



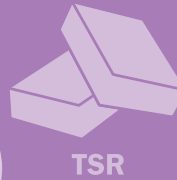
# Sri Trang Agro-Industry Public Company Limited



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## Invitation to The 2018 Annual General Meeting of Shareholders

**26<sup>th</sup> April 2018 at 10.30 a.m.**

Santipap Room, 7<sup>th</sup> floor, Lee Gardens Plaza Hotel  
29 Prachathipat Road, Hatyai District, Songkhla Province

23 March 2018

Subject: Invitation to the 2018 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 Extraordinary General Meeting of Shareholders No. 2/2018 (*supporting document for agenda item 1*)
  2. 2017 Annual Report together with the financial statements of the Company for the year ended 31 December 2017 (CD Rom) (*supporting document for agenda item 2*)
  3. Profiles of the nominated directors of the Company to replace the directors who retire by rotation and qualification of the independent director (*supporting document for agenda item 4*)
  4. Information of remuneration payment of directors (*supporting document for agenda item 5*)
  5. Detail of the amendment to the Company's Articles of Association (*supporting document for agenda item 8*)
  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 (shareholders can download Proxy Form A and Form C at [www.sritranggroup.com](http://www.sritranggroup.com))
  9. Independent Directors' profiles for consideration of proxy from shareholders
  10. Procedures for attending the 2018 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 2018 Annual General Meeting of Shareholders on Thursday, 26 April 2018, at 10.30 a.m. (Bangkok time), at Santipap Room, 7<sup>th</sup> floor, Lee Gardens Plaza Hotel, 29 Prachathipat Road, Amphur Hadyai, Songkhla Province, with the following agenda items:

**1. To consider and certify the minutes of the Extraordinary General Meeting of Shareholders No.2/2017 held on 31 August 2017**

Objective and Reason The Company has prepared the minutes of the Extraordinary General Meeting of Shareholders No. 2/2017 held on 31 August 2017 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](http://www.sritranggroup.com).

Opinion of the Board The minutes of the Extraordinary General Meeting of Shareholders No. 2/2017 held on 31 August 2017 were properly and accurately recorded as per the copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2017 (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 2017 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2017**

Objective and Reasons The Company has summarized the performance results of the Board of Directors of the Company for the year 2017 in which the details are disclosed in the 2017 annual report as shown in Enclosure 2. In addition, according to the Public Companies Limited Act and the Articles of Association of the Company, the Board of Directors shall prepare a 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.

The information of the statements of financial position and the statements of comprehensive income ended 31 December 2017 could be summarized as follows:

Selected Information from the Company's Financial Statements

Unit : million Baht

Description	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Total assets	59,707.78	55,958.55	43,594.91	36,886.65
Total liabilities	36,430.89	36,046.64	24,366.69	23,798.96
Total revenue	89,386.99	77,265.52	52,043.74	38,335.07
Net profit (attributable to the owners of the parent)	(1,437.05)	(757.99)	2,668.48	(911.90)
Earnings per share (Baht/share)	(1.05)	(0.57)	1.95	(0.69)

In this regard, the details of the financial statements are shown in the 2017 annual report (Enclosure 2) which has been distributed to the shareholders together with the Invitation to the 2018 Annual General Meeting of Shareholders. The Company has also disseminated the annual report on the Company's website, [www.sritranggroup.com](http://www.sritranggroup.com).

Opinion of the Board The shareholders should acknowledge the performance results of the Board of Directors for the year 2017 and approve the statements of financial position and the statements of comprehensive income of the Company for the year ended 31 December 2017, which have been audited by the auditor of the Company and reviewed by the Audit Committee, the details of which appear in the financial statements included in the 2017 annual report (Enclosure 2).

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

### **3. To consider and approve no distribution of annual dividend for 2017**

Objective and Reasons 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 2017, although the Company's separate financial statements showed a profit of Baht 2,668.48 million, which included a dividend of Baht 4,827.10 million, the Company used such dividend to repay loans from financial institutions that the Company borrowed to purchase shares in Sri Trang (Gloves) Thailand, Co., Ltd. Therefore, taking into account the financial performance before receiving dividend, the Company incurred a loss of Baht 2,158.62 million (details of which appear in the Statement of Comprehensive Income). Furthermore, in late 2017, the Company increased its capital to existing shareholders in order to support acquiring the business, expand production capacity and for a partial loan repayment. In order for the Company to maintain financial liquidity during the period of volatility affecting the natural rubber industry and the low price of natural rubber and for business expansion, the Company is not in a position to make a dividend payment for 2017.

Opinion of the Board The Board of Directors recommends the shareholders to approve no distribution of annual dividend for 2017 according to the dividend payment policy of the Company.

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 or, if the number of directors is not a multiple of three, then the number nearest to one-third, shall retire from office. This year, the four directors who shall vacate office are:

- |    |                             |  |
|----|-----------------------------|--|
| 1. | Mr. Prakob Visitkitjakarn   | Director / Chairman of the Audit Committee /<br>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. In this regard, the profiles of the four nominated directors of the Company to replace the directors who retire by rotation 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. Prakob Visitkitjakarn, Mr. Viyavood Sincharoenkul, Mr.

Veerasith Sinchareonkul and Mr. Lee Paul Sumade to be directors of the Company for another term because of their 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. For the independent director, although Mr. Prakob Visitkitjakarn has been an independent director for more than 9 years, such person is independence and has the ability to express their opinion independently according to the relevant rules.

In this regard, the profiles of the nominated directors of the Company to replace the directors who retire by rotation 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 and the Stock Exchange of Thailand.

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 2018**

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 2018 by taking into account the business and performance result, market trends and comparison of remuneration of directors in the same industry. The remuneration of this year will be the same as the previous year.

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 2018, in a total of not exceeding Baht 8,028,000 which equal to last year with the details as follows:

#### **Annual Remuneration of Board of Directors**

- Chairman of the Board Baht 804,000 / person/ annum
- Directors of the Company Baht 600,000 / person/ annum

#### **Annual Remuneration of Audit Committee**

- Chairman of the Audit Committee Baht 936,000 / person/ annum
- Audit Committee member Baht 744,000 / 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 2018**

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.

The Audit Committee considered the selection of the auditor by taking into account its qualifications, efficiency, standards, skills and independence, as well as experience in auditing, the volume of work and its audit fees. It is therefore deemed appropriate to change the auditor for the year 2018 from PricewaterhouseCoopers ABAS Limited to EY Office Limited. This is because (1) it has the same standards as the current auditor of the Company (2) it is qualified and can provide its opinion, which is of benefit to the Company (3) there is no relationship with or interest in the Company or its subsidiaries, executives, major shareholders or related parties of such persons, resulting in it being able to perform independently (4) it has the desire to and expresses its intention to provide services (5) it is an international audit firm with reasonable audit fees in comparison to other audit firms. It is deemed appropriate that the shareholders meeting approve the appointment of an auditor from EY Office Limited to be an auditor of the Company for the year 2018, with the persons whose names are listed below:

Name of Auditor	Certified Public Accountant (Thailand) No.	Year for Auditing the Company in the past 5 years
1. Mr. Supachai Panyawattano	3930	-
2. Miss Krongkaew Limkittikun	5874	-
3. Mr. Nuttawut Santiphet	5730	-

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 is available, EY Office Limited can delegate another one of its Certified Public Accountants to conduct the audit.

For the year 2018, EY Office Limited proposed the auditing fee of the Company and 9 subsidiaries, aggregately in an amount of Baht 8,929,000, divided into the auditing fee of the Company in an amount of Baht 5,659,000 and the auditing fee of the subsidiaries in an amount of Baht 3,270,000, which is cheaper than the previous year of 16.75%. The table below shows the comparison of the auditing fee in the previous year.

Unit: Baht

	<b>2018</b>	<b>2017</b>
Auditing fee (year end)	4,249,000	5,925,000
Reviewing fee (quarterly)	4,680,000	4,800,000
<b>Total auditing fee</b>	<b>8,929,000</b>	<b>10,725,000</b>

In addition, the Company uses the audit services for the foreign subsidiaries 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. For the subsidiaries located in foreign countries that use the audit services from other audit firms, the Board of Directors of the Company will enable them to submit the financial statements within prescribed time.

**Opinion of the Board** With the recommendation from the Audit Committee, the shareholders should approve the appointment of auditor from EY Office Limited with the names mentioned above and auditing fee as per the details recommended by the Audit Committee.

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

**7. To consider and approve the reduction of the Company’s registered capital from Baht 1,536,000,000 to Baht 1,535,999,998 by cancelling 2 authorized but unissued shares at a par value of Baht 1 per share and the amendment to Clause 4 of the Memorandum of Association to be in line with the reduction of the registered capital**

**Objective and Reasons** Since there were 2 remaining authorized but unissued shares from the rights offering to the shareholders in 2017, it is deemed appropriate for the shareholders’ meeting to approve the reduction of the Company’s registered capital from the existing registered capital of Baht 1,536,000,000 to Baht 1,535,999,998 by cancelling 2 authorized but unissued shares, at a par value of Baht 1 per share, and the amendment to Clause 4 of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital as follows:

“Clause 4.	Registered Capital	1,535,999,998 Baht	(Baht One Billion Five Hundred Thirty-Five Million Nine Hundred Ninety-Nine Thousand Nine Hundred Ninety-Eight)
	Divided into	1,535,999,998 shares	(One Billion Five Hundred Thirty-Five Million Nine Hundred Ninety-Nine Thousand Nine Hundred Ninety-Eight shares)
	Par value	1 Baht	(Baht One)
		Divided into	
	Ordinary Shares	1,535,999,998 shares	(One Billion Five Hundred Thirty-Five Million Nine Hundred Ninety-Nine Thousand Nine Hundred Ninety-Eight shares)
	Preferred Shares	- share	( - )”

In this regard, the amendment to the Company’s Memorandum of Association is required to be registered with the Registrar of the Department of Business Development, Ministry of Commerce. This may be amended or added information by order of the Registrar.

**Opinion of the Board** The Board of Directors recommends the shareholders to approve the reduction of the Company’s registered capital from the existing registered capital of Baht 1,536,000,000 to Baht 1,535,999,998 by cancelling 2 authorized but unissued shares, at a par value of Baht 1 per share, and the amendment to Clause 4 of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital.

**Required votes** *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.*

## **8. To consider and approve the amendment to Articles 33 and 52 of the Company's Articles of Association**

Objective and Reasons To be in line with Section 100 of the Public Limited Companies Act B.E. 2535, which is amended according to the Order of the Head of the National Council for Peace and Order No. 21/2560 Re: Additional Amendment to the Law for Business Facilitation, it is deemed appropriate to amend Article 33 of the Company's Articles of Association. Detail of the amendment to the Company's Articles of Association is shown in Enclosure 5. In addition, due to the reason that Article 52 of the Company's Articles of Association is no longer applied to the Company according to the law of Singapore because the Company's listing status currently is secondary listing on the main board. It is therefore recommended to delete Article 52 of the Company's Articles of Association. Detail of the amendment to the Company's Articles of Association is shown in Enclosure 5.

Opinion of the Board The Board of Directors recommends that the shareholders approve to amend Article 33 of the Company's Articles of Association to be in line with Section 100 of the Public Limited Companies Act B.E. 2535, which is amended according to the Order of the Head of the National Council for Peace and Order No. 21/2560 and to delete Article 52 of the Company's Articles of Association because it is no longer applied to the Company.

Required votes *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.*

## **9. 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, 17<sup>th</sup> Floor, Park Ventures Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330. In order to facilitate for checking the documents, please send the document to the Company before 24 April 2018.

To facilitate the 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 2018 for checking would be highly appreciated.

For the shareholders who require the 2017 Annual Report in printed format, please contact Sri Trang Agro-Industry Public Company Limited, Bangkok branch, at 17<sup>th</sup> Floor, Park Ventures Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, at telephone number 662-207-4500 ext 1802 or 1805, 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 2018.

Yours faithfully,  
By order of the Board of Directors



(Mr. Kitichai Sincharoenkul)  
Director

Note: The Company also published an Invitation to the 2018 Annual General Meeting of Shareholders together with all enclosures available for public consideration on the Company's website, [www.sritranggroup.com](http://www.sritranggroup.com), under "Investor Relations" and "Shareholder Information", from 23 March 2018 onwards.

The Company Secretary Office  
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57 Wireless Road, Lumpini  
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