

(Translation)

**Minutes of the 2015 Annual General Meeting of Shareholders  
of  
Sri Trang Agro-Industry Public Company Limited**

held on 29 April 2015, commenced at 10.30 a.m.

at Grand Ballroom B, 8<sup>th</sup> floor, Lee Gardens Plaza Hotel,  
29 Prachathipat Road, Amphur Hadyai, Songkhla Province

There were 165 shareholders present in person and by proxies at the 2015 Annual General Meeting of Shareholders of Sri Trang Agro-Industry Public Company Limited (the “Company”), holding 703,543,080 shares representing 54.96 per cent of the total number of shares sold of the Company, constituting a quorum as required by the Articles of Association

Ms. Romtham Chalapati, coordinator of the meeting, introduced the following members of the Board of Directors and management present at the Meeting:

- |                                |  |
|--------------------------------|--|
| 1. Mr. Viyavood Sincharoenkul  | Chairman of the Board of Directors and Managing Director   |
| 2. Mr. Chaiyos Sincharoenkul   | Director and Executive Director  |
| 3. Mr. Lee Paul Sumade         | Director and Executive Director  |
| 4. Mr. Kitichai Sincharoenkul  | Director and Executive Director  |
| 5. Mr. Veerasith Sinchareonkul | Director, Executive Director and Chairman of Risk Management Committee                           |
| 6. Mr. Li Shiqiang             | Director   |
| 7. Mr. Patrawut Panitkul       | Director, Executive Director and Chief Financial Officer (CFO)                                   |
| 8. Mr. Neo Ah Chap             | Independent Director   |
| 9. Mr. Prakob Visitkitjakarn   | Independent Director, Chairman of the Audit Committee and Chairman of the Remuneration Committee |
| 10. Mr. Kriang Yanyongdilok    | Independent Director, Member of the Audit Committee and Chairman of the Nomination Committee     |
| 11. Mr. Samacha Potavorn       | Independent Director, Member of the Audit Committee  |

Absent Director

- |                        |   |
|------------------------|---|
| 1. Mr. Prasit Panidkul | Vice Chairman and Executive Director (due to health problems) |
|------------------------|---|

Ms. Romtham then introduced to the Meeting Mr. Somwang Sincharoenkul, Honorary Chairman of the Company; Mrs. Unakorn Phruithithada, auditor from Pricewaterhouse Coopers ABAS Limited acting as the Company's auditor for the year 2014; Mr. Paiboon Tunkoon auditor from PricewaterhouseCoopers ABAS Limited who is nominated for shareholder's approval this year; Mrs. Veeranuch Thammavaranucupt, legal advisor from Weerawong, Chinnavat & Peangpanor Limited to answer the shareholders' questions. Mrs. Romtham also introduced to the Meeting Mr. Vasin Uchuvasin, legal advisor from Vasin International Law Office acting as an inspector to ensure that the shareholders meeting is transparent and complies with the laws and the Articles of Association of the Company, and witness the vote casting.

Then, Ms. Romtham invited Mr. Viyavood Sincharoenkul, the Chairman of the Board of Directors, who was the Chairman of the Meeting open the meeting. The Chairman welcomed the shareholders and declared the 2015 Annual General Meeting of Shareholders open. The Chairman then assigned Mr. Prakob Visitkitjakarn, an independent director and the Chairman of the Audit Committee, to conduct the Meeting.

Prior to the commencement of the agenda, Mr. Prakob assigned the coordinator of the meeting to inform the Meeting of the procedure of the meeting, the exercise of voting and vote counting of shareholders on each agenda item as follows. One share shall represent one vote and each shareholder shall receive 11 voting cards in total for 8 agenda items. The number of voting cards required for agenda item four, to consider and approve the election of directors to replace the directors who retire by rotation is four cards and agenda item five. Mr. Prakob shall first inform the Meeting of the details of each agenda item, and shall then allow shareholders to raise any questions or share any opinion relating to such agenda item, provided that prior to raising any questions or sharing any opinion, such shareholder shall inform the Meeting of his/her first name and surname. After answering the shareholders' questions, Mr. Prakob shall then request the Meeting to cast votes. The shareholders shall sign at the right corner at the bottom of the voting card. In casting votes on each agenda item, the Company's officials shall collect the voting cards only with "disapproved" and "abstained" votes. Mr. Prakob shall request the shareholders who "disapprove" of the proposed matter and the shareholders who "abstain" for the proposed matter to raise their hands accordingly. If there are any shareholders raising their hands, the Company's officials will then collect their voting cards for processing. The shareholders who do not raise their hands for both questions shall be deemed as "approving" such proposed matter. The voting cards with "approved" votes shall be collected at the end of the Meeting, **except** for agenda item four, particularly with respect to the election of directors to replace the directors who retire by rotation, in which case all the voting cards with all types of votes, i.e. "approved", "disapproved" and "abstained" votes, will be collected for counting during such agenda item in compliance with the principles of good corporate governance. In counting the votes, the Company shall deduct the votes "approved" and "abstained" from the total number of votes attending the Meeting, and the remainder shall be the votes "approved" on such agenda item.

In the case that a shareholder has prepared proxy form B or C granting a director or an independent director to vote according to the shareholder's or grantor's instructions, the Company has recorded the voting according to the intention of the shareholder or the grantor in advance.

The casting of votes and the collection of voting cards for each agenda item shall be in accordance with the aforementioned procedure.

Two volunteer shareholders were then requested to be witnesses in counting the votes for all agenda items together with the Company's officials in the vote counting area.

Having informed the Meeting of the aforementioned procedure, the Meeting was allowed to raise questions relating to vote casting.

During the Meeting, additional shareholders attended the Meeting. The number of shareholders present at the Meeting, in person and by proxies, therefore, was 170 persons in total, holding 705,610,880 shares, representing 55.13 percent of the total number of shares sold of the Company.

No questions were raised by shareholders and then Mr. Prakob commenced the Meeting and proceeded in accordance with the following agenda.

**1. To consider and adopt the minutes of the 2014 Annual General Meeting of Shareholders held on 29 April 2014**

Mr. Prakob proposed the minutes of the 2014 Annual General Meeting of Shareholders held on 29 April 2014, for the consideration of the Meeting. The details of the said minutes appeared in Enclosure 1 of the notice of this Meeting. He then allowed the Meeting to raise questions.

There were no questions raised by shareholders. The Meeting therefore resolved to certify the minutes of the 2014 Annual General Meeting of Shareholders held on 29 April 2014 as proposed with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	702,514,380	votes,	equivalent to	99.84	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	1,122,500	votes,	equivalent to	0.16	per cent

**2. To acknowledge the performance results of the Board of Directors of the Company for the year 2014 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2014**

Mr. Prakob assigned Mr. Jirat Watanakarin, AVP – Investor Relation of the Company, to inform the details of this agenda item for the consideration of the Meeting.

Mr. Jirat reported the details of the operating results of the Board of Directors for the year 2014 and financial status of the group of the Company, according to the consolidated Statements of Comprehensive Income and Statements of Financial Positions, to the Meeting, as follows:

**Operating Results**

**Sales Volume and Revenue**

2014 was another challenging year for natural rubber (NR) industry given to the extension of global economy slowdown, the slowest growth of Chinese economy in the past 15 years, the oversupply and overstock situation, rubber price intervention and the appreciation of US dollars. With our robust business model, we were able to navigate through the challenges

despite the market downturn. We have made another industry record in sales volume with 1.2 million tons sold in 2014, 6.9% increase from 2013. Our strategy in aggressive expansion of customer base for domestic and high growth markets provided us a counterbalance for Chinese economy slowdown and maintained our leading position in NR industry with 10% global market share. Although our sales volume increased, the significant drop in global NR price for 23.9% had brought our revenue down by 18.1% from 2013

Amidst slower-than-expected recovery of global economy and other unfavourable external factors, our 2014 sales volume broke a new industry record again at 1,204,342 tons. This represented a 6.9% increase YoY which outperformed the global NR consumption growth forecasted by IRSG at 5.3%. Domestic was the key market contributing volume growth by 44,597 tons, 28.1% increase YoY due to our aggressive strategy to further penetrate into domestic market. Korea, China, Malaysia, and Europe also contributed to our 2014 sales volume growth YoY by 49.7%, 2.6%, 205.0% and 4.0% respectively. The increase was partially offset by the decline in sales volume in USA and Japan by 10.5% and 5.4% respectively.

Revenue from the sale of TSR, our core product, declined by 18.7% YoY due mainly to a decrease in average selling price of 24.6%, despite offset by the increase in sale volume of 7.7% YoY. Thanks to our strong distribution platform and well-diversified customer portfolio, our TSR sale growth beat overall NR demand in 2014. Our gross profit of TSR decreased by 48.8% YoY. Gross profit margin also declined from the previous year due mainly to the downward price movement and pent-up demand situation.

Revenue from the sale of RSS decreased by 23.6% YoY, driven by a decrease of average selling price by 21.7% and a decrease of sale volume by 2.3%. Our gross profit from the sale of RSS decreased by 33.4% YoY. Gross profit margin slightly declined from 2013 due mainly to the effect of price fluctuation and government intervention.

Revenue from the sale of Concentrated Latex was down 6.9% YoY. The decrease was attributable to a decline in average selling price of 17.3%, despite partially offset by 12.6% increase of sale volume. The increase in sale volume was due mainly to a pick-up in demand from gloves business as the NR price was relatively competitive to its substitute of NBR price. Our gross profit from the sale of Concentrated Latex in 2014 improved by 262.8% YoY and gross profit margin also increased from the earlier year.

#### **Factor Affecting Company's Operation – Price and Volatility of Natural Rubber**

Price and volatility of natural rubber directly affect our revenues and profitability. NR price continued to move in downward momentum since 2012, which was mainly due to the slow recovery of world economy, especially the slowdown of Chinese economy, ongoing supply surplus and sharp fall in crude oil price.

Gross profit was recorded at Baht 3,348.3 million, down 35.6%. The gross profit margin marginally shrank from 5.6% in 2013 to 4.4% caused primarily by pent-up demand pressure from customers and price intervention due to the downward momentum of NR price. Assuming the inventory allowance of Baht 74.5 million was not made in 2014 but including realised foreign exchange gain of Baht 103.9 million and rubber futures gain of Baht 1,115.2 million from our hedging activities, our adjusted gross profit margin in 2014 would have been 6.1% slightly lower than 2013 of 6.6%.

### **Factor Affecting Company's Operation – Foreign Exchange Rate**

In 2014, US Dollars continued to appreciate reflecting the improvement of US economy. Such movement unfavourably translated into lower NR prices which are generally denominated in USD. Under this currency trend, we have substantially lowered the use of currency derivative instruments and allowed our currency conversion to benefit from the appreciation of US Dollars. At the end of 2014, when marked-to-market, our gains on foreign exchange slightly increased from Baht 312.5 million in 2013 to Baht 371.1 million in 2014.

### **Factor Affecting Company's Operation – Share of Profit from Investment in Affiliates and JV**

In 2014, the Group received share of profit from investments in affiliates and joint venture companies in total of Baht 535.1 million of which 86.7% contributed by gloves business and 30.8% by high pressure hydraulic hoses business. Share of profit from investment in affiliates and joint ventures increased by 8.0% compared to the previous year due mainly to the increase in net profit of gloves and hydraulic hoses businesses.

### **Factor Affecting Company's Operation – Finance Cost**

The key factors that affect our finance costs are interest rate, NR price, sale volume, and the movement of currency exchange. In 2014, finance costs dropped by 38.3% YoY to Baht 663.4 million due mainly to the lower NR price, lower unrealised loss on exchange rate of US Dollars denominated loans and lower effective interest rate from the higher proportion of US Dollar loans in relation to Indonesia Rupiah loans. The Company was able to appropriately manage the effective interest to be significantly lower than the average Minimum Loan Rate (MLR) of three large commercial banks: Bangkok Bank, Kasikorn Bank and Siam Commercial Bank.

### **Factor Affecting Company's Operation – Government and Country Policy**

The policy of the Thai Government may benefit or have an adverse impact to the Group's operation. For example, the cooperative agreement among Thailand, Indonesia, and Malaysia (International Tripartite Rubber Council : ITRC) to withdraw Natural Rubber exports of 300,000 tons during October 2012 to March 2013 has limited our export volume to some certain extent. However, 4-month cess exemption during September to December 2013 of the Office of Rubber Replanting Aid Fund has brought down our selling expenses in late of 2013. Recently in December 2014, Thai government approved THB 20.0 billion price intervention plan through the rubber fund scheme to buying ribbed smoked sheet rubbers (RSS) through auction markets countrywide at higher-than-market price. As a result, the local RSS price increased; whereas the global market price did not move in the same magnitude.

The reinstatement of US tariff for Chinese tires in mid of 2014 had adversely impacted the Chinese tire manufacturers. This, in return, has changed the geographical sales of the NR producers whereas the total global demand would be unaffected.

### **Net Profit**

Net profit was Baht 1,037.8 million in 2014 compared to Baht 1,820.2 million last year. Net profit margin was 1.4% declined from 2.0% in 2013. Despite being offset by higher profit sharing from our joint venture in downstream businesses, lower finance costs and lower tax expense, our net profit was outweighed by the unfavorable movement of NR price and demand appetite.

## **Financial Structure – Total Assets**

### Current Assets

Current assets decreased by Baht 8,914.0 million, or 33.5%, to Baht 17,684.4 million for the year end 2014 which was due primarily to the decrease in inventories of Baht 6,552.0 million in response to the continual drops in NR prices, the reduction in trade accounts receivable and other receivables of Baht 2,752.9 million due to lower NR prices, which were partially offset by Baht 238.9 million increase in cash and cash equivalent and Baht 71.6 million higher amount due from futures brokers.

At the end of 2014, 96.9% of our accounts receivable were not yet due or overdue less than 1 month while 2.7% was overdue by more than 1 year. The allowance for doubtful debts was 2.8% of total accounts receivable.

### Non-current Assets

Non-current assets increased by Baht 2,467.8 million, or 14.0%, to Baht 20,106.1 million for the year end 2014 which primarily consists of an increase in property, plants and equipment of Baht 2,060.2 million (net of depreciation and write-off) for the construction of our new factories in Thailand and Indonesia, capacity expansion to TSR factories, as well as the investment for rubber plantation.

## **Financial Structure – Total Liabilities and Shareholder's Equity**

### Current Liabilities

Current liabilities decreased by Baht 7,911.8 million, or 38.8%, to Baht 12,464.0 million for the year end 2014 which was mainly from an decrease in short-term loans of Baht 4,814.7 million, a repayment of the debenture of Baht 1,600.0 million, a decrease in trade accounts payable of Baht 1,242.0 million from a decrease in raw material prices and a decrease in derivative financial instruments of Baht 320.0 million.

### Non-current Liabilities

Non-current liabilities increased by Baht 864.7 million, or 22.3%, to Baht 4,734.7 million for the year ended 2014 which was primarily due to an increase in long-term loans (net of current portion) of Baht 799.7 million to support our rubber plantation, and an increase in deferred income tax liabilities of Baht 112.4 million.

### Shareholders' Equity

Equity increased by Baht 600.8 million, or 3.0%, to Baht 20,591.9 million for the year end 2014 due mainly to net profit during the year and asset revaluation surplus.

## **Financial Ratios**

### Return on assets ("ROA")

As at 31 December 2014 and 31 December 2013, our ROA were 2.53% and 4.50%, respectively. The decrease in ROA was due to lower net profit under the pressure from falling NR price.

### Return on equity ("ROE")

As at 31 December 2014 and 31 December 2013, our ROE were 5.11% and 9.37%, respectively. Similar to ROA, the decrease in ROE was due to lower net profit under the pressure from falling NR price.

### Current ratios

Our current ratio as at 31 December 2014 increased to 1.42 times from 1.31 times last year. The improvement came from the higher cash and lower level of outstanding loans.

### Debt to equity ratio (“D/E”)

As at 31 December 2014 and 31 December 2013, our D/E were 0.84 and 1.21 times, respectively. The improvement in D/E was due mainly to lower debt level from the repayment of debentures and lower short-term loan from lower raw material prices.

### Cash Cycle

The increase in Cash Cycle was the technical increase of Inventory Turnover Days due to falling NR price which caused our cost of goods sold to drop. The drop in cost of goods sold in turn drove the calculation result of our Inventory Turnover Days up while there has been no significant change in day-to-day operation during the year.

### Fixed asset turnover ratio

As at 31 December 2014 and 31 December 2013, our fixed asset turnovers were 5.38 and 8.09 times, respectively. A decrease in fixed asset turnover ratio was due mainly to an increase in property, plant and equipment and a decrease in revenues from lower average selling prices.

## **Financial Information**

### Book Value per Share

Book Value per Share increased from Baht 15.62 per share at the end of 2013 to Baht 16.09 per share at the end of 2014 due to net profit during the year and asset revaluation surplus.

### Earning per Share

Earning per Share decreased corresponding to the decrease in net profit from Baht 1.42 per share to Baht 0.81 per share at the end of 2014.

### Dividend Payout Ratio

Despite of lower dividend per share to support business operation and future investment, Dividend Payout for 2014 operational result increased to 49% from 46% in 2013 as a result of lower net profit.

Mr. Prakob then allowed the Meeting to raise questions.

Mr. Anurak Boonsawaeng, a shareholder, inquired what caused the litigation between the Company and Semperit and how much of the expense.

Mr. Kitichai Sincharoenkul, Executive Director, explained that the Company and Semperit had been business partners for more than 25 years. However, for the past 2 or 3 years, the management of two companies have different policy and been in conflict. The Company's Management unsuccessfully tried to resolve the issues amicably, hence the ensuing litigation. As for the legal expenses, the Company has retained a team of skilled lawyers with reasonable fee.

Mr. Anurak further inquired when the arbitration tribunal would reach its decision and the speculated result.

Mr. Kitichai explained that the arbitration process is still in its early stage and that it would be another year or two before the decision is reached, and that the Company has disclosed the details of the litigation in the notes to the financial statements.

Mr. Anurak asked how long would it take for the Company to reach its target of 14% global market share and inquired about the operating loss incurred by the Company's subsidiary in Indonesia.

Ms. Thanawan, VP of Business Development and Investor Relations, explained that at the moment the Company has a 10-11% global market share and still plans to reach the target of 14%. However, there are various external factors that have an effect on the Company's operations, including the overall rubber market and the performance of our competitors. So far, Management has done its best to propel the Company in that direction by expanding operations into Myanmar and Vietnam. As to the operating losses incurred by the Indonesian subsidiary, the past year was an extremely challenging one for the rubber business, with suppressed demand and rubber prices at very low levels. Therefore, it was very difficult for the Company to manage the operations and resulted in unsatisfactory performance.

Mr. Viyavood Sincharoenkul, Chairman of the Board and Managing Director, further explained that given the circumstances, the Company's performance was far better than competitors. The Company was able to implement all strategies and policies. However, it must be understood that, given that rubber prices declined by as much as 45%, the situation was unfavorable to the Company. Moreover, China's cooling economy also contributed to the challenges, as it is a major customer of the Company. Despite the unfavorable conditions, the Company is prepared to deal with all challenges. Further, the Thai government has given its full support for the rubber industry and has tried to support rubber prices.

There were no further questions. Mr. Prakob then requested the Meeting to acknowledge the performance results of the Board of Directors of the Company for the year 2014 and consider and approve Statements of Financial Position and Statements of Comprehensive Income of the Company for the year 2014 ended 31 December 2014 as proposed.

After due consideration, the Meeting acknowledged the performance results of the Board of Directors of the Company for the year 2014 and adopt to approve Statements of Financial Position and Statements of Comprehensive Income of the Company for the year ended 31 December 2014, with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	702,360,580	votes,	equivalent to	99.81	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	1,310,300	votes,	equivalent to	0.19	per cent

**3. To consider and approve the dividend payment of the Company for the year 2014**

Mr. Prakob assigned Mr. Kitichai Sincharoenkul, a director of the Company, to inform the details of this agenda item for the consideration of the Meeting.

Mr. Kitichai informed the Meeting that according to the Public Limited Companies 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, the 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 2014, the Company had a net profit from its operation amounting to Baht 1,037.76 million. The information in respect to dividend payment compared with the year 2012-2014 is shown below.

Information of dividend payment for the years 2012 – 2014

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Net profit (million Baht)	1,037.76	1,820.18	1,378.88
Earnings per share (Baht)	0.81	1.42	1.08
Dividend per share (Baht)	0.40	0.65	0.50
Number of shares (shares)	1,280,000,000	1,280,000,000	1,280,000,000
Total dividend payment (million Baht)	512	832	640
Payout ratio (%)	49.34%	45.71%	46.41%

Mr. Kitichai informed the Meeting that the Board of Directors deemed it appropriate to propose that the shareholders approve the annual dividend payment from the performance results of the Company for the year 2014 to the shareholders of Baht 0.40 per share, totaling Baht 512 million, representing 49.34% of the net profit of the Company, which is in line with the current dividend policy of the Company. The dividend 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 2015 Annual General Meeting, the Board of Directors has fixed 13 May 2015 as the record date for determining the shareholders entitled to receive a dividend and 14 May 2015 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 13 May 2015 will be entitled to receive the dividend for the year 2014.

The annual dividend for the year 2014 will be paid on 27 May 2015.

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the dividend payment of the Company for the year 2014.

After due consideration, the Meeting resolved to approve the dividend payment of the Company for the year 2014 as per the details proposed in all respects, with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	702,548,380	votes,	equivalent to	99.84	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	1,122,500	votes,	equivalent to	0.16	per cent

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

Mr. Prakob informed the Meeting that 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. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire. This year, the four directors who shall vacate office are:

1. Mr. Prakob Visitkitjakarn Director/ Independent Director
2. Mr. Viyavood Sincharoenkul Director
3. Mr. Veerasith Sinchareonkul Director
4. Mr. Lee Paul Sumade Director

The said directors vacating office may be re-elected.

According to the recommendation from the Nominating Committee of the Company, the Board of Directors, therefore, deemed it appropriate that the shareholders approve the re-election of Mr. Prakob Visitkitjakarn, Mr. Viyavood Sincharoenkul, Mr. Veerasith Sinchareonkul and Mr. Lee Paul Sumade to be directors and/or independent directors of the

Company for another term as these persons have 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 of the notice of this Meeting and the independent directors of the Company have 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 the Company has also guided by the Code of Corporate Governance 2012 of Singapore Exchange in determining independence.

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the election of directors to replace the directors who retire by rotation.

1. Mr. Prakob Visitkitjakarn

After due consideration, the Meeting resolved to approve the re-election of Mr. Prakob Visitkitjakarn to serve as director and independent director for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	702,093,320	votes,	equivalent to	99.78	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	1,577,560	votes,	equivalent to	0.22	per cent

Note Mr. Prakob Visitkitjakarn abstained the vote in this agenda item

2. Mr. Viyavood Sincharoenkul

After due consideration, the Meeting resolved to approve the re-election of Mr. Viyavood Sincharoenkul to serve as director for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	566,152,510	votes,	equivalent to	80.46	per cent
Disapproved	2,591,700	votes,	equivalent to	0.37	per cent
Abstained	134,926,670	votes,	equivalent to	19.17	per cent

Note Mr. Viyavood Sincharoenkul abstained the vote in this agenda item

3. Mr. Veerasith Sinchareonkul

After due consideration, the Meeting resolved to approve the re-election of Mr. Veerasith Sinchareonkul to serve as director for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	679,616,380	votes,	equivalent to	96.58	per cent
Disapproved	486,000	votes,	equivalent to	0.07	per cent
Abstained	23,568,500	votes,	equivalent to	3.35	per cent

Note Mr. Veerasith Sinchareonkul abstained the vote in this agenda item

4. Mr. Lee Paul Sumade

After due consideration, the Meeting resolved to approve the re-election of Mr. Lee Paul Sumade to serve as director and independent director for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	693,226,125	votes,	equivalent to	98.52	per cent
Disapproved	410,300	votes,	equivalent to	0.06	per cent
Abstained	10,034,455	votes,	equivalent to	1.42	per cent

Note Mr. Lee Paul Sumade abstained the vote in this agenda item

5. **To consider and approve the determination of remuneration of directors for the year 2015**

Mr. Prakob assigned Mr. Kitichai Sincharoenkul, a director of the Company, to inform the details of this agenda item for the consideration of the Meeting.

Mr. Kitichai informed the Meeting that according to the prudent consideration of the Remuneration Committee, it is deemed appropriate to propose that the shareholders approve the directors' remuneration for the year 2015, in a total of not exceeding Baht 6,494,400, 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

Information of the remuneration payment of directors compared with the year 2013 -2015:

Year	Remuneration of Directors (Baht)		
	2015	2014	2013
Board of Directors	4,435,200.-	4,118,400.-	3,713,000.-
Audit Committee	2,059,200.-	2,059,200.-	2,059,200.-
Total	6,494,400.-	6,177,600.-	5,772,200.-

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the determination of remuneration of directors for the year 2015.

After due consideration, the Meeting resolved to approve the determination of remuneration of directors for the year 2015 as per the details proposed in all respects, with a vote of not less than two-thirds of the total number of votes of shareholders present at the Meeting, as follows:

Approved	704,483,380	votes,	equivalent to	99.84	per cent
Disapproved	5,000	votes,	equivalent to	0	per cent
Abstained	1,122,500	votes,	equivalent to	0.16	per cent

**6. To consider and approve the appointment of the auditor and determination of auditing fee for the year 2015**

Mr. Prakob informed the Meeting that 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. As this year, Mrs. Unakorn Phruithithada, a Certified Public Accountant (Thailand) no. 3257 has performed her duty as an auditor of the Company for 5 consecutive accounting years, with the recommendation of the Audit Committee, it is recommended to approve the appointment of an auditor from Pricewaterhouse Coopers ABAS Limited (“PWC”) to be an auditor of the Company for the year 2015 with the names listed as follows:

1. Mr. Paiboon Tunkoon, Certified Public Accountant (Thailand) No. 4298 or
2. Miss Sakuna Yamsakul, Certified Public Accountant (Thailand) No. 4906 or
3. Mr. Pisit Thangtanagul, Certified Public Accountant (Thailand) No. 4095

Either of these auditors can conduct the audit and express an opinion on the financial statements of the Company. In the event that neither of these auditors are available, PWC can delegate another one of its Certified Public Accountants to conduct the audit. Taking into account the satisfactory work of auditors of PWC for the previous year, having knowledge and understanding of the business of the Company and group of the Company as well as being an international audit firm, and determine the auditing fee for the year 2015 of the Company and its subsidiaries in an amount of Baht 8,169,000. In this regard, an auditing fee will be increased of 4% from the previous year because the Company and its subsidiaries have expanded their business continuously thereby increasing the scope and quantity of audit services.

In case of the auditors for the foreign subsidiaries, which have rendered services from the same audit firm specified herein and other audit firms, the determination to appoint the auditor of each foreign subsidiary shall primarily consider from quality of its services and auditing fee rate.

Auditing fee of the Company and its subsidiaries

	Unit: Baht	
	<b>2015</b>	<b>2014</b>
Auditing fee (year-end)	4,109,000	3,954,000
Reviewing fee (quarterly)	4,060,000	3,900,000
<b>Total auditing fee</b>	<b>8,169,000</b>	<b>7,854,000</b>

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

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the appointment of the auditor and determination of the auditing fee for the year 2015.

After due consideration, the Meeting resolved to approve the appointment of the auditor and determination of auditing fee for the year 2015 as per the details proposed in all respects, with the majority vote of the shareholders attending the meeting and casting their votes, as follows:

Approved	704,293,280	votes,	equivalent to	99.81	per cent
Disapproved	195,100	votes,	equivalent to	0.03	per cent
Abstained	1,122,500	votes,	equivalent to	0.16	per cent

#### **7. To consider and approve the issuance and offering for sale of debentures in an amount of not exceeding Baht 5,000 million**

Mr. Prakob assigned Ms. Thanawan Sa-ngiamsak, VP Business Development & Investor Relations, to inform the details of this agenda item for consideration of the Meeting.

Ms. Thanawan informed the Meeting that due to the significant growth of Company's businesses and to facilitate and maximize opportunities in financing alternatives in each period. It is deemed appropriate to issue and offer for sale of debentures as per the following details:

Type: All types and all kinds of debentures, with and/or without debenture holders' name registered, subordinated and/or unsubordinated, secured and/or unsecured, with and/or without debenture holders' representative, amortization and/or bullet repayment, depending on market condition at the time of each issuance and offering

Amount: Not exceeding Baht 5,000 million (Five Billion Baht Only) or its equivalent in any other currency at the date of issuance, with one time and/or several times offering

Tenor: As per conditions at each issuance, depending on market conditions at the time of issuance

Interest rate: Depending on market conditions at the time of issuance

Offering: To offer domestically and/or foreign for one time or several times through a public offering and/or private placement and/or offer to high net worth investors and/or offer to domestic and/or foreign institutional investors in full or partial amount

Early redemption: Debenture holders and/or the Company may have or may not have right for early redemption of debentures depending on terms and conditions at each issuance.

In this regard, the Board of Directors and/or Executive Committee and/or Managing Director and/or person assigned by the Board of Directors and/or Executive Committee is authorized to determine any conditions and other details relating to the issuance and offering for sale of debentures, such as interest rate, placement method, offering amount each time, type of debentures, security, offering price per unit, term, maturity period, early redemption period, repayments of principal and interest method, allocation method, details of offering, etc., as well as arrange for the registration of such debentures with the Thai Bond Market Association or any other secondary market, seek approval from the relevant authorities, and the appointment of underwriter, Debenture holders' representative, registrar, or other relevant advisors or any persons who are relevant to the issuance and offer for sale of debentures, and enter into, agree, sign any documents and other relevant agreements and take any action necessary for and pertinent to the issuance and offer for sale of the debentures, proceed any other relevant acts as deems appropriate for the purpose of the issuance and offer for sale of debentures.

Mr. Prakob then allowed the Meeting to raise questions.

Mr. Anurak Boonsawang, a shareholder, asked that by issuing a debenture rather than taking out a loan from a financial institution, would the Company benefit from lower interest rate and how much the Company would have to pay the credit rating firm.

Ms. Thanawan explained that at the moment the Company has two sources of funds: a loan from a financial institution and a debenture. Most of the loans taken out from financial institutions are short-term loans, and long-term loans would have higher interest rates. Issuing a debenture is therefore another option for the Company to raise funds when interest rates from the two sources are comparable, so that the Company would be able to have a longer-term loan. The Company has issued a 5-year debenture in the past with the maximum interest rate of 4.7 per annum.

There were no further questions. Mr. Prakob then requested the Meeting to consider and approve the the issuance and offering for sale of debentures in an amount of not exceeding Baht 5,000 million.

After due consideration, the Meeting resolved to approve the the issuance and offering for sale of debentures in an amount of not exceeding Baht 5,000 million as per the details proposed in all respects, with a vote of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote, as follows:

Approved	704,483,380	votes,	equivalent to	99.84	per cent
Disapproved	5,000	votes,	equivalent to	0	per cent
Abstained	1,122,500	votes,	equivalent to	0.16	per cent

## **8. Other Matters**

Mr. Prakob asked whether the shareholders had any questions or opinions.

Mr. Nuntapol Jongwilaikasem, a shareholder, asked about the news report in Reuters on 22 April that rubber producers, including the Company, will no longer fix the price of rubber to the price on the Singapore market.

Mr. Viyavood Sincharoenkul, Chairman of the Board and Managing Director, explained that normally, rubber prices should reflect the costs borne by rubber farmers. However, the current prices are even below the costs by rubber farmers, a fact that demonstrates that the price on the Singapore market can not really be deemed a global standard. All other rubber producers also agree with the Company, a fact that slightly pushed up the price.

Mr. Nuntapol further inquired when rubber prices will be higher.

Mr. Viyavood explained that if rubber prices remain at a low level, rubber farmers may reduce their tapping activities or may cut down rubber trees and grow other kinds of plants instead. The current global stock of rubber is not so excessive that it would cause a further decline in prices, but it will take some time for the issue to be resolved. The Company believes that the situation will be better in 9-12 months.

Mr. Nuntapol asked whether it would be possible for the Company to buy back shares given that the shares are currently trading below book value, to increase the level of profits per each share.

Mr. Viyavood explained that if shareholders are confident in the Company and buy more shares, it will help push up the share price.

Mr. Kitichai Sincharoenkul further explained that the Company will take this suggestion into consideration.

Mr. Anurak noted that he was very proud that a local company in Songkhla like STA was able to become number one rubber company in the world, a position that not many Thai companies have been able to reach. He also asked about the benefits of System, applications and products in data processing (“SAP”), which was recently put into use.

Mr. Patrawut Panitkul, Executive Director and CFO, replied that SAP is a system that facilitates the exchange of information between different departments of the Company and will assist the planning, monitoring of business strategies, increasing capacity of production and reducing redundant work.

Mr. Anurak suggested ways for the Company to add value to its products, for example, by manufacturing latex into products. He asked Management to consider his suggestion as the Company’s subsidiaries has much better profits than the parent company. He further asked what the two recently appointed directors have contributed to the Company and what their skills were.

Mr. Kitichai explained that in the past year the Company appointed two new directors. Mr. Patrawut has been with the Company for a very long time and is proficient in finance and accounting. Mr. Li Shiqiang is responsible for the marketing in China and was instrumental in helping the Company make inroads into China, from which the Company derives a substantial amount of revenues.

Mr. Viyavood further explained that as the Company has been steadily growing, it needs professionals with diverse skills to help propel the Company to success.

Mr. Anurak asked whether the declining oil prices would negatively affect the natural rubber business by lowering the price of synthetic rubber.

Mr. Viyavood explained that oil prices, which has been declining from September to October, is one factor driving down the price of natural rubber. But the Company believes that oil prices would not decline very much further and may come back to the previous level in the near future. Therefore, he believes that the negative effect on natural rubber prices will be minimal.

Mr. Anurak asked whether stabilizing rubber prices would be favorable to the Company.

Mr. Viyavood said that stabilizing rubber prices would be favorable and that he believed the Company would do very well considering that several competitors have folded.

Mr. Sunthorn Wongsiri, a shareholder, inquired about the market share in Thailand of the Company's medical gloves business and asked how the Company planned to increase market share and growth in this area.

Mr. Viyavood answered that the medical gloves business still has a lot of room to grow and that the Company would be a lot more competitive than other countries if the government would keep the Thai Baht from appreciating too much.

Mr. Nuntaphol said that he read a news report that an extract from dandelion could be used as a substitute for latex and that there was also an article reporting that makers of automotive tires have found a way to reduce the ratio of natural rubber to synthetic rubber, and he asked how these developments would affect the Company.

Ms. Thanawan explained that the process referred to in the article should still be in its early stage of research and that it remained to be seen whether it could really be used commercially, as well as what the costs would be. As to the ratio of natural rubber, Ms. Thanawan explained that it was impossible in the manufacture of automotive tires to use solely synthetic rubber and that no makers of automotive tires have experimented with dandelion.

There were no further questions or opinions from shareholders. The Chairman then adjourned the Meeting at 12.40 p.m.

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( Mr. Viyavood Sincharoenkul )  
Chairman of the Meeting