloves. The dream to complete the supply chain from top to bottom has finally come true and everyone in Sri Trang should be extremely proud of this moment and full of joys with our achievement. A sincere thanks to the 1st generation of Sri Trang warriors!

The synergy in securing our own raw material supply such as latex to support and grow our downstream medical glove manufacturing and operation is vitally important. Not only will it guarantee the smooth and no shortage in supply of latex but also guarantee a fair and sustainable profit margin for the group to fuel further expansion.

2nd generation, will take over the glove expansion, which will mirror that of our NR expansion. Glove will continue to grow and expand at least for the next 10 years. Though this time the expansion of glove will be very different from that of NR. Most of new factories and management will be moving towards more and more automations, more AI, sensors, digitalization and smarter factories. Human factor will become less important and robotics and logistics will be taking over eventually. In other words, our labor intensive glove industry will be taken over by smarter automated process and eventually end up in less human and more efficient operation.

It is, therefore, extremely important to understand that the job today may be obsolete and not be relevant in the future as new expectations and challenges arise. We will continue to invest in our human capital in generation 2 in new knowledge, skills and health. Continual to upgrade and innovate the new generation as the demands on their time will grow 100 fold in the coming years.

“Gen 2” scheme for 2019 is timely and top management is totally committed.

2020 : A Changing World

Trade war continues to escalate between China and US. This has caused serious damage across the globe. NR suffers due to demand disruption and many mid-stream suppliers went bankrupt and thus rubber price collapses. Fortunately, Sri Trang came out from this global crisis unscratched due to our strong fundamental. In fact, we are growing stronger and more powerful and highly motivated.

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

While we will protect as many jobs as possible, we will continue to innovate and invest in more automations, more AI, sensors, digitalization, smarter factories and upgrade and more training in our HR forces. It is, therefore, extremely important to realize the world today is different from the past. Either we adapt, improve, innovate, accept new technologies or we become irrelevant.

The world has changed!

1.2 Significant Changes and Developments

1.2.1 Company Milestones

April 1987	Commenced operation as producer of ribbed smoked sheets in Hat Yai, Thailand with Baht 31 million in registered capital.
October 1987	Established Anvar Parawood to produce rubberwood used for making furniture, and to produce pallets to be used within Sri Trang Group.
March 1988	Established Rubberland Products to produce concentrated latex, the Group’s first production facility for concentrated latex.
January 1989	Jointly established SSC (Presently called Sri Trang Gloves (Thailand) PLC.) with an Austria-based company to produce latex examination gloves.
March 1990	Jointly established Thai Tech Rubber with Southland Rubber Co., Ltd and Itochu Corporation Limited to produce TSR block rubber.
August 1991	Filed for an initial public offering (IPO) of shares in Thailand and listed the shares on the Stock Exchange of Thailand (SET).
January 1994	Established Starlight Express Transport to provide logistics support for the Group.
September 1995	Established Startex Rubber to hold ownership of and manage rubber plantations in the southern region of Thailand.

January 1996	Acquired Premier System Engineering to provide support for research and development and to provide engineering services to the Group.
March 1996	Jointly established Semperflex Asia with an Austria-based company to produce high-pressure hydraulic hoses.
April 2002	Established Sri Trang International in Singapore, the natural rubber purchasing hub, to manage global distribution of the Group's natural rubber products.
March 2004	Established Sri Trang USA to manage distribution of the Group's natural rubber products in USA and Canada.
October 2004	Established PT Sri Trang Lingga, the Group's first natural rubber procurement center and production facility outside of Thailand.
December 2007	Established Sri Trang Rubber & Plantation to hold ownership of and manage rubber plantations.
August 2009	Acquired PT Star Rubber, the Group's second production facility for TSR block rubber in Indonesia.
August 2010	Expanded operations in the PRC by establishing Shi Dong Shanghai, the Group's first subsidiary in the PRC.
January 2011	Filed for a public offering of newly issued shares in Singapore and listed the shares on the SGX-ST, becoming the first dually listed rubber company in Thailand.
October 2013	Jointly established Sri Trang Ayeyar with Ayeyar Hinthar Holdings Company Limited to expand the Group's natural rubber processing operations into Myanmar.
December 2013	Established Sri Trang Indochina in Ho Chi Minh, the Group's first subsidiary in Vietnam, to manage sales and exports of natural rubber products in Vietnam.
April 2016	STA increased its investment in Thai Tech Rubber from 33.5% to 42.5% via share purchase from Itochu Corporation.
March 2017	STA and the Austria-based company completed the demerger of the joint venture and associate companies*. The demerger resulted in STA increasing its shares in Siam Sempermed Corporation which was subsequently renamed Sri Trang Gloves (Thailand) Co., Ltd to 90.2% of the total shares.
March 2017	Startex Rubber established a subsidiary, Shi Dong Medical Equipment, in the PRC with USD 1,650,000 in registered capital to manage the sales and distribution of gloves in the PRC.
June 2017	Sri Trang USA increased its registered capital from USD 2,000,000 to USD 3,000,000 to expand the distribution of gloves and medical equipment in USA and Canada.
July 2017	STA jointly established Thai Rubber Joint Venture Limited with the Rubber Authority of Thailand (RAOT) and four other natural rubber producers and exporters following the government policy to engage in the domestic and international trade of rubber with Baht 1,200,000,000 in registered capital, with STA investing in the portion of 16.67%.
October 2017	STA offered the allotment of newly-issued ordinary shares to existing shareholders in proportion to their respective shareholding (Rights Offering), with the ratio of 5 existing ordinary shares for 1 newly-issued ordinary share at the offering price Baht 10 per share. As the result of this, the paid-up capital was increased from Baht 1,280,000,000 to Baht 1,535,999,998.
March 2018	Sri Trang Rubber & Plantation increased its registered capital from Baht 6,227,500,000 to Baht 6,555,000,000 to invest in its rubber plantation.

August 2018	Startex Rubber increased its registered capital from Baht 2,114,898,000 to Baht 2,635,000,000 for the purpose of increasing the registered share capital of Shi Dong Shanghai Medical Equipment to expand glove distribution business in China.
August 2018	STA's Board of Directors Meeting resolved to approve the investment in Thaikong Public Company Limited ("TK") , which runs the rubber gloves manufacturing business in Thailand, by the amalgamation of TK and Sri Trang Gloves (Thailand) Co, Ltd.
December 2018	Sri Trang USA paid the remaining of increase in its registered capital from USD 3,000,000 to USD 5,000,000 for support the expansion of glove business in USA and other countries.
April 2019	The Amalgamation between Sri Trang Gloves (Thailand) Co, Ltd. and Thaikong Public Company Limited, which runs the rubber gloves manufacturing business in Thailand, completed and transformed to be Sri Trang Gloves (Thailand) PLC.
April 2019	Sri Trang Rubber & Plantation increased its registered capital from Baht 6,555,000,000 to Baht 6,755,000,000 to invest in its rubber plantation.
June 2019	Established Sri Trang IBC with Baht 10,000,000 in registered capital to operate in the provision of technical, innovation, information, and advisory services.
June and September 2019	The restructuring of Shi Dong Shanghai Medical Equipment and Sri Trang USA, located in in the PRC and the USA respectively, by selling all shares to Sri Trang Gloves (Thailand) PLC. to exclusively operate the glove business.

Notice :

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

1.2.2 Business Overview

The Company's principal business is the production of natural rubber, which are TSR, RSS, and Concentrated Latex as well as the production of a wide variety of medical examination gloves, industrial gloves, and general purpose gloves from both latex and nitrile rubber. Moreover, the Company also operates other businesses through its subsidiaries, associates and joint ventures, such as the production of hydraulic hoses, rubber plantations, and other services, namely logistics, engineering services, production and sale of rubber wood. The business segments of the Company can be divided as follows:

(1) Natural Rubber Products

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2019 (%)	Paid-up Capital as of 31 December 2019
STA	Thailand	Production of TSR, RSS, and Concentrated Latex	-	Baht 1,535,999,998
Rubberland Products	Thailand	Production of TSR and Concentrated Latex	99.99	Baht 1,600,000,000
Nam Hua Rubber	Thailand	Production of TSR, RSS, and Concentrated Latex	99.99	Baht 500,000,000
Sadao P.S. Rubber	Thailand	Production of RSS	99.99	Baht 40,000,000
PT Sri Trang Lingga	Indonesia	Production of SIR - block rubber	90.00 ¹	USD 10,000,000
PT Star Rubber	Indonesia	Production of SIR - block rubber	99.00 ²	USD 46,000,000
Thai Tech Rubber	Thailand	Production of TSR	42.50 ³	Baht 60,000,000
Sri Trang Ayeyar	Myanmar	Production of SMR- block rubber	59.00 ⁴	USD 1,000,000

(2) Gloves Products

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2019 (%)	Paid-up Capital as of 31 December 2019
Sri Trang Gloves (Thailand) PLC.	Thailand	Production of examination gloves	73.2 ⁵	Baht 990,000,000
Shi Dong Shanghai Medical Equipment	PRC	Glove distribution in PRC	- ⁶	USD 4,150,000
Sri Trang USA	USA	Glove distribution in USA and Canada	- ⁶	USD 5,000,000

¹ Held by STA and the remaining shares are held by PT Nusantara Agro Industri (which is not a person who may have conflicts of interest) 10.00%.

² Held by Shi Dong Investments

³ Held by STA 42.50% and the remaining shares are held by Southland Rubber Co., Ltd. (which is not a person who may have conflicts of interest) 42.50%, Itochu Corporation Limited (which is not a person who may have conflicts of interest) 15.00%, Mr. Perm Theerasarnwong (1 share), Mr. Thanasak Charnsanti (1 share), Mr. Viyavood Sincharoenkul (1 share), and Mr. Chaiyos Sincharoenkul (1 share).

⁴ Held by Sri Trang International 59.00% and the remaining shares are held by Ayeyar Hinthar Holdings Co., Ltd. 40.00% and Mr. Kitichai Sincharoenkul 1.00%.

⁵ Directly held by STA 73.2% and indirectly held by Rubberland Co., Ltd. 7.8%, and the remaining shares held by Sincharoenkul Family 9.0%, Sri Trang Holdings 5.4%, Ms. Poonsuk Cherdkiatgumchai 3.4%, Group of Directors, Managements and/or Company's employees and STA 0.7%, and the existing shareholders of TK 0.5%

⁶ Directly held by Sri Trang Gloves (Thailand) PLC. 100%

(3) Other Finished Product

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2019 (%)	Paid-up Capital as of 31 December 2019
Semperflex Asia	Thailand	Production of high-pressure hydraulic hoses	37.50 ⁷	Baht 380,000,000

(4) Products Distribution

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2019 (%)	Paid-up Capital as of 31 December 2019
Sri Trang International	Singapore	Natural rubber and glove distribution	100.00 ⁸	USD 61,000,000
Shi Dong Shanghai	PRC	Natural rubber distribution in PRC	100.00	USD 5,000,000
Sri Trang Indochina	Vietnam	Natural rubber and glove distribution in Vietnam	100.00 ⁹	USD 1,000,000

(5) Other businesses

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2019 (%)	Paid-up Capital as of 31 December 2019
Anvar Parawood	Thailand	Lumber production and manufacture of wooden furniture	99.94 ¹⁰	Baht 10,000,000
Startex Rubber	Thailand	Ownership and management of rubber and oil palm plantations and investment	99.99 ¹¹	Baht 2,635,000,000
Premier System Engineering	Thailand	Engineering services, design, installation and maintenance machinery	81.99 ¹²	Baht 50,000,000
Starlight Express Transport	Thailand	Transportation services and import/ export documentation services	76.66 ¹³	Baht 15,000,000

⁷ Held by STA 37.50% and the remaining shares are held by Semperit Technische 50.00%, Rubberland Co., Ltd. 5.00%, Sri Trang Holdings 5.00%, Paktai Rubber 2.50%, Ms. Poonsuk Cherdkiatgumchai (2 shares), Mrs. Promsuk Sincharoenkul (2 shares), Mr. Somwang Sincharoenkul (2 shares), Mr. Viyavood Sincharoenkul (2 shares), Chaiyos Sincharoenkul (2 shares), Mr. Anan Pruksanusak (2 shares), and Mrs. Chitraporn Panichkul (2 shares)

⁸ Held by Startex Rubber, 100%

⁹ Held by Sri Trang International 100% which wholly owned by Startex Rubber, 100%

¹⁰ Held by STA 99.94% and the remaining shares are held by Mr. Viyavood Sincharoenkul (1 Share), Mrs. Promsuk Sincharoenkul (1 share), Mr. Aram Sirisuwat (1 share), Mrs. Oranuch Sirisuwat (1 Share), Pruksa Mansion Ltd (1 Share), and Mr. Udom Pruksanusak (1 Share)

¹¹ Held by STA 99.99% and the remaining shares are held by Mr. Somporn Punnarai (1 share) and Mrs. Promsuk Sincharoenkul (1 share)

¹² Held by STA 81.99% and the remaining shares are held by Rubberland Products 16.00%, Sadao P.S. Rubber 2.00%, Mr. Phanlert Wangsuphadiok (3 shares) and Mr. Aram Sirisuwat (1 share)

¹³ Held by STA 76.66% and the remaining shares are held by Rubberland Products 13.33%, Nam Hua 3.33%, Sadao P.S. Rubber 3.33%, Startex Rubber 3.33%, Phruksa Mansion Ltd. (1 share), and Mr. Boonyachon Sincharoenkul (1 share)

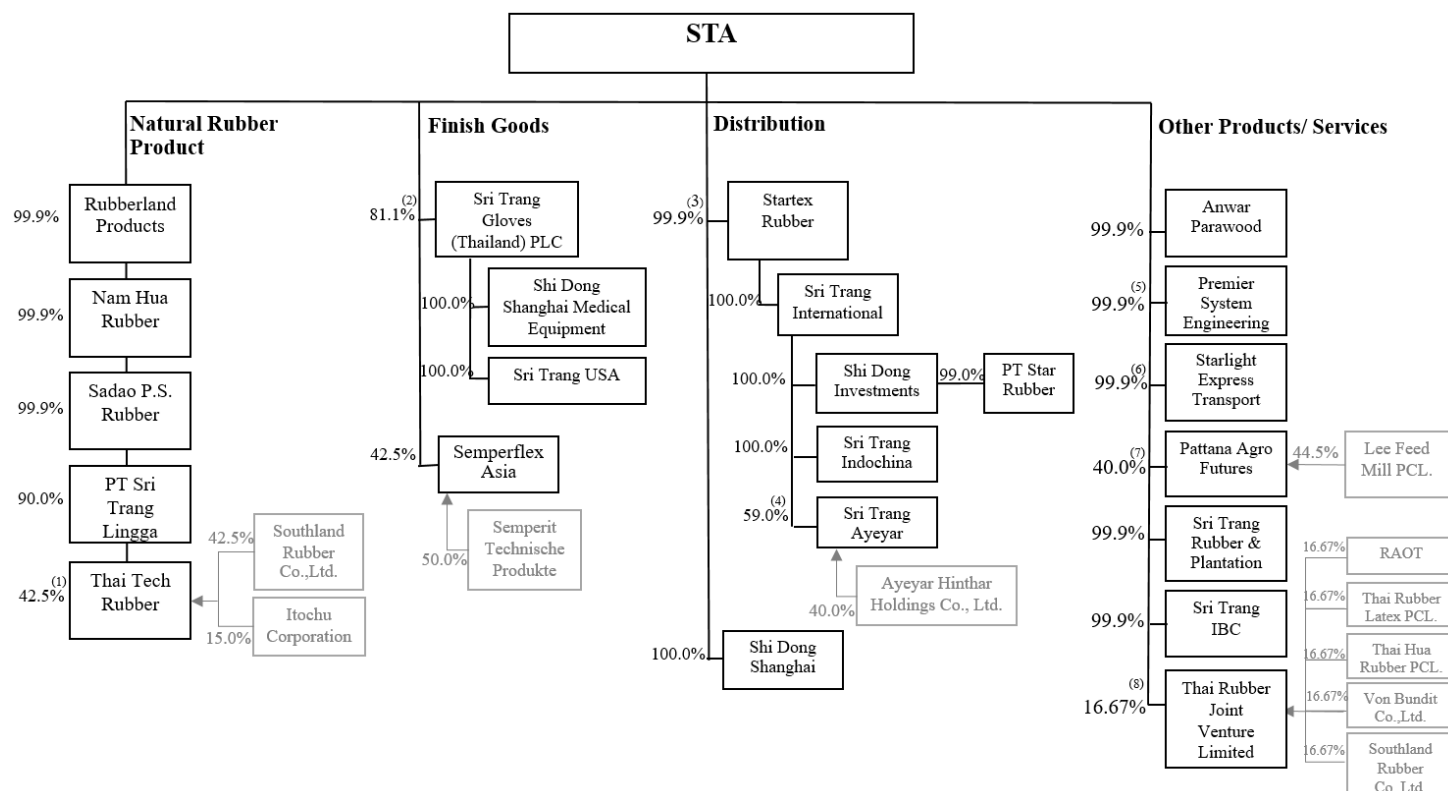
Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2019 (%)	Paid-up Capital as of 31 December 2019
Pattana Agro Futures	Thailand	Brokerage activities	40.00 ¹⁴	Baht 25,000,000
Sri Trang Rubber & Plantation	Thailand	Ownership and management of rubber plantations	99.99	Baht 6,725,000,000
Shi Dong Investments	Singapore	Investment holding in PT Star Rubber	100.00 ¹⁵	USD 48,000,000
Thai Rubber Joint Venture Limited	Thailand	Domestic and international trade of rubber	16.67 ¹⁶	Baht 900,000,000
Sri Trang IBC	Thailand	Services including technical, innovation, IT, and special advice	99.99	Baht 2,500,000

¹⁴ Held by STA 40.00% of the total number of issued shares in Pattana Agro Futures. Lee Feed Mill Public Company Limited owns 44.50% of the total number of issued shares in Pattana Agro Futures, and the remaining shares in Pattana Agro Futures are held by Mr. Preecha Leelasithorn (8.80%), Wallstreet Tower Company Limited (6.30%), and Mr. Nipon Leelasithorn (0.50%).

¹⁵ Held by Sri Trang International 100% which wholly owned by Startex Rubber, 100%

¹⁶ Held by STA 16.67% of the total number of issued shares in Thai Rubber Joint Venture Limited and the remaining shares are held by Rubber Authority of Thailand (RAOT) 16.67%, Thai Rubber Latex Corporation (Thailand) Public Co., Ltd. 16.67%, Thai Hua Rubber Public Co., Ltd. 16.67%, Von Bundit Co., Ltd. 16.67%, Southland Rubber Co., Ltd. 16.67%, Mr. Teetatch Suksa-ard (1 share), Mr. Vitchaphol Sinchareonkul (1 share), Mr. Patharaphol Wongsasuthikul (1 share), Mr. Korakot Kittiphon (1 share), Mr. Bundit Kerdvongbundit (1 share), and Mr. Chamnan Nopakhunkachon (1 share).

1.3 Group Structure of the Company as of 31 December 2019



Note:

- (1) Our Company directly owns 42.50% of the total number of issued shares in Thai Tech Rubber. Southland Rubber Co., Ltd. and Itochu Corporation Limited own 42.50% and 15.00% of the total number of issued shares in Thai Tech Rubber respectively. The remaining shares in Thai Tech Rubber are held by Mr. Perm Theerasarnwong (1 share), Mr. Thanasak Charnsanti (1 share), Dr. Viyavood Sincharoenkul (1 share) and Mr. Chaayos Sincharoenkul (1 share).
- (2) Our Company is interested in an aggregate of approximately 81.1% of the total voting rights in STGT, comprising a direct interest of approximately 73.2% and an indirect interest of approximately 7.8% through our subsidiary Rubberland Products. and the remaining shares held by Sincharoenkul Family 9.0%, Sri Tang Holdings 5.4%, Ms. Poonsuk Cherdkiatgumchai 3.4%, Group of Directors, Managements and/or Company's employees and STA 0.7%, and the existing shareholders of TK 0.5%
- (3) Our Company is interested in an aggregate of approximately 99.99% of the total voting rights. The remaining shares are held by Mr. Somporn Punnarai (1 share) and Mrs. Promsuk Sinchareonkul (1 share).
- (4) Sri Trang International owns 59.00% of the total number of issued shares in Sri Trang Ayeyar. The remaining shares are held by Ayeyar Hinthar Holdings Co., Ltd. 40.00% and Mr. Kitichai Sincharoenkul 1.00%.
- (5) Our Company is interested in an aggregate of approximately 99.90% of the total voting rights in Premier System Engineering, comprising a direct interest of approximately 81.90% and indirect interests of approximately 16.00% and 2.00% through our subsidiaries, Rubberland Products and Sadao P.S. Rubber respectively. The remaining shares are held by Mr. Phanlert Wangsuphadilok (3 shares) and Mr. Aram Sirisuwat (1 share).
- (6) Our Company is interested in an aggregate of approximately 99.90% of the total voting rights in Starlight Express Transport, comprising a direct interest of approximately 76.60% and indirect interests of approximately 13.30%, 3.30%, 3.30% and 3.30% through our subsidiaries Rubberland Products, Nam Hua Rubber, Sadao P.S. Rubber and Startex Rubber respectively. The remaining shares are held by Prukesa Mansion Ltd (1 share) and Mr. Boonyachon Sincharoenkul (1 share).
- (7) Our Company directly owns 40.00% of the total number of issued shares in Pattana Agro Futures. Lee Feed Mill Public Company Limited owns 44.50% of the total number of issued shares in Pattana Agro Futures, and the remaining shares in Pattana Agro Futures are held by Mr. Preecha Leelasithorn (8.80%), Wallstreet Tower Company Limited (6.30%), and Mr. Nipon Leelasithorn (0.50%). Pattana Agro Futures reduces its registered capital from Baht 100.00 million to Baht 25.00 million due to Act Repealing of the Agricultural Futures Trading Act B.E. 2542, B.E. 2558, effective from November 2015 onwards. As a result of this Act, Agricultural Futures Exchange of Thailand (AFET), where Pattana Agro Futures operated as a commodity futures broker, was required to cease its operation and merge into the Thailand Futures Exchange (TFEX).
- (8) Our Company directly owns 16.67% of the total number of issued shares in Thai Rubber Joint Venture Limited and the remaining shares are held by Rubber Authority of Thailand (RAOT) 16.67%, Thai Rubber Latex Corporation (Thailand) Public Co., Ltd. 16.67%, Thai Hua Rubber Public Co., Ltd. 16.67%, Von Bundit Co., Ltd. 16.67%, Southland Rubber Co., Ltd. 16.67%, Mr. Teetatch Suksa-ard (1 share), Mr. Vitchaphol Sinchareonkul (1 share), Mr. Patharaphol Wongsasuthikul (1 share), Mr. Korakot Kittiphon (1 share), Mr. Bundit Kerdvongbundit (1 share), and Mr. Chamnan Nopakhunkachon (1 share).

2. BUSINESS OVERVIEW

(1) Revenue Structure

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

Type of Business / Operated by	% Share holding by STA	Year ended 31 December					
		2017		2018		2019	
		Baht million	(%)	Baht million	(%)	Baht million	(%)
Revenue from TSR products		63,183.1	70.1	50,008.1	68.2	39,019.7	64.4
STA	-						
Sri Trang International	99.99						
Rubberland Products	99.99						
Nam Hua Rubber	99.99						
PT Sri Trang Lingga	90.00						
Shi Dong Shanghai	100.00						
PT Star Rubber	98.99						
Sri Trang Ayeyar	58.99						
Revenue from Examination Glove products¹		9,858.7	10.9	11,788.0	16.0	12,194.8	20.1
STA	-						
Sri Trang Gloves (Thailand) ²	81.08						
- Shi Dong Shanghai Medical Equipment ³	100.00						
- Sri Trang USA, Inc. ³	100.00						
Sri Trang International	99.99						
Sri Trang Indochina	99.99						
Revenue from RSS products		9,653.1	10.7	6,816.0	9.3	6,117.3	10.1
STA	-						
Sri Trang International	99.99						
Nam Hua Rubber	99.99						
Shi Dong Shanghai	100.00						
Sadao P.S. Rubber	99.99						
Revenue from Concentrated Latex products		6,285.5	7.0	4,366.7	6.0	2,906.6	4.8
STA	-						
Sri Trang International	99.99						
Shi Dong Shanghai	100.00						
Rubberland Products	99.99						
Nam Hua Rubber	99.99						
Revenue from other products and services⁴		406.6	0.5	157.2	0.2	48.0	0.1
STA	-						

Type of Business / Operated by	% Share holding by STA	Year ended 31 December					
		2017		2018		2019	
		Baht million	(%)	Baht million	(%)	Baht million	(%)
Anvar Parawood	99.94						
Sri Trang International	99.99						
Premier System Engineering	99.99						
Starlight Express Transport	99.99						
Startex Rubber	99.99						
Rubberland Products	99.99						
Shi Dong Shanghai	100.00						
Sri Trang Rubber & Plantation	99.99						
Sri Trang IBC	99.99						
Other income		685.5	0.8	232.6	0.3	279.2	0.5
Total revenue		90,072.5	100.0	73,368.5	100.0	60,565.6	100.0
Share of profit from investments in associates and joint ventures		129.8		223.7			132.3

Note :

¹ In March 2017, Sri Trang Gloves (Thailand) Ltd. became our subsidiary (previously it was a joint venture company) with 90.23% in shareholding portion. The revenues from examination glove products therefore have been recorded in the consolidated financial statement after 15 March 2017 onwards.

² After the completion of the amalgamation of Sri Trang Gloves (Thailand) Ltd. and Thaikong PLC. ("TK") on 1 April 2019, it was transformed to be Sri Trang Gloves (Thailand) PCL. (STA still holds 81.08% of shares in Sri Trang Gloves (Thailand) PCL.)

³ A subsidiary of Sri Trang Gloves (Thailand) PCL. with 100.00% in shareholding portion.

⁴ Comprises (i) the sale of rubber wood and wood packing products and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other external third parties.

(2) Products and Services

2.1 Overall Products and Services

The Company operates a fully integrated natural rubber supply chain business in many countries. The business starts from upstream business by engaging in rubber plantation in Thailand, midstream business by processing and distributing natural rubber products, and downstream business to produce and distribute gloves as well as finished goods namely hydraulic hoses.

The Company's operations mainly consist of three businesses which are 1) natural rubber business 2) gloves business and 3) other businesses. Details of each business are as follows;

2.1.1 Natural Rubber Business

The Company is the world largest manufacturer and distributor of natural rubber supply chain. We own market share of approximately 8%¹ and provide Natural Rubber Products that serve all types of demand including tires and gloves industries which are TSR, RSS, and Concentrated Latex to customers in Thailand and various countries in Asia such as, the PRC, Singapore, Japan, India, Korea, Malaysia, and Vietnam, as well as to the United States and Europe. We also purchase Natural Rubber Products from third party producers and our joint venture entity, Thai Tech Rubber, from time to time, to serve demand from all types of customers.

¹ Based on our sales volume of Natural Rubber Products of approximately 1,103,934 tons for the financial year ended 31 December 2019 and the total global demand for natural rubber products of approximately 13,754,000 tons in 2019. (Source : International Rubber Study Group (IRSG), The World Rubber Industry Outlook, Review and Prospects to 2028, December 2019)

2.1.2 Gloves Business

The Company produces and distributes a wide variety of medical examination gloves, industrial gloves, and general purpose gloves from both latex and nitrile rubber. The gloves are available powdered or powder-free to serve customers worldwide. In addition to supplying products as an OEM (Original Equipment Manufacturer), we also market and distribute our products under our own “Sri Trang Gloves” brand, both in the domestic and overseas markets.

We are widely regarded as Thailand’s largest and a world-leading glove producer by production capacity.

2.1.3 Other Businesses

2.1.3.1 Rubber plantation business

STA operate our rubber plantation systematically and in a full supply chain through our subsidiary, Sri Trang Rubber & Plantation. As of 31 December 2019, Sri Trang Group had obtained approximately 7,200 hectares of land suitable for the cultivation of rubber trees in 19 provinces of Thailand. We planted rubber trees and some lots have been providing yield since 2015. The majority of our rubber plantations are located in the northern and northeastern regions of Thailand. This shall be an advantage for our mid-stream business both for raw material procurement and NR production.

Having our own plantations will help us identify areas where we can potentially set up production facilities. In the past we decided to set up processing facilities in five provinces, namely Phitsanulok, Kalasin, Sakaeo, Sakon Nakhon and Chiang Rai following the development of our own rubber plantations in those areas. Moreover, this will increase our sourcing efficiency and make it easier for the Company to gather raw materials in reasonable price which would benefit us in terms of cost control and profitability. In addition, at the end stage, parawood can be used in furniture industry and packaging industry as a pallet container which is able to create value to the Company also.

2.1.3.2 Rubber wood processing business

Through our subsidiary, Anvar Parawood, we also involves in the production and distribution of processed dried rubber wood and other types of woods which are assembled into pallets for use within Sri Trang Group.

2.1.3.3 Production and sales of finished products business

Semperflex Asia called “SAC”, jointly established by STA and Semperit, is Thailand’s largest producer of high-pressure hydraulic hoses, which are widely used for industrial, mining, and other specific applications, as well as the developer of small hydraulic hoses used in high-technology applications.

2.1.3.4 Future broker

Through our associate, Pattana Agro Futures, we were also a commodity futures broker in the Agricultural Futures Exchange of Thailand (AFET).

Currently, Pattana Agro Futures nevertheless stopped business operating and decrease capital from Baht 100.0 million to Baht 25.0 million Baht as a result of the Repeal Act of the Agricultural Futures Trading Act B.E. 2542, B.E. 2558 published in the Royal Thai Government Gazette in November 2015, indicating that AFET in which Pattana Agro Futures is a commodity futures broker was dissolved and merged with Thailand Futures Exchange (TFEX).

2.1.3.5 Domestic and international trade of rubber

The Company jointly established Thai Rubber Joint Venture Limited with the Rubber Authority of Thailand (RAOT) and four other natural rubber producers and exporters namely, Thai Rubber Latex Corporation (Thailand) PCL., Thai Hua Rubber PCL., Von Bundit Co, Ltd., and Southland Rubber Co, Ltd., following the government policy to engage in the domestic and international trade of rubber with Baht 1,200,000,000 in registered capital.

Business Strategy & Future Growth Plan in the Next Three to Five Years

STA will continue to build on our strengths as an industry leader with the world's largest natural rubber production capacity and procurement centers, processing facilities and sales offices that are located in strategic locations all over the world. Our strategy to expand production to the northeast of Thailand, a region with high growth potential, plentiful natural rubber supply and less competition in raw material sourcing, has served us well. We intend to capitalize on the fact that some of the midstream producers have had to suspend or cease operation as a result of low natural rubber prices and high volatility. Our sales, research and development, quality control and sustainability teams are dedicatedly working to ensure customer satisfaction and foster customer relations. We believe that we are well positioned to increase our sales volume and market share and will continue to focus on maintaining profitability amid market volatility. Our market share in 2019 was 8% of global NR consumption.

In the glove business, we remain committed to building on our competitive advantage over competitors in the production of latex gloves, which is our ready access to quality concentrated latex. We are focused on increasing our production capacity for latex gloves while also continuing to produce nitrile gloves to satisfy the demands from customers all over the world. The adjustability of our production lines for latex powder-free and nitrile gloves enables us to readily respond to market demand. We will keep expanding our installed capacity to reach 33 billion pieces per annum in 2020 and 50 billion pieces per annum within 2025 to keep up with the steadily growing demand for gloves. Our market share in 2019 was 7% of global glove consumption

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

Tax Incentives

1. Tax Incentives from The Board of Investment of Thailand

Under the Industrial Investment Promotion Act B.E. 2520 (as amended), the Company and certain subsidiaries incorporated in Thailand have been granted privileges by the Board of Investment at various times relating to, among others, manufacture of latex and skim crepe and/or skim block, concentrated latex, block rubber and mixed rubber, rubber smoked sheets and providing service of calibration laboratory (the "**promoted operations**").

The privileges granted, subject to compliance with the terms and conditions prescribed in the relevant promotional certificates, include:

- (a) exemption from payment of import duty on machinery approved by the Board of Investment;
- (b) exemption from payment of corporate income tax on net profit from promoted operations for a period of eight years from the date on which income is deemed to be first derived from such operations;
- (c) a 50% reduction in the normal corporate income tax rate on the net profit derived from promoted operations for a period of five years, commencing from the expiry date in (b) above (if applicable);
- (d) a five-year carry forward period for losses for tax purposes from promoted operations during the period in (b) above;
- (e) income exclusions and additional deductions in computing the taxable income for promoted operations during the period in (b) above;
- (f) exemption from income tax on dividend paid to the shareholders from the profit of the promoted operations during the corporate income tax exemption period; and
- (g) double deduction of the cost of transportation, electricity and water supply for corporate income tax purposes for a period of 10 years from the date on which income is deemed to be first derived from the promoted operations.

The following table summarises the expiry dates of the Board of Investment tax incentives granted to our Company and certain of our subsidiaries incorporated in Thailand.

1) Natural Rubber Business

Company	Certificated no.	Expiry for 100% Exemption from Tax	Expiry for 50% Reduction in Tax
STA (Trang - Concentrated Latex)	1100(2)/2554	9 October 2019	Not Applicable
STA (Surat Thani - Concentrated Latex)	1101(2)/2554	2 October 2019	Not Applicable
STA (Ubon Ratchatani – TSR)	1425(2)/2555	20 June 2021	20 June 2026
STA (Udonthani– TSR)	1353(2)/2555	11 December 2020	11 December 2025
STA (Phitsanulok – TSR)	1541(2)/2556	21 January 2022	Not Applicable
STA (Pattani – Crepe rubber)	1688(1)/2556	2 June 2022	3 June 2027
STA (Sakaeo - TSR)	2224(2)/2556	6 April 2023	Not Applicable
STA (Kalasin- TSR)	2226(2)/2556	30 August 2023	31 August 2028
STA (Ubon Ratchatani – Concentrated Latex)	2145(2)/2557	25 August 2023	26 August 2028
STA (Naratiwas – Crepe rubber)	58-2279-0-02-2-0	2 June 2023	2 June 2028
STA (Loei - TSR and/or mixture rubber)	58-2600-0-00-1-0	16 September 2024	Not Applicable
STA (Sakonnakorn - TSR and/or mixture rubber)	59-0385-0-00-1-0	17 June 2026	18 June 2031
STA (Chiangrai - TSR and/or mixture rubber)	59-0382-0-00-1-0	No income during FY 2019	
STA (Trang - Concentrated Latex)	60-0652-1-00-1-0	1 December 2020	Not Applicable
STA (Khanjanadit - Concentrated Latex)	60-0848-1-00-1-0	15 August 2021	Not Applicable
STA (Khanjanadit - Concentrated Latex)	61-0783-1-00-1-0	31 December 2020	Not Applicable
STA (Khanjanadit - Concentrated Latex)	61-0741-1-00-1-2	1 December 2020	Not Applicable
STA (Ubon Ratchatani – Concentrated Latex)	61-1227-1-00-1-0	14 January 2021	Not Applicable
Rubberland Products (Bueng Kan- TSR)	1402(2)/2552	30 March 2018	31 March 2023
Rubberland Products (Buriram - TSR)	1887(2)/2553	29 November 2018	31 March 2023
Rubberland Products (Hatyai - Concentrated Latex)	2387(2)/2553	31 March 2019	Not Applicable
Rubberland Products	1016(2)/2555	17 December 2019	Not Applicable

Company	Certificated no.	Expiry for 100% Exemption from Tax	Expiry for 50% Reduction in Tax
(Mukdahan – TSR)			

2) Gloves Business

Company	Certificated no.	Expiry for 100% Exemption from Tax	Expiry for 50% Reduction in Tax
Sri Trang Gloves (Thailand) (Hatyai – Gloves)	1505(2)/2552	2 July 2017	Not Applicable
	1420(1)/2553	14 February 2018	14 February 2023
	61-1073-1-00-1-0	29 September 2023	Not Applicable
	62-0146-1-00-1-0	No income during FY 2019	
Sri Trang Gloves (Thailand) (Suratthani – Gloves)	1519(1)/2553	2 June 2019	3 June 2024
	1660(1)/2553	30 August 2020	31 August 2025
	2730(1)/2556	2 January 2022	2 January 2027
	60-1105-1-00-1-0	31 March 2023	Not Applicable
Sri Trang Gloves (Thailand) (Trang – Gloves)	62-1307-1-00-1-0	No income during FY 2019	
	62-0667-0-00-2-2	25 October 2027	25 October 2032
	62-0668-0-00-2-2	16 June 2024	17 June 2029
	62-0669-0-00-2-2	18 November 2024	17 November 2029

2. Global Trader Programme

Sri Trang International enjoys certain tax benefits under the Global Trader Programme launched by International Enterprise Singapore, pursuant to which Sri Trang International is only taxed on 10% of its qualifying income (i.e. income which is derived from offshore sales or sales to companies under the Global Trader Programme). Sri Trang International renewed its status under the Global Trader Programme for the period from 1 January 2020 to 31 December 2024.

Insurance

As at 31 December 2019, we have taken insurance against damage (inclusive of fire and natural disaster such as lightening, bombing, storm, and etc.) for all our fixed assets (including our offices, production facilities and machinery) as well as our inventory caused to business interruption for an aggregate of approximately Baht 40,194 million.

We believe that the insurance policies taken up by our Group are adequate for our business needs and operations, and will periodically and appropriately conduct a review of our Group's insurance coverage.

2.2 Marketing and Competition

2.2.1 Marketing

2.2.1.1 Sales and Marketing of Natural Rubber Products

We have an extensive and diversified customer network of leading players globally and we sell Natural Rubber Products to customers in various countries and territories in Asia such as the PRC, Singapore, Japan, India, Korea, Malaysia and Vietnam, as well as to the United States and Europe.

Distribution Channels

In addition of our factories in Thailand and Indonesia, our global sales and distribution function is located in and managed out of Singapore, a global purchasing hub for natural rubber products. We have established three trading and distribution networks based in Singapore, PRC and Vietnam for the Natural Rubber Products that we sell, through our subsidiaries Sri Trang International, Sri Trang USA, Shi Dong Shanghai and Sri Trang Indochina, respectively.

Target Customers and Market Shares by Geography

We have distributed our products to customers worldwide which mainly are world class tire producers. In the last three years, our market shares by geography are as follows:

Region	FY 2017		FY 2018		FY 2019	
	Tons	(%)	Tons	(%)	Tons	(%)
Asia Region	931,615	70.4	986,551	74.1	771,635	69.9
- China	602,127	45.5	647,455	48.6	446,491	40.4
- India	42,667	3.2	54,903	4.1	36,204	3.3
- Japan	51,922	3.9	53,368	4.0	41,918	3.8
- Korea	43,211	3.3	47,158	3.5	34,734	3.1
- Malaysia	24,150	1.8	16,773	1.3	10,540	1.0
- Singapore	122,881	9.3	108,466	8.2	144,055	13.0
- Other Asian countries	122,881	9.3	4,733	0.4	57,693	5.2
America Region	76,132	5.8	55,022	4.1	53,522	4.8
Europe Region	56,731	4.3	64,861	4.9	45,093	4.1
Other Regions	2,138	0.2	1,832	0.1	1,046	0.1
International	56,731	4.3	1,108,266	83.3	871,296	78.9
Domestics	257,257	19.3	222,583	16.7	232,638	21.1
Total	1,323,873	100.0	1,330,849	100.0	1,103,934	100.0

Sales and Marketing Responsibilities

The responsibilities of our sales and marketing department include the following:

- developing sales strategies in connection with our penetration into domestic and international markets;
- recommending products to existing customers through the distribution of our product samples;
- procuring new customers;
- monitoring and analysing our competitors' product development and pricing;
- coordinating the delivery of our products to our customers; and
- purchasing Natural Rubber Products from third party producers.

In addition, our sales and marketing department is also responsible for maintaining our Group's customer records, attending to customer complaints and maintaining and improving customer relations and inviting our existing customers to visit our processing facilities, enabling them to gain a better understanding of our operations and products.

2.2.1.2 Sales and Marketing of Disposable Examination Gloves

We sell a wide variety of gloves for multi-purposes to intensive and diversified customer network in domestic market and international markets globally such as the United State, Latin America, Europe, Africa, Japan, PRC, India, and Middle-East etc.

Distribution Channels

We sell our gloves product direct to customers, through selling agents in many markets globally, through retails channel such as modern trade, convenient store, as well as through online channels. This is to extend and strengthen customer network of our gloves products.

2.2.2 Industry

2.2.2.1 Natural Rubber Industry

In 2019, the Natural Rubber (NR) industry still had to contend with volatility and uncertainty stemming from the trade war between the US and China, the continued appreciation of the Thai Baht, the fungal disease, speculation in the physical and futures markets and fund flows, all of which contributed to high volatility that prompted consumers to delay purchasing, especially in the first half of 2019. The high volatility also caused many midstream producers, both domestic and foreign, to suspend or cease operations. The trade war led many Chinese tire manufacturers to relocate production to Thailand. According to the latest report by the IRSG*, NR demand in Thailand grew by 6.4% in 2019 while global demand went down slightly by 0.1%, compared with a growth of 4.1% in 2018. The average price of TSR20 on SICOM in 2019 was 140.6 cent/kg, up 3% from 2018.

Source: *The World Rubber Industry Outlook, Review and Prospects to 2028, December 2019, by International Rubber Study Group (IRSG)

Natural Rubber Demand and Supply in 2019

According to the World Rubber Industry Outlook, Review and Prospects to 2028, published by the International Rubber Study Group (IRSG) in December 2019, global NR demand in 2019 was 13,754,000 tons, slightly down 0.1% from 2018. Demand from tire manufacturers increased in most countries except in China, where demand remained flat from 2018, up by only 0.6%. Meanwhile, demand from non-tire consumers declined 1.7% because of the slowing economy. Global demand for synthetic rubber was also down by 2.8% from 2018, outpacing a drop in NR demand.

Global NR supply went down 1.1% to 13,731,000 tons in 2019, mainly because of the fungal disease that affected rubber trees in Indonesia and some provinces of Thailand, cutting down supply by 9.7% and 3.9%, respectively, or 540,000 tons collectively. Meanwhile, NR supply from other countries such as India, Vietnam, the CAMAL* countries, as well as African countries, continued to grow from 2018.

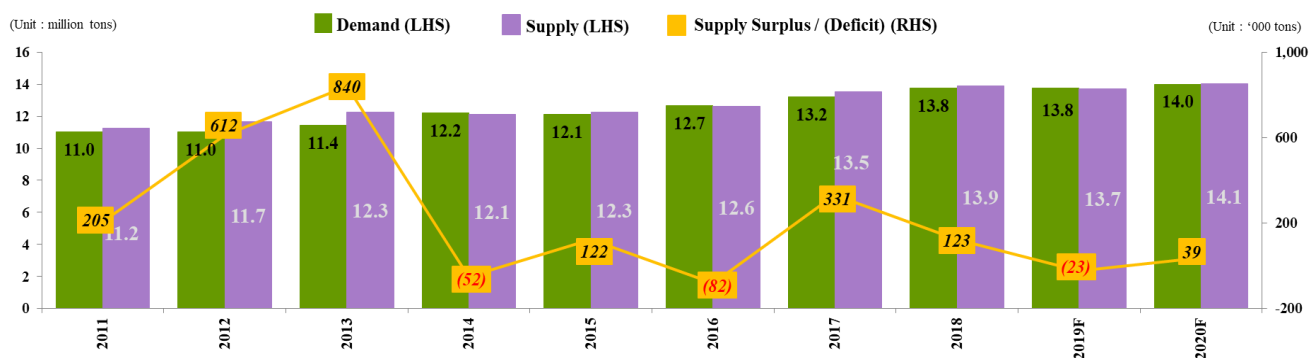
Natural Rubber Demand and Supply in 2020

According to the IRSG, global NR demand is projected to increase 1.9% to 14,011,000 tons in 2020, with China remaining the world's largest consumer, followed by the European countries, India, the US and Thailand. The growth in demand from India, Malaysia and Thailand is expected to be higher than the global growth rate, driven by an increase in demand from tire manufacturers in India, from glove producers in Malaysia and from both in Thailand.

Meanwhile, the IRSG forecasts that global NR supply will increase 2.3% to 14,050,000 tons in 2019, driven by supply from Thailand that is expected to go back to normal levels after the fungal disease that affected some provinces in the south, followed by supply from the CAMAL countries and Vietnam. Supply from Indonesia, the world's second-largest NR-producing country, is expected to continue to go down by 2% because of the fungal disease that affected a vast area on the Sumatra Island.

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

Diagram exhibits Demand and Supply of Natural Rubber during 2011 – 2020 (Unit : million tons)



Source: IRSG

Balance of Natural Rubber Demand and Supply

The IRSG expects an oversupply of NR in 2020, a result of the planting during a period of high NR prices from 2010 to 2012 (the average price TSR20 on SICOM at during the period was 368 cent/kg), which saw the area of rubber plantations in the Asia-Pacific region expand by 18.9%. The rubber trees planted during this period has been providing yield since 2017, perpetuating the oversupply. But the oversupply was alleviated in 2019 because the fungal disease cut down supply from Thailand and Indonesia, the world's largest and second-largest NR-producing countries, by 540,000 tons. The IRSG anticipates NR supply surplus to be around 39,000 tons in 2020, compared with a deficit of 23,000 tons in 2019.

2.2.2.2 Rubber Glove Industry

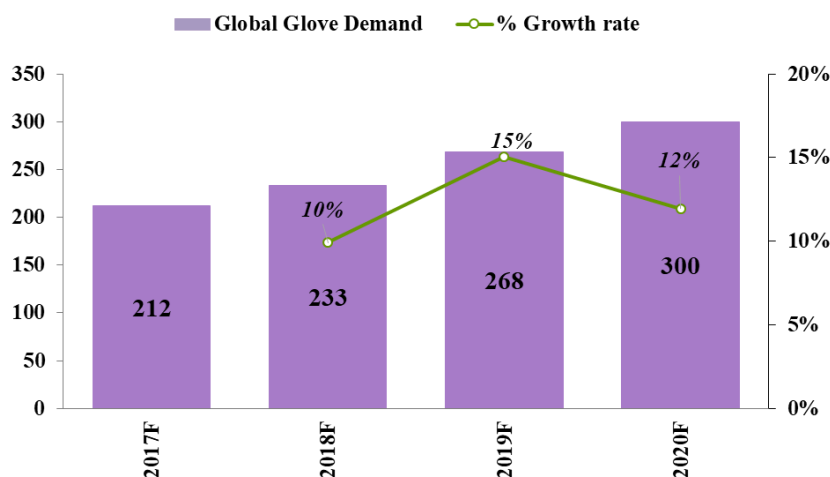
Gloves are products that help to effectively protect against germs, chemicals and other contaminants. As such, they are widely used in industries as diverse as the healthcare industry, the food industry, the electronics industry and the cosmetics industry. Gloves that are consumed nowadays can be broadly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

Rubber Glove Demand and Supply in 2019

Demand for gloves from all industries, especially the healthcare industry, is growing steadily. The Malaysian Rubber Glove Manufacturers Association (MARGMA) estimated that demand for gloves in 2019 was approximately 300 billion pieces, grew 12% from the previous year. The growth in demand was mainly driven by the healthcare industry and the increased consumption of personal hygiene products among emerging countries in the Asia-Pacific region, in Africa and in Latin America.

While gloves are consumed in countries around the world, glove production is concentrated in Southeast Asia and China. MARGMA estimated that in 2019, 63% of the world's gloves were produced in Malaysia and 18% in Thailand, while China and Vietnam accounted for 10% and 3% of global production, respectively.

Diagram exhibits Demand of Global Rubber Gloves Consumption during 2016 – 2019 (Unit: billion pieces)



Source: The Malaysian Rubber Glove Manufacturers Association

2.2.3 Competition

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

With a market share of 8%¹ of global NR consumption in 2019, we are widely regarded as the world’s largest fully integrated natural rubber company. We have operations in the three largest NR-producing and exporting countries, namely Thailand, Indonesia and Vietnam. Our main competitors in the NR industry are Von Buntit Company Limited, Southland Group, and Thai Hua Rubber Public Company Limited, which are based in Thailand, and the Kirana Group, Halcyon Agri Corporation (Sinochem Group), and China Hainan Rubber Industry Group, which are based in other countries. In the glove business, our subsidiary, Sri Trang Gloves (Thailand) (“STGT”), is Thailand’s largest glove producer with an installed production capacity of 27 billion pieces per annum as of 31 December 2019. STGT had a market share of 7%² of global glove consumption in 2019. Its main competitors are the major glove producers in Malaysia, namely Top Glove, Hartalega, Supermax, and Kossan.

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

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

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

Another crucial factor that has given us a competitive advantage over competitors is that our management comprises industry veterans with over three decades of experience. For a NR company to be able to successfully navigate the challenging industry landscape, its management must be able to come up with and effectively execute business strategies and risk management plans to minimize impact on the operations from factors like the global economic climate, demand/supply situation, currency movements, oil price movements and government policy. We believe that our management’s thorough understanding of the NR industry and skills will contribute to increased competitiveness and profitability and help us to reinforce our position as the world’s leading natural rubber company.

¹ Based on our sales volume of natural rubber products of approximately 1,103,934 tons for the financial year ending 31 December 2019 and the total global demand for natural rubber products of approximately 13,754,000 tons in 2019. (Source: International Rubber Study Group (IRSG), The World Rubber Industry Outlook, Review and Prospects to 2028, December 2019)

² Based on our sales volume of gloves of approximately 19,913 million pieces for the financial year ending 31 December 2019 and the total global demand for gloves of approximately 300 billion pieces in 2019. (Source: The Malaysian Rubber Glove Manufacturers Association)

2.2.4 The Company's Key Strengths

1. The world's largest natural rubber processing company

With an engineering capacity of 2.86 million tons per annum (as of 31 December 2019), we can produce a complete range of natural rubber products that satisfy the demands of all types of customers from all over the world, enabling us to capture a market share of 8% of global natural rubber consumption. We are also able to achieve economies of scale and afforded bargaining power with both suppliers and customers thanks to our large production capacity.

2. Fully integrated supply chain business model

Having operations in every sector of the natural rubber industry, from rubber cultivation and rubber processing to the manufacture of finished products-- examination gloves --provides us with synergy and insights that enable us to effectively manage our operations and readily respond to changes in market conditions, resulting in competitive edge. Moreover, we are able to create value-added to our mid-stream products which is one of our main businesses. This strengthens our aim to become *“a fully integrated natural rubber company and emphasize our position as a leading player in the natural rubber business globally”*.

3. Extensive network of sales and distribution

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

4. Production bases in strategic locations

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

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

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

6. Commitment to sustainability and community engagement

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

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

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

8. Highly experienced management

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

2.3 Products and Services

2.3.1 Natural Rubber Products

2.3.1.1 Production facilities and rates of utilisation

As at 31 December 2019, we have a total of 36 processing facilities, 32 processing facilities located in Thailand, three processing facilities located in Indonesia, and one processing facilities located in Myanmar with an estimated total effective engineering capacity of approximately 2.86 million tons of Natural Rubber Products per annum.

Our production capacity is limited by available space, production lines, number of machines and manpower. Our estimated annual effective production capacity and the annual utilisation rates of our natural rubber processing facilities which were in operation during the last three years based on our three categories of Natural Rubber Products for each of the three most recent completed financial years are as follows:

Natural Rubber Product	Engineering Specified Capacity ⁽¹⁾ (tons)			Estimated Effective Production Capacity ⁽²⁾ (tons)			Effective Utilisation Rate ⁽³⁾ (%)		
	As at 31 December			As at 31 December			For the Year Ended 31 December		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
RSS	209,921	209,921	209,921	209,921	209,921	209,921	54.4	63.8	47.2
TSR	1,992,900	2,098,020	2,098,020	1,569,019	1,653,691	1,653,691	68.3	62.1	57.1
Concentrated Latex	420,655	552,931	552,931	259,308	340,848	340,848	70.0	57.0	48.6
Total	2,623,476	2,860,872	2,860,872	2,038,248	2,204,460	2,204,460	66.9	62.0	54.8

Notes:

- (1) Calculated based on the annual engineering capacity of the relevant processing facility at the end of the relevant period which takes into consideration the estimated total number of working days, the down time for the maintenance of machinery and equipment and the amount of time needed to complete one cycle of production for each of our Natural Rubber Products at the relevant processing facility.
- (2) The engineering specified capacities of our natural rubber processing facilities are derived from the specifications certified or provided by the supplier of the relevant processing machinery.
- (3) Calculated based on actual production volume of the relevant processing facility for the relevant period divided by the weighted average effective capacity for that period, and in the case of production facilities that commenced operations during the relevant period, also taking into consideration the actual processing capacity for the relevant period.

2.3.1.2 Raw materials procurement and management

The raw materials which our rubber processing facilities utilise to produce Natural Rubber Products include cup lumps, unsmoked rubber sheets, and field latex, which respectively accounted for 79%, 10% and 11% of raw materials purchased in the financial year ended 31 December 2019, respectively. Apart from raw materials purchasing area in our factories, we have established a network of raw material procurement centers located strategically close to sources of raw materials supply in Thailand and Indonesia. The proportion of domestic and foreign purchasing raw material was 79:21.

While we purchase raw materials primarily from dealers, raw materials are also sourced either directly from farmers or from farmer unions, dealers and rubber centre markets at which farmers sell the raw materials. As we obtain our raw materials through our procurement network from diverse sources of raw materials, in 2019, we sourced raw materials from cooperatives, procurement centre and rubber center markets of more than 95 parties in total which calculated to be 30% of total raw material volumes. We also sourced approximately from 2,400 rubber farmers and cooperatives which calculated to be 70% of total raw material volumes without any supplier of raw materials or natural rubber products who accounts over 5% or more of our raw material purchases for the recent financial year, apart from our purchases of natural rubber products from our joint venture entity, Thai Tech Rubber, which accounted not over 5% of our raw material purchases for the financial year ended 31 December 2019.

Our procurement team is also responsible for in-coming quality assurance. The raw materials used in our production process have to meet our specifications and are subject to our strict internal quality assurance and testing. Prior to accepting delivery of raw materials, sample testing is conducted on the raw materials. The raw materials are tested for, amongst other things, its purity and dry rubber content to ensure that it meets our requirements. The results of the sample testing are recorded and considered prior to accepting delivery of a particular batch of raw material. The other responsibilities of our procurement team include (i) monitoring the

pricing and supply trend of the raw materials that we require, (ii) inventory management and (iii) allocating raw materials to our various production facilities.

While we have well-established relationships with existing dealers and suppliers, our procurement team seeks to maintain and improve our relationship with such dealers and suppliers. This is done primarily through the conduct of supplier surveys and regular visits to the local villages. In addition, our procurement team will identify new dealers and suppliers, based on our assessment of their business operations (if evaluating dealers), quality and price of raw materials. Moreover, we have launched the application called “**STA FRIENDS**” for buying raw materials from rubber farmers in Thailand. This application helps facilitate and create a new experience for all rubber suppliers to sell rubber anywhere and anytime which considered as a disruptor in rubber trading business for the sustainable rubber industry in Thailand.

2.3.1.3 Processing and production of Natural Rubber Products

Natural Rubber Products

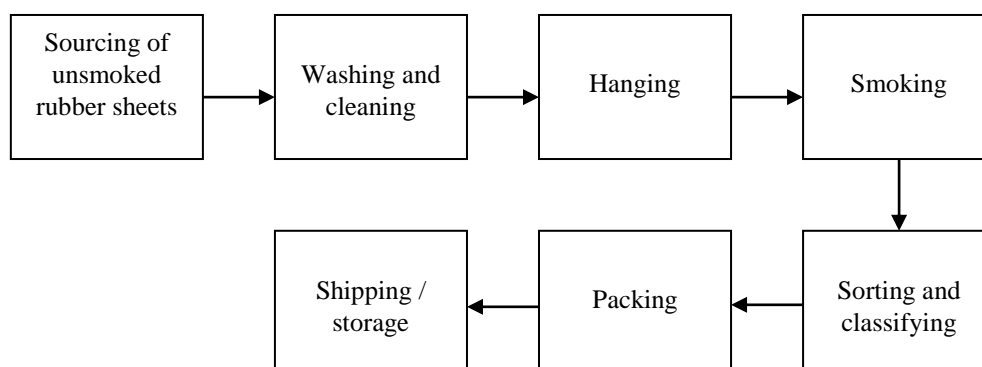
We produce three main types of Natural Rubber Products:

(1) Ribbed Smoked Sheet (RSS)

RSSs are unsmoked rubber sheets which have undergone processing and can be classified into five categories, namely, RSS1, RSS2, RSS3, RSS4 and RSS5. The classification is based on the quality of each sheet, which takes into account factors like purity, elasticity and colour.

RSS is used as a raw material in the production of products such as tyres, pipes, shoes and automobile parts. As it is a form of processed natural rubber, RSS is of a higher quality and can be subjected to dyeing treatments.

The following is an illustration of our RSS production process:



Unsmoked rubber sheets production process prior to being delivered to factories starts from the rubber farmers to collect field latex, add formic acid, and leave it for approximately two hours allowing it to coagulate. After that, such coagulated field latex will be rolled using a dryer sheet to extract the water and hang on racks to dry for 7-15 days. Unsmoked rubber sheets are then ready to be delivered to the factory for further production process.

At the factory, the unsmoked rubber sheets will be categorized based on moistness. Those unqualified unsmoked rubber sheets will be rejected at this stage. The qualified unsmoked rubber sheets will be washed out all dirt before hanging and transferring into a smoke house where they are smoked for 5-7 days at controlled temperatures. After that, RSS will be manually sorted and visually classified into RSS1, RSS2, RSS3, RSS4, and RSS5 based on quality. These are then packed into bales for shipment or storage.

(2) Technically Specified Rubber (TSR)

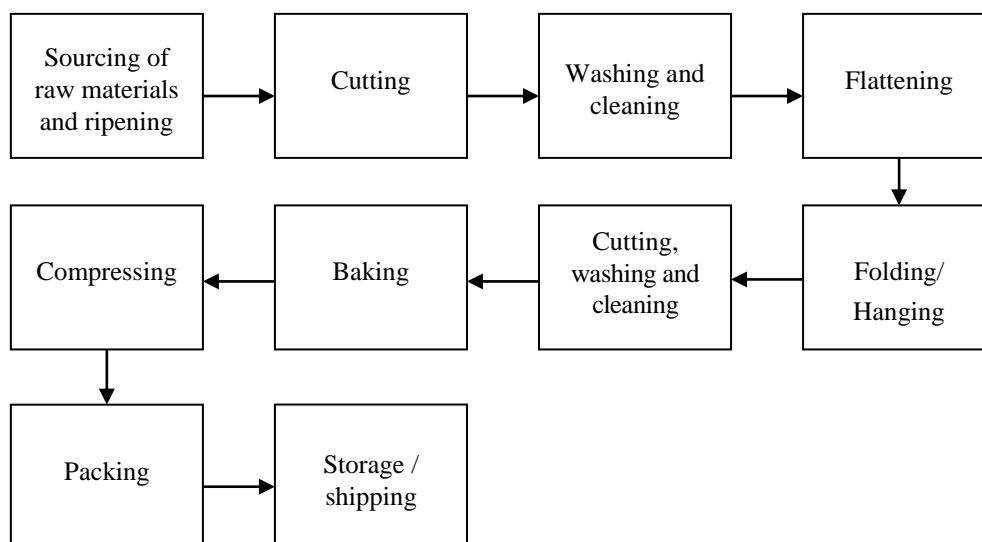
TSR or block rubber is produced from raw materials such as cup lump and unsmoked rubber sheets. Cup lump is produced when field latex is allowed or made to coagulate in the cup in which it is collected. Unlike RSS, the quality of TSR is determined through TSR testing standard in laboratory. We produce two main types of TSRs — the Standard Thai Rubber (STR) and the Standard Indonesian

Rubber (SIR). TSR is a raw material used mainly in the production of tyres for automobiles and airplanes.

There are two processes in our production of TSRs — the “STR” process and the “mixture rubber” process. Both processes are mainly automated.

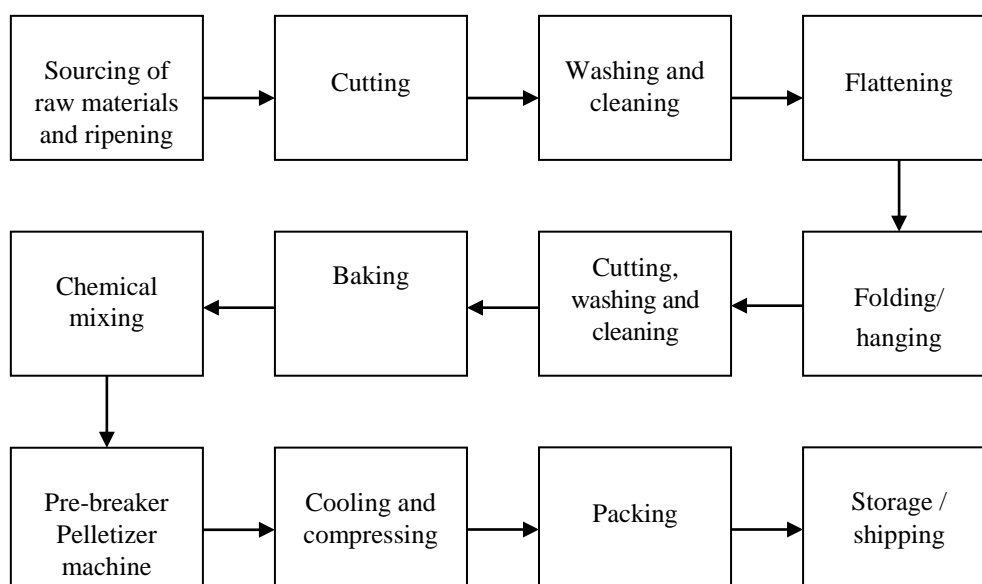
The following is an illustration of our STR production processes:

“STR” process



In the “STR” process, the raw materials are cut into smaller pieces, washed and cleaned before being ground by rollers and flattened to form rubber crepes. The rubber crepes are then folded or placed on racks to dry for approximately 10-15 days. Once dried, the rubber crepes are cut into smaller pieces before being washed to remove the remaining dirt and impurities. It is then digested into smaller pieces and passed through baking process before being compressed into rubber blocks and packed for storage and shipment.

“Mixture rubber” process



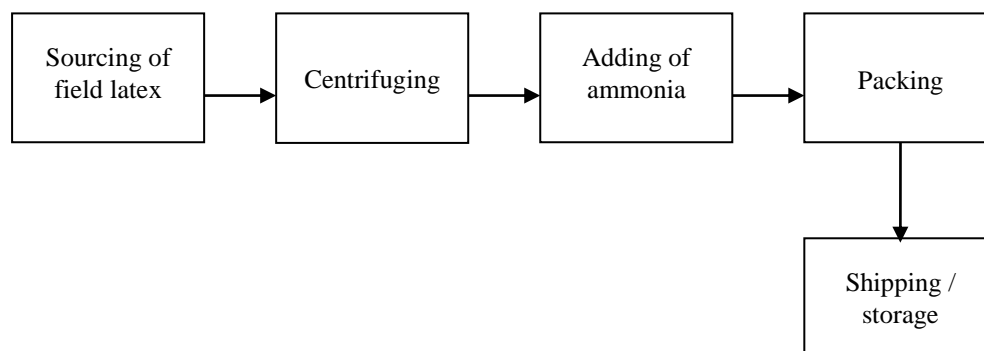
In the “mixture rubber” process, the raw materials are cut into smaller pieces, washed and cleaned before being ground by rollers and flattened to form rubber crepes. The rubber crepes are then placed on racks to dry for approximately 10-15 days. Once dried, the rubber crepes are cut into smaller pieces before being washed to remove the remaining dirt and impurities and then being digested into smaller pieces to bake. The resultant rubber mixture with chemical or synthetic rubber depending on the

formula is then allowed to cool before it is compressed into rubber blocks and packed for storage and shipment.

(3) Concentrated Latex

Concentrated Latex is derived from field latex and is liquid latex with a dry rubber content of approximately 60%. It is one of the cleanest forms of rubber and is used primarily in the production of various products such as, latex examination gloves, condoms, elastic threads and adhesives.

The following is an illustration of our Concentrated Latex production process:



Field latex is tapped by farmers from the rubber tree and collected. To prevent the field latex from coagulating during transportation to the processing facility, ammonia, among other chemicals, is added to the field latex by the collectors. At the processing facility, the mixture is centrifuged to separate impurities and to obtain a latex concentration containing approximately 60% dry rubber content. Ammonia is then added back to the extract to prevent it from coagulating before it is packed and prepared for shipment or storage. The quality of the Concentrated Latex is dependent on the level of ammonia in it. There are generally three grades of Concentrated Latex — high ammonia latex, medium ammonia latex and low ammonia latex.

2.3.2 Gloves Products

2.3.2.1 Production facilities and rates of utilisation

As at 31 December 2019, Sri Trang Gloves (Thailand) has three factory locations in Songkhla, Surat Thani, and Trang provinces of Thailand with an installed total production capacity of 27,000 million pieces of natural rubber and nitrile gloves per annum. As a result of this, we are widely regarded as Thailand's largest and a world-leading glove producer.

Glove Products	Installed Production Capacity ⁽¹⁾ (million pieces)			Estimated Effective Production Capacity ⁽²⁾ (million pieces)			Effective Utilisation Rate ⁽³⁾ (%)		
	For the Year Ended 31 As at 31 December			For the Year Ended 31 As at 31 December			For the Year Ended 31 December		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Gloves	15,130	23,347	27,153	14,093	17,894	22,666	90.3	89.9	84.7

Notes:

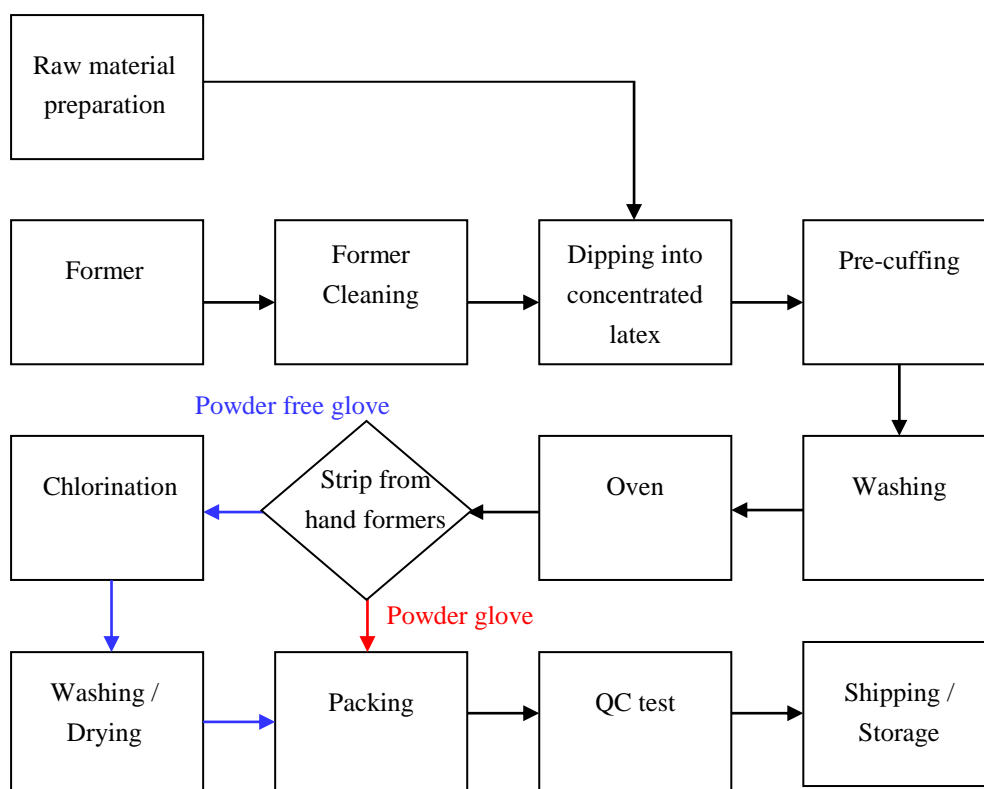
- (1) Calculated based on the annual installed capacity of the relevant processing facility at the end of the relevant period
- (2) Calculated based on the annual installed capacity of the relevant processing facility at the end of the relevant period which takes into consideration the estimated total number of working days, the down time for the maintenance of machinery and equipment and the amount of time needed to complete one cycle of production for each of our Gloves Products at the relevant processing facility.
- (3) Calculated based on actual production volume of the relevant processing facility for the relevant period divided by the weighted average effective capacity for that period, and in the case of production facilities that commenced operations during the relevant period, also taking into consideration the actual processing capacity for the relevant period.

2.3.2.2 Raw materials procurement and management

The base raw material required for production of latex disposable examination gloves is Concentrated Latex which is supplied by our Group and nitrile latex which is supplied by third parties.

2.3.2.3 Production of disposable examination gloves

The following is an illustration of our production process of latex and nitrile examination gloves:



The base raw material used is compounded with chemicals, which varies with our customers' specifications. After compounding, the mixture is transferred into a dipping tank where hand formers, which are first cleaned, are dipped into the mixture, coated with a thin layer of latex and then dried in controlled temperatures. The hand formers are then immersed in a leaching tank to wash away water-soluble materials, to ensure cleanliness. This is followed by curing in ovens. Thereafter, the examination gloves are stripped from the hand formers prior to packing and export. For the powder free glove, a chlorine substance will be added to make it easier to wear prior to putting it into drying process. Finally, all the gloves are tested according to certain examination glove standards such as ASTM and EN Standard before they are packed and prepared for shipment or storage.

2.3.3 Quality Assurance

We have implemented comprehensive quality assurance and monitoring procedures to ensure that our products meet our stringent quality control standards and the expectations and requirements of our customers. Our quality assurance system encompasses stringent quality control checks at each stage of our production processes, from procurement and processing of raw materials, to the inspection of the end product.

As at 31 December 2019, we have received the following quality assurance certifications and awards namely;

1) Natural Rubber Products production processes and/or the Natural Rubber Products:

For the operation of	Name of certification/ award	Awarding body/ authority	Validity period of certificate/award	Process/Natural Rubber Product awarded
STA (Trang)	ISO 9001:2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of RSS and Concentrated Latex
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of Concentrated Latex and skim crepe
STA (Chumporn)	ISO 9001:2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of Concentrated Latex
STA (Surat Thani)	ISO 9001:2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of Concentrated Latex and skim crepe
STA (Kanchanadit)	ISO 9001:2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of Concentrated Latex and skim crepe
STA (Hat Yai)	ISO 9001:2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of RSS
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of RSS
	BSOHSAS18001:2007	TÜV Rheinland Cert GmbH	15 July 2018 to 11 March 2021	Manufacture of RSS
STA (Thungsong)	ISO 9001:2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of TSR and mixture rubber
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of TSR and mixture rubber
STA (Sikao)	ISO 9001:2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of TSR and mixture rubber
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of TSR and mixture rubber
STA (Huay Nang)	ISO 9001:2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of TSR and mixture rubber
	ISO/IEC 17025:2005	Thai Industrial Standards Institute (TISI)	18 August 2017 to 17 August 2019	Laboratory of TSR (STR 10, STR 20, STR 10CV, STR 20CV) and mixture
STA (Udon Thani)	ISO 9001:2015	TÜV Rheinland Cert GmbH	15 August 2018 to 15 May 2021	Manufacture of TSR and mixture rubber
	ISO 14001:2015	TÜV Rheinland Cert GmbH	15 October 2018 to 16 October 2021	Manufacture of TSR and mixture rubber
STA (Ubon Ratchthani)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	31 July 2019 to 20 July 2021	Manufacture of TSR and mixture rubber
	ISO 9001: 2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of Concentrated Latex and skim crepe
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of TSR and mixture rubber
STA (Phitsanulok)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	31 July 2018 to 20 July 2021	Manufacture of TSR and mixture rubber
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of TSR and mixture rubber
STA (Sakao)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	31 July 2018 to 20 July 2021	Manufacture of TSR and mixture rubber

For the operation of	Name of certification/ award	Awarding body/ authority	Validity period of certificate/award	Process/Natural Rubber Product awarded
	ISO 14001:2015	TÜV Rheinland Cert GmbH	14 December 2018 to 15 October 2021	Manufacture of TSR and mixture rubber
STA (Kalasin)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	15 August 2018 to 15 May 2021	Manufacture of TSR and mixture rubber
	ISO 14001: 2015	TÜV Rheinland Cert GmbH	14 December 2019 to 15 October 2021	Manufacture of TSR and mixture rubber
STA (Loei)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	15 August 2018 to 15 May 2021	Manufacture of TSR and mixture rubber
STA Group	ISO 9001: 2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of RSS, Concentrated Latex, mixture rubber, and skim crepe
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of RSS, Concentrated Latex, mixture rubber, and skim crepe
Rubberland Product (Hat Yai)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of Concentrated Latex
Rubberland Product (Bueng Karn)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	15 August 2018 to 15 May 2021	Manufacture of TSR and mixture rubber
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 August 2018 to 15 May 2021	Manufacture of TSR and mixture rubber
Rubberland Product (Buriram)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	15 August 2018 to 15 May 2021	Manufacture of TSR and mixture rubber
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of TSR and mixture rubber
Rubberland Product (Mukdahan)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	15 August 2018 to 15 May 2021	Manufacture of TSR and mixture rubber
	ISO 14001:2015	TÜV Rheinland Cert GmbH	16 October 2018 to 15 October 2021	Manufacture of TSR and mixture rubber
	ISO/IEC 17025:2005	Thai Industrial Standards Institute (TISI)	18 August 2017 to 17 August 2019	Laboratory of TSR (STR 10, STR 20) and mixture
Nam Hua Rubber	ISO 9001: 2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of Concentrated Latex
	ISO 9001: 2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of TSR and mixture rubber
	ISO 9001: 2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	ADS rubber
Sadao P.S. Rubber (Sadao)	ISO 9001: 2015	TÜV Rheinland Cert GmbH	21 July 2018 to 20 July 2021	Manufacture of RSS
Starlight Express Transport (Trang)	ISO 9001: 2015	Management System Certification Institute (Thailand)	25 July 2018 to 24 June 2019	Services of land transport, import-export, forklift rental and forklift maintenance
Anvar Parawood (Songkhla, Buengkan, and Phitsanulok)	ISO 9001: 2015	Management System Certification Institute (Thailand)	26 December 2019 to 25 December 2022	Production and distribution of processed dried rubber wood and other 13 types of woods
Premier System Engineering (Hat Yai)	BSOHSAS18001:2007	Management System Certification Institute	29 October 2018 to 11 March 2021	Design, production, installation and maintenance service for machinery and electrical devices, service for

For the operation of	Name of certification/ award	Awarding body/ authority	Validity period of certificate/award	Process/Natural Rubber Product awarded
		(Thailand)		calibration and information technology
	ISO/IEC 17025:2005	Thai Industrial Standards Institute (TISI)	5 July 2018 to 28 March 2021	Standard calibration laboratory
	ISO9001: 2015	TÜV Rheinland Cert GmbH	10 May 2019 to 9 May 2022	1.Design and develop production process, machine and equipment installation for factory 2.Service and maintenance for machine and equipment for factory and building
Sri Trang Ayeyar (Myanmar)	ISO9001: 2015	TÜV Rheinland Cert GmbH	25 January 2021 to 24 January 2023	Manufacturing of Myanmar Standard Rubber (MSR) Blocked Rubber
PT Sri Trang Lingga	ISO 9001:2015	TÜV Rheinland Cert GmbH	17 October 2018 to 6 August 2022	Manufacture SIR Block Rubber and Compound Rubber
	ISO14001:2015	TÜV Rheinland Cert GmbH	25 January 2019 to 24 February 2020	Manufacture SIR Block Rubber and Compound Rubber
PT Star Rubber (Pontianak Branch)	ISO 9001:2015	LSSM BIPA	12 October 2018 to 11 October 2021	Manufacture of SIR
PT Star Rubber (Jambi Branch)	ISO 9001:2015	TÜV Rheinland Cert GmbH	20 September 2018 to 19 September 2021	Manufacture of SIR

2) Gloves Products production processes and/or the Gloves Products:

For the operation of	Name of certification/ award	Awarding body/ authority	Validity period of certificate/award
STA	Certificate of CE-Registration (Medical Device Directive 93/42/EEC)	Medical Device Safety Service GmbH (MDSS)	18 October 2017 onwards
	FSC-STD-30-005 V1-1	Bureau Veritas	11 July 2019 to 10 July 2024
Sri Trang Gloves (Thailand) (Hat Yai, Surat Thani and Trang)	PPE Regulation (EU)2016/425 Module D Certificate	SATRA Technology Europe Limited	May 2018 to May 2019
	ISO 9001: 2015	TÜV SUD America Inc.	10 April 2019 to 9 April 2022
	EN ISO 13485: 2016	TÜV SUD Product Service GmbH	1 April 2019 to 31 October 2020
Sri Trang Gloves (Thailand) (Hat Yai and Surat Thani)	ISO 13485 non CMDCAS	TÜV SUD America Inc.	15 August 2018 to 11 October 2020
	ISO 22000:2005	TÜV SUD America Inc.	16 May 2019 to 18 June 2021
	EC Certificate Directive	TUV SUD Product Service	13 May 2019 to 12 December 2022

For the operation of	Name of certification/ award	Awarding body/ authority	Validity period of certificate/award
	93/42EEC on MDD Annex V	GmbH	
STA / Sri Trang Gloves (Thailand) (Hat Yai)	ISO 9001: 2015	SGS United Kingdom Ltd.	9 April 2019 to 17 March 2020
	ISO 13485: 2003/ EN ISO 13485: 2012	SGS United Kingdom Ltd	3 May 2019 to 17 June 2020
	Medical Device Manufacturer Registration No. SorPhor. 17/2555	Medical Device Control Division, Food and Drug Administration	2 December 2017 to 31 December 2021
	TISI Certificate No. 3062- 155/1056	Thai Industrial Standards Institute (TISI)	10 June 2019 onwards
	GMP Certificate	Food and Drug Administration, Ministry of Public Health, Thailand	28 August 2018 to 12 August 2022
	ISO/IEC 17025: 2005	Bureau of Laboratory Quality Standards, Ministry of Public Health	24 April 2018 to 24 April 2020
	amfori BSCI	Bureau Veritas	24 April 2018 to 24 April 2020
	Green Industry Certificate	Ministry of Industry	16 May 2019 to 15 May 2022
	CSR-DIW CONTINUOUS	Ministry of Industry	23 September 2019 to 22 September 2020
	FSC Chain-of-Custody	SGS South Africa (Pty) Ltd.	12 June 2019 to 11 June 2024
	Japan Accreditation	Minister of Health, Labour and Welfare	24 June 2018 to 23 June 2023
	Halal Certificate	The Central Islamic Council of Thailand	25 September 2019 to 24 September 2020
Sri Trang Gloves (Thailand) (Surat Thani)	GMP Certificate	Food and Drug Administration, Ministry of Public Health, Thailand	28 August 2019 to 12 August 2022
	ISO/IEC 17025: 2005	Bureau of Laboratory Quality Standards, Ministry of Public Health	24 April 2019 to 21 June 2020
	amfori BSCI	Bureau Veritas	17 July 2019 to 17 September 2020
	ISO 14001:2015	TÜV SUD Korea Ltd.	24 July 2019 to 12 July 2020
	Japan Accreditation	Minister of Health, Labour and Welfare	15 February 2018 to 14 February 2023
Sri Trang Gloves (Thailand) (Trang)	TISI Certificate No. 1794- 148/1056	Thai Industrial Standards Institute (TISI)	1 April 2019 onwards
	GMP Certificate	Food and Drug Administration, Ministry of Public Health, Thailand	28 August 2019 to 12 August 2022
	HACCP	Management Service	22 May 2019 to 16 October 2020

In-processing quality assurance

We conduct random in-process sampling at every stage of our production process to ensure that the Natural Rubber Products that we produce meet our stringent quality standards and that our production capacity is effectively utilised. For example, prior to the packing and storage of our TSR at our rubber processing facilities, samples of our TSR will be sent to our quality assurance department for testing to ensure that the TSR meets industry specifications. All our glove manufacturing facilities have been examined in every step starting from

raw material input process, production process, pre-packaging process and before delivery to customers to ensure that our products are qualified as relevant regulations and standards prescribed.

Out-going quality assurance

All of the finished Natural Rubber Products that we produce are subject to a further round of quality inspection after packaging and labelling to ensure that they meet the quality criteria established by our quality inspection department. Finished Natural Rubber Products that do not meet our quality standards will be removed, recorded and analysed by our quality assurance department to identify the issues and to refine our production processes to reduce such occurrences. Our quality assurance department also monitors and ensures that the finished products are properly handled and stored in accordance with our ISO 9001 requirements.

Pre-delivery quality assurance

Prior to delivery, we would conduct a final round of inspection of the finished Natural Rubber and Gloves Products to ensure that it is delivered to our customers in good condition and that they meet our customers' specifications.

2.3.4 Shipping, Logistics and Maintenance

Starlight Express Transport is a subsidiary of STA and operates as a provider of transportation and logistics services in relation to natural rubber products and examination gloves for companies within Sri Trang Group. Starlight Express Transport is a member of the Customs Broker and Transportation Association of Thailand and is authorized by the Thai Customs to operate as a customs broker.

Starlight Express Transport operates a fleet of more than 200 vehicles for domestic shipping. Its international shipping services cover ground shipping, air shipping, ocean freight and rail freight. Starlight Express Transport is an authorized customs broker and handles the import and export of goods through customs. In addition, Starlight Express Transport also provides services in relation to taxation and export documentation. The services provided by Starlight Express Transport facilitate the transportation of natural rubber products and examination gloves of Sri Trang Group.

2.3.5 Environment, Occupational Health and Safety

2.3.5.1 Group's environmental policy and practice

The Company recognizes the role of sustainability in the success of the business. In 2019, the Company's reviewed and integrated the Environmental Management Policy, Quality Assurance Policy, Occupational Health and Safety Policy, and Environment Protection Act to align with the Company's strategies under the banner of "Green Rubber Company," the Company is committed to the following environmental practices:

- Green Company
 - To comply with the relevant laws and regulations
 - To develop standardized system
 - To enhance employees potential
- Green Process
 - To control the quality in all production processes
 - To create working environment with good occupational health and safety
 - To emphasize on achieving objectives
 - To conserve natural resources and energy as well as prevent pollution
 - To reduce wastes and encourage recycling
- Green Procurement
 - To create the green awareness for sustainable development with business partners throughout the supply chain
- Green Products
 - To produce products that comply with safety and environmental standards

Environmental Management

The Company has instituted an environmental management system, with a particular emphasis given to TSR processing facilities, which pose more environmental issues than others. The Company has set the environmental target for any newly constructed facility to be ISO 14001 certified within one year of having received ISO 9001 certification. A total of 14 facilities were ISO 14001 certified in 2019, each of them being evaluated by its own internal inspector prior to being granted certification by an international organization.

The Company has identified issues, both external and internal, that relate to sustainability to help the Company improve its environmental practices. Environmental issues arising from operations of the Company, whether from activities, products or services, will be identified and assessed. Issues that have been found to have significant environmental impact will form the basis of a company-wide solution plan and will be taken into consideration in creating new initiatives or projects, such as the reduction of chemical use, the reduction of resource, energy and water consumption.

In addition, the Company has instituted a monitoring system for evaluating the effectiveness of environmental initiatives, such as water and air quality testing. For the past three years, test results indicate compliance with all the relevant laws and regulations. If any result were found to be in violation of the relevant standard, the Company would take immediate corrective action.

Wastewater Management

The Company has instituted a wastewater management system whereby wastewater that has been treated is subject to monthly testing and only wastewater that has been properly treated is released into the environment. Furthermore, the activated sludge process is used at the Company's TSR facilities in the northeast of Thailand. The system helps to reduce, and minimize the environmental impact of, water consumption as wastewater that has been treated is not released into the environment but is reused in production. Lab testing shows that the treated wastewater also contains nitrogen, a type of fertilizer for plants.

Air Pollution Management

The Company uses methods for odor control according to the type of production facilities. At TSR facilities, where odor issues from cup lump, wood vinegar is used to eliminate the odor. An odor control system is also used in the process of rubber drying and the production of compound rubber. In addition, facilities that use boilers for drying rubber are equipped with a multi-cyclone air filter system. Testing shows that air quality at the Company's production facilities satisfies air quality standards.

Waste Management

The Company adheres to the principles of three Rs (reduce, reuse and recycle) in managing waste from its production facilities. Moreover, the Company has introduced the Circular Economy for maximizing the use of natural resources such as using sludge from the waste water treatment system to be the alternative fuels for boiler system instead of the disposal.

To comply with related law and regulations, all production facilities have to collect monthly data and the Company regularly conducts random checks. All waste collected from the production facilities is sent to providers of waste destruction services that are registered with the Department of Industrial Works.

Energy Conservation and Climate Change

To respond to the impact of global warming and climate change, the Company therefore placed the Energy Conservation Policy and appointed the Energy Conservation Committee as well as the responsible person in each factories to prepare energy conservation measures in order to comply with the yearly target such as selection of energy-saving equipment and using alternative energy like using biomass instead of diesel to power boilers for rubber drying, and reducing the use of liquid petroleum gas (LPG).

For operations in Indonesia, the Company holds the license to treat hazardous waste and complies with the Environmental Monitoring Efforts Report and the Environmental Management Efforts Report.

2.3.5.3 Occupational Health and Safety

Safety is the key of the Company's sustainable development. To that end, the Company regularly organizes activities to promote workplace safety in tandem with employee training to improve productivity. The Company strictly adheres to the relevant industrial hygiene and safety laws and regulations as well as encourages

occupational health and safety together with productivity enhancement. This is because safety helps reduce waste, production cost, and promote employee welfare since employees are a valuable resource driving the Company's productivity.

The Company therefore places the safety management measures as below:

Laws and Regulations: Legal supervision has strictly complied with the regulations on occupational health and safety laws. There is continuously a factory safety inspection to control the operation of the business to be safe. There are safety officers all levels, safety committee and safety section and also has established a safety operation plan to carry out and monitor safety performance.

Safety Awareness: There is training to provide knowledge and understanding of safety in order to raise awareness and developing potential staff and related department to be able to plan and monitor areas that are at risk of accidents along with preparation plan for emergency suspension more efficiently.

Safety Management: The Company establishes safety standards in the company and affiliates to be one such as legal identification and other requirements associated determination of roles, safety officers responsibilities, risk assessment, preparation of work safety manuals, contractors/outside control and monitoring of safety practices, Emergency preparation and response employee health examination control and measurement of work environment Controlling chemicals and hazardous substances Organization safety knowledge Have control, record and prepare occupational health and safety reports as well as providing welfare, personal safety equipment to employees appropriately. In addition, the company has provided an audit of the management system of affiliated companies. Accident statistics are collected to analyze and find solutions and prevention before meeting with high-level executives to review the ongoing operations.

Apart from employee safety, the Company is also concerned with the safety of independent contractors, third parties and stakeholders who are involved in the Company's operations. The Company has created an independent contractor handbook and provides supervision to ensure the safety of all persons.

3. RISK FACTORS

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

3.1 Strategic Risk

3.1.1 Natural Rubber Price Volatility

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

- *Natural rubber supply and demand* — An increase in the supply of natural rubber or a decrease in the global consumption of natural rubber could create a supply surplus, which could result in a decrease in prices of natural rubber and, in turn, the average selling prices of the Natural Rubber Products that we sell. Additionally, global demand for such products, in particular TSR, is significantly dependent upon the tire manufacturing industry, which accounts around 70% of global natural rubber consumption. A slowdown in the tire manufacturing industry may lead to decreased demand for the Natural Rubber Products that we sell and our business, financial condition and operating results may be adversely affected;
- *Prices of crude oil, energy and oil-based chemicals* — Crude oil prices may affect the prices of natural rubber and other input materials such as oil-based chemicals used in rubber processing. In addition, prices of synthetic rubber usually move in the same direction as crude oil prices, and fluctuations in the prices of synthetic rubber usually have an impact on natural rubber prices and demand. Nowadays, there are varieties of synthetic rubber available in the market that can be used as substitutes for natural rubber in the manufacture of some rubber-based finished products. Factors such as increased global demand for rubber, volatility in natural rubber prices, an increase in natural rubber prices when compared to prices of synthetic rubber, risks of supply disruption caused by political events, regional constraints and seasonal supply patterns may lead to an increase in demand for such synthetic rubber substitutes. This may result in decreased demand for natural rubber, which may have a material adverse effect on our business, financial condition and operating results. As of December 31, 2019, revenue from Natural Rubber Products accounted for 80% of our total revenue;
- *Currency fluctuations* — As natural rubber is traded mainly in US Dollars, any fluctuations in the natural rubber exporting currencies against US Dollars may result in corresponding fluctuations in natural rubber prices in the respective exporting countries; and
- *Speculation* — As natural rubber and some of the Natural Rubber Products that we sell are traded on various commodity futures exchanges, they are susceptible to price speculation in addition to local and global economic factors.

Risk Management

The Company has policies to manage risks related to natural rubber price volatility, including raw material sourcing management in terms of prices and quantities and the use of rubber futures and physical forward contracts when applicable. Such contracts are recorded at their fair value on the date of the statement of financial position. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 38.)

3.1.2 Discrepancy between the growth in demand for natural rubber and expectations

Because natural rubber and gloves are consumed by a wide variety of consumers in countries all over the world, market demand for both is subject such factors as changes in consumer preference, the existence of replacement products, and changes in laws and regulations, for example, the ban on the use of powdered medical gloves by

the US Food and Drug Administration (FDA). Demand can also be affected by new technological inventions, for instance, the experiment by tire manufacturers to use guayule in place of natural rubber in tire manufacturing during a period of high natural rubber prices. These factors can lead to changes in market demand for both natural rubber and gloves, and our business opportunity, revenue and financial results can be affected as a result.

Risk Management

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

3.1.3 Operations and Investments in Foreign Countries

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

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

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

Risk Management

The Company closely monitors the operations, economic climate, and changes in the relevant domestic and international laws and regulations to assess opportunities and risks as well as formulate the appropriate strategies to minimize any negative effect on the Company.

3.1.4 Dependence upon Services of Key Management

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. Our continued success will depend on our ability to retain key management personnel as well as to recruit and train new managers. If members of our senior management are unable or unwilling to continue in their present positions, we may not be able to find their appropriate successors and our business may be adversely affected. In addition, the process of recruiting new managers with the required skills and attributes may be time-consuming and competitive. We may not be able to attract additional qualified persons to complement our expansion plans and our business and operating results may be adversely affected.

Risk Management

The Board of Directors has assigned the Nomination Committee to search for qualified candidates who could potentially assume positions as the Company's directors or executives to ensure that such persons will have the required knowledge, skills and experience to carry out our business strategies. Moreover, the Company has personnel management scheme that includes job rotations, the 'STA Development Program,' performance evaluation system, the provision of competitive remuneration and welfare and career advancement opportunities.

3.2 Operational Risk

3.2.1 Supply Chain Management

As the world's largest fully integrated natural rubber company, our business operations need to focus on supply chain management, which requires cooperation between internal and external parties. The majority of our dealings with external suppliers relate to the procurement of quality raw materials including unsmoked rubber sheets, cup lump and field latex at reasonable prices. Because we have approximately around 2,400 suppliers who provide us with raw materials of different quality, the raw material management therefore requires an effective procurement system with efficient utilization of resources as well as production that is friendly to the environment and the local communities.

Risk Management

The Company recognizes the values of effective supply chain management. We have therefore expanded our operations to all levels of the supply chain, from upstream and midstream to downstream. The Company's wide product range, from RSS, TSR, LTX to examination gloves, enables us to diversify our sources of income and customers. In 2019, no single customer who is not a related person accounted for more than 7% of our total sale volume of natural rubber products and 7% of our total sale volume of gloves. Moreover, the Company has established an extensive network of raw material procurement and has located processing facilities in various strategic areas in the south, north and northeast of Thailand as well as in Indonesia and Myanmar for geographical raw material management and production diversification.

3.2.2 Production Disruption and/or Production Stoppage

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

Risk Management

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

3.2.3 Environmental Management

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

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

Risk Management

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

1. Resource management and pollution control

The Company aims to utilize production processes that are friendly to the environment, for example, using a circulating water system in 100% of the production of block rubber, utilizing biomass as fuel, as well as using technologies for pollution control and real-time monitoring of the status of the pollution treatment system.

2. Compliance with regulations

The Company has established various risk management measures, for example, the development of work procedures to ensure systematic supervision and management and requiring the Company's operations to participate in workshops to ensure compliance with all relevant internal and external regulations. Additionally, the Company has supervised compliance with the environmental manual through Internal Audit and is closely monitoring any changes in the relevant laws and regulations.

3.3 Financial Risk

3.3.1 Exchange Rate Volatility

While our financial report is shown in Baht, our raw materials purchasing for the Natural Rubber Products are transacted in Baht and Indonesian Rupiah, and our raw materials purchasing for Gloves are transacted in Baht and US Dollar. However, approximately 76.7% of our total revenues is denominated in US Dollars. (approximately 18.0% of our total revenues is denominated in US Dollars.) Therefore, the fluctuations in the exchange rates between Thai Baht, Indonesian Rupiah, US Dollars, or other currencies, could adversely affect our business, financial condition and operating results. Any fluctuations in the exchange rates between Thai Baht, Indonesian Rupiah and Malaysian Ringgit could adversely affect our price competitiveness in relation to other natural rubber and glove producers from Indonesia and Malaysia, respectively.

Risk Management

The Company has attempted to mitigate foreign exchange risks by using financial derivatives to hedge our foreign exchange exposure arising from the purchase and sale of products in currencies other than Baht. Such derivatives are recorded at their fair value on the date of the statement of financial position. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 38.)

3.3.2 Interest Rate Volatility and Credit Market Risks

As of 31 December 2019, the Company had an aggregate of Baht 27,444.6 million in bank short-term loans for the purchase of raw materials such as unsmoked rubber sheets, cup lump and field late accounted around 62% of total loans from financial institutions as well as bank long-term loans for support business expansion accounted around 38% of total loans from financial institutions. The majority of the loans are short-term loans and the average interest rate is 3.32 %, which is lower than the Minimum Loan Rate (MLR). Movements in the global financial markets and/ or the situation of the rubber industry could adversely impact the costs or other terms of our existing financing (Please find more details in Note to the Consolidated and Separate Financial Statements under item 22.) as well as our ability to obtain new credit facilities or access the capital markets on favorable terms. A significant increase in our borrowing costs could impair our ability to compete effectively in the industry relative to competitors who may have lower amounts of debt financing.

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

Risk Management

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

To maintain the financial ratios as required by financial institutions, we closely communicate with and keep the financial institutions informed of our operational status in any given period. In the event that the Company is

unable to maintain the required financial ratio, the Company would request for exemption from the financial institution(s) without triggering the loan default.

3.3.3 Goodwill Impairment Risk

On 15 March 2017, the Company acquired additional shares of Sri Trang Gloves (Thailand) Co., Ltd., representing 50% of paid-up capital, for Baht 6,320 million. As a result of the acquisition, the Company recognized a goodwill of Baht 2,953.8 million in its consolidated financial statements. Then, on 1 April 2019, the amalgamation of Sri Trang Gloves (Thailand) Co., Ltd. and Thaikong Public Company Limited was completed and the new company is named Sri Trang Gloves (Thailand) Public Company Limited. After the completion of the amalgamation, the Company recorded a goodwill of Baht 220.9 million in its consolidated financial statements. In accordance with the generally accepted accounting principles for business acquisition, the Company is required to assess the fair value of the acquired assets and liabilities as well as the considerations of the share acquisition. Any difference would be recorded as goodwill or profits from acquiring assets at lower than their fair value. Accordingly, assets generating cash including goodwill are required to undertake impairment test on a yearly basis. In case there is an impairment (the carrying value of the business is greater than the expected recoverable value), such impairment would adversely affect the profit of the Company.

Risk Management

The Company has continuously expanded the production capacity of glove business and implemented various business strategies to strengthen its competitiveness and increase its profitability in the long run. As of 31 December 2019, the Company recorded Baht 3,174.7 million in a goodwill which there is no impairment. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 20.)

3.4 Compliance Risk

3.4.1 Legal and Compliance Risk

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

Risk Management

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

in compliance with the relevant laws and regulations. In addition, the Company has published internal regulations and established various schemes to ensure compliance with the relevant laws and regulations, such as the Good Corporate Governance and Business Ethics Handbook, the Anti-Corruption Policy and the whistle-blower system, etc.

3.4.2 Government Intervention

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

Such interventions aim to solve the problem of low natural rubber prices. However, the measures implemented may cause domestic natural rubber prices to be inconsistent with prices on the global markets, or may cause the Company's sales volume to be inconsistent with market demand, which may impact the cost structure, revenue

and profit of the Company. If the Company is unable to effectively manage the discrepancy between raw material costs and selling prices, our profitability may be adversely affected. Moreover, if the market prices of the Natural Rubber Products sold by the Company become volatile, our business, financial condition and operation results could be materially and adversely affected.

Risk Management

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

3.5 Risks Relating to Investment in Our Shares

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

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

Risk Management

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

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

4. OPERATING ASSETS

4.1 Fixed Assets of the Company

As of 31 December 2019, the book value of the Company's total fixed assets, less accumulated depreciation and reserves for impairment, used in business operations as shown in the consolidated financial statements of the Company is Baht 30,048.2 million or 40.9% of the total assets. The details are as follows:

Unit : Baht million		
Descriptions	Book Value Less Accumulated Depreciation as of 31 December 2019 ¹	Contingent Liabilities ² 31 December 2019
Land and land improvement	11,077.7	69.0
Rubber and palm plantations	2,246.7	-
Buildings and structures	6,427.3	95.2
Machinery and equipment	6,745.9	-
Vehicles	316.1	-
Fixtures and office equipment	159.5	-
Assets under construction and installation	3,074.9	-
Total net book amount	30,048.1	164.2

Note:

1) As of 31 December 2019, all property, plant and equipment assets are owned by the company except land and land improvements leased by the Company equals to Baht 255.3 million.

2) As of 31 December 2019, certain plots of land, land improvement, buildings and structures, and machinery and equipment of certain subsidiaries with net book value amounting of Baht 167.7 million have been mortgaged as collateral for overdrafts and short-term loans and long-term loans from the financial institutions.

4.2 Intangible Assets

The Company used intangible assets in its business operations. As of 31 December 2019, the net book value of the intangible assets is Baht 385.9 million or 0.7% of the total assets consists of computer software.

4.3 Long-term Lease

The following table sets forth information relating to the material lease agreements of the properties leased by us and the long-term lease agreements which majority are office space rental:

Location	Gross Area (approximate) (sq. m.)	Lease Term	Annual Rent	Landlord	Principal Use
STA					
Park Ventures Ecoplex, Lumpini, Pathumwan, Bangkok	2,098	1 June 2018 to 31 May 2021	Baht 25,098,916	Golden Ventures Leasehold Real Estate Investment Trust*	Office space
31/25 Village no. 3 Pak Chan Sub-district, Kra Buri District, Ranong.	1,200	1 May 2016 to 30 April 2021	Baht 420,000	Mr.Taweesak Supapon	Procurement Station (Kra Buri)
77/3 Village no. 3 Tha Rong Chang Sub-district , Phun Phin District , Surat Thani.	4,800	1 April 2018 to 31 March 2021	Baht 420,000	Mr.Panuphan Panphet	Procurement Station (Phun Phin)
224 Village no. 11 Ban Kong Sub-district , Na Yung District , Udon Thani.	18,900	1 March 2018 to 31 February 2021	Baht 360,000	Mr.Anuchit Karun	Procurement Station (Na Yung)
Sri Trang International					
1 Wallich Street, #25-02, Guoco Tower, Singapore	558	16 January 2018 to 15 January 2021	SGD 691,891	TPC Commercial Pte. Ltd	Office space
Shi Dong Shanghai					
5F East, Block B of W square, N0.1686 Wuzhong Rd., Minhang District, Shanghai, China	1,330	15 September 2016 to 14 September 2019	RMB 3,233,924	Shanghai Jin Qiu Ming Hao Real Estate Co.,Ltd.	Office space
Sri Trang Indochina					
Unit 7.01A, Vietnam Business Center Building, 57-59 Ho Tung Mau Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	60	16 March 2015 to 15 March 2021	US\$16,560	Vu Khai Hoan Co.,Ltd	Office space
STU					
5820 West Cypress St, Suite H, Tampa, FL 33607, USA.	344	1 January 2019 to 31 December 2021	US\$87,138	ROIB Cypress Street, LLC, A Delaware Limited Liability Company	Office space
PT. Star Rubber, Pontianak					
Jl.Sintang Pontianak ,Desa Sungai Ukoi , Kec.Sungai Tebelian,Kab.Sintang , Pro.Kalimantan Barat, Indonesia	2,000	2 September 2015 to 2 September 2020	IDR 15,000,000	Suhadi	Procurement Station (Sintang)
PT. Star Rubber, Jambi					
Desa Kembang Seri Baru.Kec.Maros Sebo Ulu. Kab.Batang Hari. Provinsi Jambi, Indonesia	6,000	26 April 2018 to 26 April 2023	IDR 20,000,000	M.Zuhdi Nawawi	Procurement Station (Batang Hari)

Location	Gross Area (approximate) (sq. m.)	Lease Term	Annual Rent	Landlord	Principal Use
Kelurahan Simpang Limbur, Kec. Pamenang Barat Kabupaten Merangin, Provinsi Jambi, Indonesia	20,186	25 November 2019 to 25 November 2022	IDR 25,000,000	Rachmat Amin	Procurement Station (Bangko)
Jl. Lintas Sumatera Tebo-Jambi Kel. Desa Kandang Kec. Tebo Tengah Kabupaten Tebo, Provinsi Jambi, Indonesia	2,500	1 December 2016 to 1 December 2021	IDR 12,000,000	Abdul Wahab	Procurement Station (Tebo)
Jl. Poros Agropolitan Center Desa Suro Kec. Tuah Negeri Kabupaten Musi Rawas. Provinsi Sum -Sel, Indonesia	19,750	28 September 2017 to 28 September 2027	IDR 10,000,000	Hakim Utomo Joyo	Procurement Station (Muara Beliti)
PT. Sri Trang Lingga, Indonesia					
Jl. Soekarno Hatta RT 005 Kelurahan Sumber Agung Kec. Lubuk Linggau Utara I.Kota Linggau. Prov.Sumatera Selatan, Indonesia	480	3 April 2019 to 3 April 2021	IDR 13,000,000	Sukirno	Procurement Station (Linggau)
Jl.Gaja Mada Desa Sungai Buluh Kec. Muara Bulian Kab. Batanghari Prov. Jambi, Indonesia	900	4 September 2017 to 4 September 2027	IDR 17,000,000	Nyonya Yuhana	Procurement Station (Prabumulih)
Jl. Raya Baturajia Prabumuhli , Desa Jungai, Kec.Rambang Kapak Tengah ,Kota Prabumulih ,Prov.Sumatera Selatan, Indonesia	1,500	14 May 2015 to 14 May 2020	IDR 15,000,000	Mohlisin	Procurement Station (Baturaja)
Jl. Raya Baturaja - Prabumulih Desa Lubuk Batang Kec. Lubuk Batang Kab. OKU. Prov. Sumatera Selatan, Indonesia	5,305	9 March 2017 to 9 March 2022	IDR 20,000,000	Atim Suryanto	Procurement Station (Tulang Bawang)
Desa Kuripan Dalam Kec. Menggala Timur Kab. Tulang Bawang Prov. Lampung, Indonesia	1,500	11 November 2017 to 11 November 2022	IDR 24,000,000	Nyonya Susilowati	Procurement Station (Lempuing)
Jl. Lintas Timur Desa Dabuk Rejo Kec. Lempuing Kab. OKI Prov. Sumatera Selatan, Indonesia	1,750	21 February 2016 to 21 February 2026	IDR 15,000,000	Ahmad Wasito	Procurement Station (Muara Burnai)
Jl. Lintas Timur Desa Muaraburnai 1 Kec. Lempuing Jaya Kab. OKI Prov. Sumatera Selatan, Indonesia	1,200	4 March 2018 to 4 March 2028	IDR 10,000,000	Muhlisin Ali	Procurement Station (Tanjung Ratu)
Tanjung Ratu Ilir Kec. Terbanggi Besar Kab. Lampung Tengah Prov. Lampung, Indonesia	2,500	9 July 2016 to 31 December 2019	IDR 15,000,000	Ketut Koper Susilo	Procurement Station (Rumbia)
Jl. Lintas Timur Desa Terbanggi Ilir, Kec.Bandar Mataram, Kab. Lampung Tengah.Provinsi Lampung, Indonesia	11,130	10 April 2017 to 10 April 2025	IDR 13,000,000	Ahmad Saidin	Procurement Station (Bojo Agung)

Location	Gross Area (approximate) (sq. m.)	Lease Term	Annual Rent	Landlord	Principal Use
Jl. Lintas Timur RK 8 RT 1 Desa Banjar Agung Kec. Banjar Agung Kab. Tulang Bawang.Prov. Lampung, Indonesia	10,000	11 February 2014 to 20 February 2029	IDR 15,000,000	Raden Muslimin	Procurement Station (Waykanan)
Desa Tanjung Raja Giham ,Kec.Blambanganumpu, Kab.Waykanan , Prov Lampung, Indonesia	3,600	19 April 2019 to 18 April 2021	IDR 15,000,000	Yansen Marui	Procurement Station (Muara Kati)
Jl.Jenderal Besar HM.Soeharto,Desa Lubuk Kupang,Kec.Lubuk Linggau Selatan .Kota Lubuk Linggau .Pro.Sumartera Selatan., Indonesia	4,520	27 December 2014 to 27 February 2021	IDR 8,000,000	Nyonya Chandrawati	Procurement Station (Batumarta)
Jl.Lintas Sumatera KM.13 RT/RW 02/03 Tegal Harum Kelurahan Sepancar Lawang Kulon Kecamatan Baturaja Timur.Kab.OKU .Pro.Sumatera Selatan, Indonesia	2,500	1 July 2015 to 1 July 2025	IDR 10,000,000	Redi	Procurement Station (Sungai Lilin)
Jl.Raya Palembang-Jambi Rt.05 Dusun 2 Desa Peninggalan Kec.Tungka Jaya.Kab.Musi Banyu Asin.Pro.Sumatera Selatan, Indonesia	2,500	9 March 2016 to 9 March 2026	IDR 15,000,000	Tini Novitasari	Procurement Station (Lahat)
Jl.Lintas Sumatera ,Desa Gunung Haji.Kec.Kikim Timur ,Kab.Lahat .Pro.Sumatera Selatan, Indonesia	2,500	1 August 2019 to 1 August 2024	IDR 22,500,000	DRS.ALFIAN A.	Procurement Station (Babat Toman)

4.4 Intellectual Property

The Company has registered material trademarks such as Sri Trang logo



and Green Rubber



both domestically and internationally for examination glove products and natural rubber products such as TSR, RSS, and Concentrated Latex.

4.5 Policies on Investment in Subsidiaries and Associates

STA has an investment policy to be the leader in the natural rubber industry. STA makes investments so that it can be in the entire supply chain, increase the product value, or obtain the services which support its businesses and which benefit the Company as a whole. The investments will be made pursuant to the economic conditions at such time.

In respect of the policies on investment in subsidiaries and associates, STA directors will serve as directors of its subsidiaries and associates and STA may, if it is deemed appropriate, nominate its representatives to serve as directors of its subsidiaries and associates. The directors of STA will be involved in the decision making in relation to the business management as a whole in order to enable such entities to be in line with the Group's direction.

5. LEGAL DISPUTES

As of 31 December 2019, STA and its subsidiaries had no pending legal disputes in the amount of more than 5% of shareholders' equity, or that may have an adverse effect on its assets or those of its subsidiaries, or that may materially affect the business operations of the Group.

6. GENERAL INFORMATION**Information of the Company**

Name of the Company (Thai)	: บริษัท ศรีตรังแอกโรอินดัสทรี จำกัด (มหาชน)
Name of the Company (English)	: Sri Trang Agro-Industry Public Company Limited
Head Office	: 10 Soi 10, Phetkasem Road, Hatyai, Songkhla, 90110 Thailand
Telephone	: 66-7434-4663 (Automatic 14 Lines)
Fax	: 66-7434-4677, 66-7423-7423, 66-7423-7832
Type of Business	: Production and export of RSS, TSR and Concentrated Latex
Registration No.	: 0107536001656
Website	: www.sritranggroup.com
Type of Shares	: Ordinary shares
Registered Capital	: Baht 1,535,999,998
Paid-up Capital	: Baht 1,535,999,998
Issued Shares	: 1,535,999,998 shares with a par value of Baht 1 each

Information of juristic persons in which the Company holds more than 10% of the issued shares of such juristic persons as of 31 December 2019**1. Nam Hua Rubber**

Head Office	: 10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, 90110 Thailand
Branch Office	: 1) 99 Moo 3 Samnuk Kham Subdistrict, Sadao District, Songkhla Province, 90120 Thailand 2) 41 Moo 3 Samnuk Kham Subdistrict, Sadao District, Songkhla Province, 90120 Thailand
Type of Business	: Production and export of RSS, TSR and Concentrated Latex
Telephone	: 66-7437-9984-6, 66-7437-9988-9
Fax	: 66-7437-9987
Type of Shares	: Ordinary shares
Total number of shares directly held by STA	: 4,999,994 shares or 99.99%

2. Anvar Parawood

Head Office	: 101 Moo 3, Padangbazar Road, Samnuk Kham Subdistrict, Sadao District, Songkhla Province, 90120 Thailand
Branch office	: 1) 369 Moo 7, Huay Nang Subdistrict, Huay Yod District, Trang Province, 92130 Thailand 2) 395 Moo 2, Nonsomboon Subdistrict, Mueang Bungkarn District, Bungkarn Province, 38000 Thailand 3) 28 Moo 11, Nongpra Subdistrict, Wangthong District, Phitsanulok Province, 65130 Thailand
Type of Business	: Lumber production and manufacture of wooden furniture
Telephone	: 66-7437-9978-9
Fax	: 66-7437-9976
Type of shares	: Ordinary shares
Total number of shares directly held by STA	: 9,994 shares or 99.94%

3. Premier System Engineering

Head Office : 123 Moo 8, Kanjanavanit Road, Ban Phu Subdistrict,
Hatyai District, Songkhla Province, 90250 Thailand

Branch Office : 133 Rak Phu Road, Ban Phu Subdistrict, Hatyai District,
Songkhla Province, 90250 Thailand

Type of Business : Engineering services, design, installation and maintenance
machinery

Telephone : 66-7422-2900-9

Fax : 66-7422-2910-12

Type of Shares : Ordinary shares

Total number of shares directly held by STA : 409,996 shares or 81.99%

4. Rubberland Products

Head Office : 109 Kanjanavanit Road, Pahtong Subdistrict,
Hatyai District, Songkhla Province, 90230 Thailand

Branch Office : 1) 10 Soi 10, Phetkasem Road, Hatyai Subdistrict,
Hatyai District, Songkhla Province, 90110 Thailand
2) 17th Floor, Park Venture Ecoplex Unit 1701, 1707-
1712, 57 Wireless Road, Lumpini Subdistrict,
Pathumwan District, Bangkok, 10330 Thailand
3) 338 Moo 2, Nonsomboon Subdistrict, Mueang
Bungkan District, Bungkan Province, 38000 Thailand
4) 338 Moo 1, Kokma Subdistrict, Prakonchai District,
Burirum Province, 31140 Thailand
5) 188 Moo 10, Bangsaiyai Subdistrict, Mueang
Mukdahan Subdistrict, Mukdahan Province, 49000
Thailand

Type of Business : Production of Concentrated Latex/ Block rubber

Telephone : 66-7429-1223-4, 66-7429-1755, 66-7429-1476

Fax : 66-7429-1477

Type of Shares : Ordinary shares

Total number of shares directly held by STA : 15,999,994 shares or 99.99%

5. Sri Trang Gloves (Thailand) Public Company Limited

Head Office : 110 Kanjanavanit Road, Pahtong Subdistrict
Hatyai District, Songkhla Province, 90230 Thailand

Branch Office : 1) 10 Soi 10, Phetkasem Road, Hatyai Subdistrict
Hatyai District, Songkhla Province, 90110 Thailand
2) 17th Floor, Park Venture Ecoplex Unit 1701, 1707-
1712, 57 Wireless Road, Lumpini Subdistrict,
Pathumwan District, Bangkok, 10330 Thailand
3) 109/2 Kanjanavanit Road, Pahtong Subdistrict,
Hatyai District, Songkhla Province, 90230 Thailand
4) 352 Kanjanavanit Road, Pahtong Subdistrict,
Hatyai District, Songkhla Province, 90230 Thailand
5) 189 Moo 7, Plaiwas Subdistrict, Karnchanadit District,
Surat Thani Province, 84160 Thailand
6) 39/1 Moo 9, Tungkai Subdistrict, Yantakao District,
Trang Province, 92140 Thailand
7) 85 Moo 6, Khuan Thani, Kantang, Trang, 92110, Thailand

Type of Business : Production of examination and industrial gloves

Telephone : 66-7447-1471, 66-7429-1648-9, 66-7429-1471-5, 66-7520-1199

Fax : 66-7429-1650, 66-7520-1150

Type of Shares : Ordinary shares

Total number of shares directly held by STA : 725,037,300 shares or 73.2%*

Note: *Calculated from the paid-up capital at Baht 990,000,000 million.

Subsidiaries of Sri Trang Gloves (Thailand) Public Company Limited**5.1 Shi Dong Shanghai Medical Equipment**

Head Office : 5th Floor, Block B of W Square, No. 1686 Wuzhong Road,
Minhang District, Shanghai, China 201103

Type of Business : Distribution of rubber gloves in PRC

Telephone : 8621-64137860-616

Fax : 8621-64137315

Type of Shares : Ordinary shares

Total number of shares directly held by STGT : 100.00%

5.2 Sri Trang USA

Head Office : 5820 West Cypress Street, Suite H, Tampa, Florida,
33607-1785, United States

Type of Business : Distribution of natural rubber and gloves in the United States

Telephone : 1-813-606-4301

Fax : 1-813-606-4314

Type of Shares : Common stock

Total number of shares directly held by STGT : 100.00%

6. Semperflex Asia

Head Office : 110/1 Kanjanavanit Road, Pahtong Subdistrict,
Hatyai District, Songkhla Province, 90230 Thailand

Branch Office : 10 Soi 10, Phetkasem Road, Hatyai Subdistrict,
Hatyai District, Songkhla Province, 90110 Thailand

Type of Business : Production of high-pressure Hydraulic hoses

Telephone : 66-7447-1231-5

Fax : 66-7447-1230

Type of Shares : Ordinary shares

Total number of shares directly held by STA : 1,425,000 shares or 37.50%

7. Sadao P.S. Rubber

Head Office : 207/1 Padangbazar Road, Sadao Subdistrict, Sadao
District, Songkhla Province, 90120 Thailand

Type of Business : Production of RSS

Telephone : 66-7446-0483-5, 66-86489-5264-5

Fax : 66-7446-0484

Type of Shares : Ordinary shares

Total number of shares directly held by STA : 399,994 shares or 99.99%

8. Starlight Express Transport

Head Office : 13/1 Jingjit Road, Thupthiang Subdistrict, Mueang
District, Trang Province, 92000 Thailand

Type of Business : Provision of domestic logistics services

Telephone : 66-7550-2900-2

Fax : 66-7550-2903

Type of Shares : Ordinary shares

Total number of shares directly held by STA : 114,998 shares or 76.66%

9. Startex Rubber

Head Office : 36/82 PS Tower 23Fl. Sukhumvit 21 Road (Asoke), Klong
Toe Nua Subdistrict, Watana District, Bangkok, 10110 Thailand

Type of Business : Ownership and management of rubber and oil palm plantations
and investment

Telephone : 662-259-2964-71
 Fax : 662-259-2958
 Type of Shares : Ordinary shares
 Total number of shares directly held by STA : 26,349,998 shares or 99.99%

10. Thai Tech Rubber

Head Office : 2 Juti Utit 3 Road, Hatyai Subdistrict, Hatyai District,
 Songkhla Province, 90110 Thailand
 Type of Business : Production of block rubber
 Telephone : 66-7423-0768, 66-7423-0406-7, 66-7423-9063-4
 Fax : 66-7423-8650
 Type of Shares : Ordinary shares
 Total number of shares directly held by STA : 255,028 shares or 42.50%

11. Pattana Agro Futures

Head Office : 33/109 Wallstreet Tower, 21 Floor, Surawongse Road,
 Surawongse Subdistrict, Bangrak District, Bangkok, 10500
 Thailand
 Type of Business : Brokerage activities (no transaction)
 Telephone : 66-2632-7300
 Fax : 66-2632-7245
 Type of Shares : Ordinary shares
 Total number of shares directly held by STA : 1,000,000 shares or 40.00%

12. Sri Trang Rubber & Plantation

Head Office : 121 Moo 4 Nhongpakrang Subdistrict, Mueng Chiang Mai
 District, Chiang Mai Province, 50000 Thailand
 Type of Business : Ownership and management of rubber plantation
 Telephone : 66-5310-6198, 66-5310-6199
 Fax : 66-5310-6196, 66-5310-6197
 Type of Shares : Ordinary shares
 Total number of shares directly held by STA : 65,549,993 shares or 99.99%

13. Sri Trang International

Head Office : 1 Wallich Street, No. 25-02, Guoco Tower, 078881, Singapore
 Type of Business : Distribution of natural rubber and gloves in Singapore
 Telephone : 65-6532-5210, 65-6532-5321
 Fax : 65-6532-7501
 Type of Shares : Ordinary shares
 Total number of shares directly held by Startex Rubber: 61,000,000 shares or 100.00%

14. PT Sri Trang Lingga

Head Office : Jalan TPA2, RT.26 & 29 Keramasan, Palembang,
 South Sumatera, Palembang 30259, Indonesia
 Type of Business : Production of block rubber
 Telephone : 62-711-445-666
 Fax : 62-711-445-222
 Type of Shares : Ordinary shares
 Total number of shares directly held by STA : 18,000 shares or 90.00%

15. Shi Dong Investments

Head Office : 1 Wallich Street, No. 25-02, Guoco Tower, 078881, Singapore
 Type of Business : Investment holding in PT Star Rubber
 Telephone : 65-6532-5210, 65-6532-5321
 Fax : 65-6532-7501

Type of Shares : Ordinary shares
 Total number of shares directly held by Sri Trang International: 48,000,000 shares or 100.00%

16. PT Star Rubber

Head Office : Jalan Trans Kalimantan KM. 16, Desa Jawa Tengah Kec. Sungai Ambawang, Kab Kubu Raya-Kalbar, Pontianak 78393, Kalimantan Barat, PO Box 7864, Indonesia
 Branch Office : Jl. Lintas Sumatera Km. 52, RT. 005 Desa Sirih Sehapur, Kec. Jujuhan, Kab. Muara Bungo, 37257, Jambi, Indonesia
 Type of Business : Production of block rubber
 Telephone : 62-561-724-888, 62-561-724-591-2
 Fax : 62-561-724593
 Type of Shares : Ordinary shares
 Total number of shares directly held by Shi Dong Investment Pte. Ltd. : 41,400 shares or 99.00%

17. Shi Dong Shanghai

Head Office : 5F East, Block B of W Square, No. 1686 Wuzhong Road, Minhang District, Shanghai, China 201103
 Type of Business : Distribution of natural rubber and gloves in PRC
 Telephone : 86-21-6413-7860
 Fax : 86-21-6413-7315
 Type of Interest : Equity
 Total interest held by STA : USD 5,000,000 or 100.00%

18. Sri Trang Indochina

Head Office : Room no. 7.01A, 7th Floor, Vietnam Business Center Building, 57-59 Ho Tung Mau Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
 Type of Business : Trading and exporting the rubber products
 Telephone : 848-3821-6869
 Fax : 848-3821-6877
 Type of Shares : Ordinary shares
 Total number of shares directly held by Sri Trang International : 100.00%

19. Sri Trang Ayeyar

Head Office : Mudon Crumb Rubber Factory, 828/1221 Kankalay Plot, Kyone Phite Village, Mudon Township (12081) Mawlamyine, Mon State, Myanmar
 Type of Business : Production of block rubber
 Telephone : 959-9638-82676
 Fax : N/A
 Type of Shares : Ordinary shares
 Total number of shares directly held by Sri Trang International: 59.00%

20. Thai Rubber Joint Venture Limited

Head Office : 67/25 Bangkhunnon Road, Bangkhunon, Bangkoknoi, Bangkok, Thailand, 10700
 Type of Business : Domestic and international trade of rubber
 Telephone : N/A
 Fax : N/A
 Type of Shares : Ordinary shares
 Total number of shares directly held by STA : 16.67%

21. Sri Trang IBC

Head Office : 10 Soi 10, Phetkasem Road, Hatyai Subdistrict,
Hatyai District, Songkhla Province, 90110 Thailand
Type of Business : Services including technical, innovation, IT, and special advice
Telephone : 66-7434-4663
Fax : N/A
Type of Shares : Ordinary shares
Total number of shares directly held by STA : 99,997 shares or 99.99%

References**1. Share Registrar**

Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand
Telephone : 66-2009-9000
Fax : 66-2009-9991
TSD Call Center : 66-2009-9999

2. Singapore Transfer Agent

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623
Telephone : 65-6536 5355
Fax : 65-6536 1360

3. Auditor

Mr. Supachai Panyawattano, Certified Public Accountant (Thailand) No. 3930 or
Miss Krongkaew Limkittikun, Certified Public Accountant (Thailand) No. 5874 or
Mr. Nuttawut Santiphet, Certified Public Accountant (Thailand) No. 5730
EY Office Limited
193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 Thailand
Telephone : 66-2264-9090
Fax : 66-2264-0789

4. Debenture Registrar for STA No. 1/2016

Siam Commercial Public Company Limited
9 Ratchadapisek Road, Chatuchak, Bangkok, 10900 Thailand
Telephone : 66-2256-2323
Fax : 66-2256-2414

5. Legal Advisor

Weerawong, Chinnavat & Partners LTD.
540 Mercury Tower, 22nd floor, Ploenchit Rd., Lumpini, Pathumwan, Bangkok, 10330, Thailand
Telephone : 66-2264-8000
Fax : 66-2657-2222