

22 March 2013

Subject: Invitation to the 2013 Annual General Meeting of Shareholders

Attention: The shareholders of Sri Trang Agro-Industry Public Company Limited

- Enclosures
1. A copy of the Minutes of the 2012 Annual General Meeting of Shareholders (supporting document for agenda item 1)
 2. 2012 Annual Report together with the financial statements of the Company for the year ended 31 December 2012 (CD Rom) (supporting document for agenda item 2)
 3. Profiles of the nominated directors of the Company and qualification of the independent director (supporting document for agenda item 4)
 4. Information of remuneration of directors (supporting document for agenda item 5)
 5. Information of auditor and auditing fee (supporting document for agenda item 6)
 6. The Company's Articles of Association relating to the shareholders meeting
 7. The required documents for attending the shareholders meeting
 8. Proxy Form B
 9. Independent Directors' profiles for consideration of proxy from shareholders
 10. Procedures for attending the 2013 Annual General Meeting of Shareholders
 11. Map of the venue of the shareholders meeting

The Board of Directors of Sri Trang Agro-Industry Public Company Limited (the "**Company**") has resolved to schedule the 2013 Annual General Meeting of Shareholders on 25 April 2013, at 10.30 a.m., at The 60th Anniversary of His Majesty the King's Accession to the Throne International Convention Center, Punnakan Road, Tambol Kho Hong, Amphur Hadyai, Songkhla, with the following agenda items:

- 1. To consider and certify the minutes of the 2012 Annual General Meeting of Shareholders held on 27 April 2012**

Objective and Reason The Company has prepared the minutes of the 2012 Annual General Meeting of Shareholders held on 27 April 2012 and shareholders attending the Meeting constituted a quorum. The Company prepared and submitted such minutes to the Stock Exchange of Thailand within 14 days after the shareholders meeting and also published such minutes on the Company's website, www.sritranggroup.com.

Opinion of the Board The minutes of the 2012 Annual General Meeting of Shareholders held on 27 April 2012 were properly and accurately recorded as per the copy of the Minutes of the 2012 Annual General Meeting of Shareholders (Enclosure 1). It is proposed that the shareholders certify such minutes.

Required votes *The majority vote of the shareholders attending the meeting and casting their votes.*

2. To acknowledge the performance results of the Board of Directors of the Company for the year 2012 and to consider and approve the audited financial statements of the Company for the year ended December 31, 2012

Objective and Reasons In 2012, total sales of goods and services was Baht 99,639.1 million, decreased by 25.5% YoY. The decline of sales was due mainly to the decrease in average selling price of 27.5%, despite being offset by the increase in sale volume of 2.5%. The uncertainties of global economy from prolonged sovereign debt in Europe, the slow recovery of US economy, and the slower down of economic in the PRC have affected overall market sentiment and pressured NR prices to move in downward trend during the first eight months of 2012. This resulted to a decrease in average selling price in comparison with the previous year. Thanks to our extensive and strong sales and distribution networks, our 2012 sale volume growth rate was higher than the growth rate of 2012 world tyres production.

Gross profit in 2012 was recorded at Baht 4,775.1 million, down 17.1%. Our gross profit margin of 2012 was 4.8%, increased from last year at 4.3 %. The improvement of gross profit margin was partly due to the reversal of inventory allowance amounted Baht 753.0 million, thanks to price improvement and positive momentum at the final quarter of 2012 led by stimulus packages of major countries. Assuming the reversal of inventory allowance was not made, our gross profit would have been Baht 4,022.1 million and gross profit margin would have been at 4.0% which was lower than the adjusted gross profit margin of 2011 at 5.0%. The decline in adjusted gross profit margin compared to the previous year was mainly attributable to global economic turbulence from EU, the US, Japan, and the PRC which have adversely affected market sentiment and consumer confidence during the year. Moreover, a volatile price of Natural Rubber in downward direction throughout the first eight months of 2012 coupled with global sluggish demand also directly impacted our adjusted gross profit margin.

Operating profit in 2012 amounted to Baht 1,691.9 million, down from operating profit of Baht 2,178.4 million in 2011, or 22.3% YoY. Operating profit margin was 1.7%, increased from 1.6% in 2011. An improvement in operating profit margin was due principally to 1) an increase in gross profit margin, 2) the increase in other income largely contributed by cess refund of Baht 238.4 million, 3) the decrease in selling expenses which mainly came from lowered cess rate from Baht 5 per kg. to Baht 3 per kg. as F.O.B price of NR during second half of 2012 was less than Baht 100 per kg., and 4) unrealised gain on foreign exchange as a result of an appreciation of Thai Baht against US Dollar throughout second half of 2012, although partially offset by loss from financial derivative instruments for rubber trading.

Net profit in 2012 was Baht 1,378.9 million rose by 5.6% YoY. Net profit margin was 1.4%, increased from 1.0% in 2011. This was due to the decrease in finance costs as a result of less amount of short-term loan since an average NR price of 2012 declined by 30.0% YoY and a decrease in income tax expenses from the lower corporate income tax rate and BOI benefit, even though partially offset by a decrease in share of profit of investments in associates and a joint venture due mainly to the decrease in net profit of our examination gloves business.

For more information, please see details in 2012 annual report (Enclosure 2) which has been distributed to the shareholders together with the Invitation to the 2013 Annual General Meeting of Shareholders. The Company has also disclosed the annual report on the Company's website, www.sritranggroup.com. In addition, according to the Public Companies Limited Act and the Articles of Association of the Company, the Board of Directors shall prepare the balance sheet and profit and loss statements (the statements of financial position and the statements of comprehensive income) as of the end of the fiscal year and submit such statement of financial position and statements of comprehensive income to the Annual General Meeting of Shareholders for consideration and approval.

Opinion of the Board The shareholders should acknowledge the performance results of the Board of Directors for the year 2012 and approve the statements of financial position and the statements of comprehensive income of the Company for the year ended 31 December 2012, which have been audited by the auditor of the Company (Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257 of PricewaterhouseCoopers ABAS Limited) and reviewed by the Audit Committee, the details of which appear in the financial statements included in the 2012 annual report (Enclosure 2).

Required votes *The majority vote of the shareholders attending the meeting and casting their votes.*

3. To consider and approve the dividend payment of the Company for the year 2012

Objective and Reasons According to the Public Companies Limited Act and the Articles of Association of the Company, the Company shall allocate the annual net profit as legal reserve in an amount of not less than 5% of the annual net profit, less the sum of accumulated loss brought forward (if any), until the legal reserve amounts to not less than 10% of the registered capital. Moreover, no dividend shall be paid out of funds other than profit.

Since the Company has already allocated the net profit as legal reserve in the amount as required by law, the Company is not required to allocate such net profit as legal reserve this year.

Currently, the Company's policy is to pay a dividend of approximately 30% of our net profit for each financial year but not in excess of our retained earnings, taking into account the Company's financial position, results of operations and cash flow, the ability of the subsidiaries, associates and joint venture entity to make dividend payment to the Company, our Company's expected working capital requirements

to support the Company's future growth, and general economic conditions and such other external factors that the Company believes to have an impact on the business operations of the Company.

In year 2012, the Company had a net profit from its operation amounting to Baht 1,378.88 million. The information in respect to dividend payment compared with the year 2010-2012 is shown below.

Information of dividend payment for the years 2010 – 2012

	2012	2011	2010
Net profit (Million Baht)	1,378.88	1,306.25	3,873.56
Earnings per share (Baht)	1.08	1.04	3.85
Dividend per share (Baht)	0.50	0.50	1.25
Number of shares (shares)	1,280,000,000	1,280,000,000	1,280,000,000
Total dividend payment (million Baht)	640	640	1,600
Payout ratio (%)	46.41%	48.99%	41.30%

Opinion of the Board The Board of Directors recommends the shareholders to approve the annual dividend payment from the performance results of the Company for the year 2012 to the shareholders of Baht 0.50 per share, totaling Baht 640 million, representing 46.41% of the net profit of the Company, which is in line with the current dividend policy of the Company. The details of dividend payment are as follows:

1. Dividend payment of Baht 0.27 per share which is paid from the Company's net profits exempt from corporate income tax (BOI).
2. Dividend payment of Baht 0.23 per share which is paid from the profit after deducting not excess 5-year loss carrying forward before current accounting period. According to Section 47 bis of the Revenue Code, such dividend amount is not entitled to tax credit.

If the proposed annual dividend is approved by the shareholders at the 2013 Annual General Meeting, the Board of Directors has fixed 8 May 2013 as the record date for determining the shareholders entitled to receive a dividend and 9 May 2013 as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended).

Shareholders who hold shares in the Company through direct securities accounts with the Central Depository (Pte) Limited ("**CDP**") ("**Depositors**") or persons with shares standing to the credit of their securities accounts with the Depository Agents at 5.00 p.m. (Singapore time) on 8 May 2013 will be entitled to receive the dividend for the year 2012.

The annual dividend for the year 2012 will be paid on 23 May 2013.

Required votes *The majority vote of the shareholders attending the meeting and casting their votes.*

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

Objective and Reasons According to the Public Limited Companies Act and the Articles of Association of the Company, one-third of the directors of the Company shall vacate office at every Annual General Meeting of Shareholders. This year, the four directors who shall vacate office are:

1. Mr. Veerasith Sinchareonkul Director
2. Mr. Lee Paul Sumade Director
3. Mr. Neo Ah Chap Director/ Independent Director
4. Mr. Prasit Panidkul Director

The said directors vacating office may be re-elected. In this regard, the profiles of the four nominated directors of the Company are shown in Enclosure 3.

Opinion of the Board According to the recommendation from the Nominating Committee of the Company, the Board of Directors, therefore, recommends that the shareholders approve the re-election of Mr. Veerasith Sinchareonkul, Mr. Lee Paul Sumade, Mr. Neo Ah Chap and Mr. Prasit Panidkul, to be directors of the Company for another term because of long experience in the industry that shall provide a valuable service to the Company and shareholders. Also, such persons have all the qualifications and do not have any prohibited characteristics as specified by laws.

In this regard, the profiles of the nominated directors of the Company are shown in Enclosure 3 and the qualification of independent directors, which are more stringent than the definitions as specified in the notification of the Capital Market Supervisory Board, the Stock Exchange of Thailand and also guided by the Code of Corporate Governance 2012 in determining independence.

Required votes *The majority vote of the shareholders attending the meeting and casting their votes.*

5. To consider and approve the determination of remuneration of directors for the year 2013

Objective and Reasons According to the Public Limited Companies Act and the Articles of Association of the Company, a director shall have the right to receive remuneration from the Company in the form of rewards, meeting allowances, gratuity, bonus or other benefits in accordance with the approval of the shareholders meeting.

The Remuneration Committee has considered the remuneration of directors for the year 2013 by taking into account the business and performance result, market trends and comparison of remuneration of directors in the same industry.

Opinion of the Board According to the prudent consideration of the Remuneration Committee, the Board of Directors recommends the shareholders to approve the directors' remuneration for the year 2013, in a total of Baht 6,019,200 same as last year, with the details as follows:

Annual Remuneration of Board of Directors

- Chairman of the Board Baht 633,600 / person/ annum
- Directors of the Company Baht 475,200 / person/ annum

Annual Remuneration of Audit Committee

- Chairman of the Audit Committee Baht 792,000 / person/ annum
- Audit Committee member Baht 633,600 / person/ annum

In this regard, details of the information of remuneration of directors are shown in Enclosure 4.

Required votes A vote of not less than two-thirds of the total number of votes of shareholders present at the meeting.

6. To consider and approve the appointment of the auditor and determination of auditing fee for the year 2013

Objective and Reasons According to the Public Limited Companies Act, the annual general meeting of shareholders shall appoint an auditor and determine the auditing fee of the Company every year. With the recommendation of the Audit Committee, it is recommended to approve the appointment of the following persons:

1. Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257, or
2. Mrs. Nattaporn Phan-Udom, Certified Public Accountant (Thailand) No. 3430, or
3. Mr. Boonlert Kamolchanokkul, Certified Public Accountant (Thailand) No. 5339

of PricewaterhouseCoopers ABAS Limited to be the auditor of the Company and its subsidiaries for the year 2013 and approve the auditing fee for the year 2013 and quarterly of the Company at Baht 7,480,000.

In this regard, the details of the auditor and auditing fee are shown in Enclosure 5.

Opinion of the Board With the recommendation from the Audit Committee, the shareholders should approve the appointment of auditor and auditing fee as per the

details recommended by the Audit Committee, taking in to account the satisfactory works of auditors of PricewaterhouseCoopers LLP for the previous year, having knowledge and understanding of the business of the Company and group of Company as well as being an international audit firm.

Nevertheless, such auditors do not have a relationship or interest with the Company/ subsidiaries/ executives/ major shareholders or related parties of such persons.

Required votes The majority vote of the shareholders attending the meeting and casting their votes.

7. Other matters (if any)

The shareholders of the Company are cordially invited to attend the shareholders meeting at the date, time and place mentioned above. Shareholders are requested to bring the documents for attending the shareholders meeting as per the details in Enclosure 7.

In order to speed up and facilitate the registration process, the shareholders and/or proxies are requested to bring a registration form having the barcode together with identification documents for meeting attendance, and present them to the registration staff on the meeting date.

For the shareholders' right and benefit, in the case that any shareholder is unable to attend the shareholders meeting but wishes to appoint the Company's independent director to vote on his/her behalf, please select one of the Company's independent directors, whose names and details appear in Enclosure 9. The completed and executed proxy should be submitted together with the required documents to the Company Secretary Office, 17th Floor, Park Ventures Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, before 24 April 2013.

For the arrangement of a convenient time for proxies who are financial institutions or mutual funds or custodians and have a lot of completed and executed proxy forms, the sending of such documents to our Company Secretary Office in advance before 24 April 2013 for checking would be highly appreciated.

The shareholders who require the 2012 Annual Report in printed format, please contact Sri Trang Agro-Industry Public Company Limited, Bangkok branch, at 17th Floor, Park Ventures Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, at telephone number 662-207-4500 ext 1802, fax number 662-108-2244.

Depositors and Depository Agents with shares standing to the credit of their securities accounts with CDP are not recognized under Thai law as shareholders of

the Company and are not entitled to attend and vote at the shareholders meeting, or appoint their own proxies. CDP will dispatch to the Depositors and Depository Agents Voting Instruction Forms which will set out the resolutions to be considered at the shareholders meeting. Depositors and Depository Agents may direct CDP to exercise their voting rights in respect of the number of shares credited to their securities accounts by completing the Voting Instruction Form and returning it to CDP no later than 5.00 p.m. (Singapore time) on 18 April 2013.

Yours faithfully,
By order of the Board of Directors

(Mr. Kitichai Sincharoenkul)
Director

Note: The Company also published an Invitation to the 2013 Annual General Meeting of Shareholders together with all enclosures available for public consideration on the Company's website, www.sritranggroup.com, from 22 March 2013 onwards.

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