

(Translation)

**Minutes of the 2018 Annual General Meeting of Shareholders  
of  
Sri Trang Agro-Industry Public Company Limited**

held on 26 April 2018, commenced at 10.30 a.m.

at Santipap Room, 7<sup>th</sup> floor, Lee Gardens Plaza Hotel,  
29 Prachathipat Road, Amphur Hadyai, Songkhla Province

There were 22 shareholders present in person and 1,312 shareholders present by proxy, totaling 1,334 shareholders present at the 2018 Annual General Meeting of Shareholders of Sri Trang Agro-Industry Public Company Limited (the “**Company**”), holding 947,978,738 shares representing 61.72 percent of the total number of shares sold of the Company, and constituting a quorum as required by the Articles of Association. Ms. Romtham Chalapati, coordinator of the Meeting, introduced the 12 directors, representing 100 percent of board of directors, and management present at the Meeting:

- |                                |   |
|--------------------------------|---|
| 1. Mr. Viyavood Sincharoenkul  | Chairman of the Board of Directors and<br>Managing Director   |
| 2. Mr. Prakob Visitkitjakarn   | Vice Chairman, Independent Director, Chairman<br>of the Audit Committee and Chairman of the<br>Remuneration Committee |
| 3. Mr. Chaiyos Sincharoenkul   | Director and Executive Director   |
| 4. Mr. Lee Paul Sumade         | Director and Executive Director   |
| 5. Mr. Kitichai Sincharoenkul  | Director and Executive Director   |
| 6. Mr. Veerasith Sinchareonkul | Director, Executive Director and Chairman of<br>Risk Management Committee   |
| 7. Mr. Li Shiqiang             | Director  |
| 8. Mr. Patrawut Panitkul       | Director, Executive Director and Chief Financial<br>Officer (CFO)   |
| 9. Mr. Chalernpop Khanjan      | Director and Executive Director   |
| 10. Mr. Kriang Yanyongdilok    | Independent Director, Member of the Audit<br>Committee and Chairman of the Nomination<br>Committee                    |
| 11. Mr. Samacha Potavorn       | Independent Director, Member of the Audit<br>Committee  |
| 12. Ms. Anusra Chittmitrapap   | Independent Director  |

Ms. Romtham then introduced the relevant persons to the Meeting accordingly;

1. Mr. Paiboon Tunkoon, auditor from PricewaterhouseCoopers ABAS Limited, who is the Company’s auditor for the year 2017

2. 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.
3. Mrs. Pacharin Anuwongwattanachai, Company Secretary.

Then, Ms. Romtham invited Mr. Viyavood Sincharoenkul, the Chairman of the Board of Directors, who was the Chairman of the Meeting opening the meeting. Mr. Viyavood welcomed the shareholders and declared the 2018 Annual General Meeting of Shareholders open. The Chairman then assigned Mr. Prakob Visitkitjakarn, Vice Chairman, to conduct the Meeting.

Prior to the commencement of the agendas, 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; 1 share shall represent 1 vote and each shareholder shall receive 12 voting cards in total for 9 agenda items. This is because number of voting cards required for agenda item 4, to consider and approve the election of directors to replace the directors who retire by rotation is four cards. Mr. Prakob shall first inform the Meeting of the details of each agenda item, and shall then allow shareholders to raise any questions relating to such agenda item and answer to such question prior to the voting provided that raising any questions or sharing any opinion, such shareholder shall inform the Meeting of his/her first name and surname every time. After casting the 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 and the Company's officials will then collect their voting cards for processing. The shareholders who do not raise their hands 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 4, particularly with respect to the election of directors to replace the directors who retire by rotation, in which 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 "disapproved", "abstained" and "voided" 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 A or 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.

The Meeting then was allowed to raise questions relating to vote casting in which none of shareholders have raised the questions.

Prior to agenda item 1 being brought before the Meeting, additional shareholders arrived at the Meeting. There were 23 shareholders present at the Meeting in person and 1,312 shareholders present by proxy. Therefore, a total of 1,335 persons, holding 948,018,738 shares, representing 61.72 percent of the total number of shares sold of the Company, were present.

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

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

Mr. Prakob proposed the minutes of the Extraordinary General Meeting of Shareholders No.2/2017 held on 31 August 2017, 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 Extraordinary General Meeting of Shareholders No. 2/2017 held on 31 August 2017 as proposed with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	947,907,738	votes,	equivalent to	99.99	per cent
Disapproved	21,000	votes,	equivalent to	0.00	per cent
Abstained	90,000	votes,	equivalent to	0.01	per cent
Voided	0	votes,	equivalent to	0.00	per cent

Prior to agenda item 2 being brought before the Meeting, additional shareholders arrived at the Meeting. There were 24 shareholders present at the Meeting in person and 1,312 shareholders present by proxy. Therefore, a total of 1,336 persons, holding 948,022,738 shares, representing 61.72 percent of the total number of shares sold of the Company, were present.

**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**

Mr. Prakob assigned Ms. Tipwadee Sudwayha, Investor Relations Division Manager, to inform the details of this agenda item for the consideration of the Meeting.

Prior to informing the details of this agenda, Ms. Tipwadee has informed the shareholders that the Company regularly prepares Management Discussion and Analysis (MD&A) along with the submission of financial statements. In the MD&A, the Company explains the change of figures in the financial statements and the key factors affecting the Company's operations, both positively and negatively, in order for the shareholders to receive accurate, comprehensive and adequate information to make an informed decision.

Ms. Tipwadee reported the details of the operating results of the Board of Directors for the year 2017 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 and Revenue**

In 2017, the natural rubber industry still had to contend with volatility and various external factors, including the global economic and political situation, the appreciation of Thai Baht, flooding in the south of Thailand during the start of the year, and a sharp increase in speculative activities in the futures markets in Tokyo, Shanghai and Singapore, that contributed to extreme volatility in rubber prices. However, the average rubber price in 2017 was 165 cent/kg, higher than 139 cent/kg in 2016. Accordingly, the Company had Baht 89,387 million in revenue, a 16% increase from 2016. Sales volume for natural rubber products was 1,323,873 tons, decreasing 11% from the previous year. Nevertheless, the Company was able to maintain a market share of 10% of global natural rubber consumption in 2017.

### **Sales Volume by Region**

By region, China remained our largest market at 46% of total sales volume, followed by the domestic market at 19%. Other Asian markets accounted for 25% of total sales volume, followed by the USA and Europe at 6% and 4%, respectively. The 11% decline in sales volume from 2016 mainly resulted from a decrease in sales to China and Singapore because of negative sentiments in the natural rubber market, rather than the demand-supply fundamentals. The decrease was partially offset by an increase in domestic sales volume, which grew 10% as a result of increased consumption by domestic tire manufacturers.

### **Sales Revenue by Product**

In 2017, TSR accounted for 71% of total sales revenues while RSS and Concentrated Latex accounted for 11% and 7% of total sales revenues, respectively. Sales revenue from TSR increased by 13% YoY, while sales revenue for RSS and Concentrated Latex, rose by 32% YoY and 3% YoY respectively. This is attributable an increase in average selling prices for all products in 2017 compared with 2016. Additionally, sales revenue from Gloves accounted for 11% of total sales revenues.

Sales volume for Gloves after the acquisition of Sri Trang Gloves (Thailand) Co., Ltd. (“STGT”) during the period from 15 March 2017 to 31 December 2017 was 15,068 million pieces. Assuming STGT’s revenue in 2017 was wholly consolidated, sales volume for Gloves would be 16,344 million pieces, accounting for approximately 8 % of global gloves consumption.

### **Gross Profit**

Gross profit in 2017 declined 30% YoY to Baht 3,776 million and gross profit margin also dropped from 7.0% in 2016 to 4.2% in 2017. This was mainly attributable to volatility of natural rubber prices and a discrepancy between prices on the futures markets and the domestic market in 2017.

### **Key Factors Affecting the Company’s Operations**

- 1) Volatility of Natural Rubber Price
- 2) Foreign Exchange Rate

- 3) Financial Costs
- 4) Government Policy

### **Key Factors Affecting the Company's Operations - 1. Volatility of Natural Rubber Price**

The Company's revenues and profitability are directly affected by natural rubber prices and volatility in the natural rubber market. Natural rubber prices started to move steadily higher from late 2016 and reached a three-year high of 232 cent/kg in mid-February 2017. However, prices started dropping steadily since then and remained stable from late Q3 to Q4 2017, hovering around 140-150 cent/kg. The average rubber price for the first half of 2017 was 181 cent/kg, whereas for the second half it was 149 cent/kg, indicating a volatility of 30%. The average rubber price for the year 2017 was 165 cent/kg. The increase in natural rubber prices during the first half of 2017 was ascribable to the heavy rainfall that caused flooding in the south of Thailand in January 2017 and led to a 10% decrease in rubber supply in Q1 2017 compared with the same period in 2016. The timing of the flooding happened to coincide with the period when the Company needed to stock up on raw materials (the period from November to February of every year) in preparation for sales activities during the wintering season, which usually lasts from mid-March until mid-May of every year. This resulted in higher raw material costs for the Company.

### **Key Factors Affecting the Company's Operations - 2. Foreign Exchange Rate**

In 2017, Thai Baht appreciated 4% against US dollar from an average of 35.10 Baht/US dollar in 2016 to 33.80 Baht/US dollar in 2017. The appreciation was attributable to the Thai economy's relative stability compared with other countries in the region. The uncertainty regarding the US Federal Reserve's decision on interest rate increase and the geopolitical uncertainty also contributed to Thai Baht's appreciation. Nevertheless, the Company's gains on exchange rate increased from Baht 6 million in 2016 to Baht 562 million in 2017 thanks to the undertaking of derivative transactions to manage risks from fluctuations in currency exchange.

### **Key Factors Affecting the Company's Operations – 3. Financial Costs**

The Company's interest payments increased from Baht 733 million in 2016 to Baht 1,206 million in 2017, up 65% YoY, mainly due to an increase in long-term borrowing from financial institutions to support business expansion and acquisition. Additionally, the Company had borrowings denominated in US dollar and Indonesian Rupiah and had Baht 40 million in foreign exchange loss related to the borrowings. As a result, our financing costs increased 78% YoY, from Baht 672 million in 2016 to Baht 1,196 million in 2017.

Nevertheless, our average interest rate in 2017 remained at 3.0%, lower than the average interest rate in 2016 of 3.1% and lower than the average Minimum Loan Rate (MLR) of three large commercial banks, namely Bangkok Bank, Kasikorn Bank, and Siam Commercial Bank, of 6.2%.

### **Key Factors Affecting the Company's Operations – 4. Government Policy**

In 2017, the Thai government came up with various policies to stabilize rubber prices. One of the policies is the establishment of the Thai Rubber Joint Venture Limited. The Rubber

Authority of Thailand (RAOT), acting as representative of the Thai government, and the five major natural rubber producers and exporters including STA, jointly invested in this company to engage in the domestic and international trade of rubber. In addition, the government announced several measures to help combat low rubber prices, such as the promotion of domestic consumption of rubber and the cessation of rubber tapping.

In 2018, the Thai Cabinet approved the designation of natural rubber as product under control of the Ministry of Commerce. However, since then there has been no further announcement and the trading of natural rubber goes on as usual. Additionally, the governments of the three major natural rubber-producing countries, namely, Thailand, Indonesia, and Malaysia, agreed to impose an export quota of 350,000 tons of rubber during the period from January to March 2018, which the latest implementation of this scheme was imposed a quota of 615,000 tons of rubber export reduction during the period from March to August 2016.

### **Operating Result (Net Loss)**

The Company recorded a net loss of Baht 1,437 million in 2017, compared with a net loss of Baht 758 million in 2016. The net loss resulted from a decline in gross profit because of volatility of natural rubber prices, particularly in 2Q 2017 and increased selling expenses mainly due to the higher rate of cess at Baht 2 per kilogram, from previously based on rubber prices on a sliding scale, and increased freight and transportation expenses because of higher oil prices in the global market and the higher freight rate. Meanwhile, the increase in administrative expenses was primarily due to non-recurring items related to legal expenses and the demerger in the amount of Baht 539 million. Additionally, higher interest payments mainly came from a loan to finance the share acquisition in the demerger, which was fully repaid within the specified period by pushing down the loan in the amount of Baht 3,000 million to STGT at the end of 2017.

In 2017, the Company profited from exchange rate movements and derivative transactions to hedge against movements in rubber prices in the amount of Baht 562 million and Baht 147 million, respectively. The other non-recurring item was the insurance payout in the amount of Baht 463 million for the damage resulting from the fire at PT Star Rubber in Indonesia in October 2016.

### **Consolidated Balance Sheet**

As of 31 December 2017, our total assets stood at Baht 59,708 million, increasing 6% from Baht 3,749 million in 2016. The details of the assets are as follows:

#### **Current Assets**

*Current assets, the majority of which are inventory and accounts receivable, accounted for 48% of the Company's total assets.*

As of 31 December 2017, current assets decreased Baht 3,463 million or 11% compared with at the end of 2016. The decrease was primarily the result of a drop in the value of inventory in the amount of Baht 3,808 million due to lower natural rubber prices at the end of 2017 compared with at the end of 2016. Moreover, the decrease in trade accounts receivable and other receivables of Baht 881 million was the result of a decline in sales volume despite an

increase in average selling prices of natural rubber products of approximately 28% compared with 2016.

This was partially offset by an increase in cash and cash equivalents of Baht 567 million and an increase in the value of derivative financial instruments of Baht 243 million.

### **Non-Current Assets**

*Non-current assets, the majority of which are property, plants and equipment, accounted for 42% of the Company's total assets.*

Non-current assets rose by Baht 7,212 million or 30% compared with at the end of 2016. The increase resulted from increased investments in property, plants and equipment in the amount of Baht 8,424 million as part of the new production facility and the expansion of the Company's TSR, LTX and Glove facilities.

In addition, in 2017, the Company recorded a goodwill of Baht 2,954 million (2016: nil) and a decrease in investments in associates and joint ventures of Baht 4,459 million as a result of the demerger.

### **In 2017:**

**Upstream Business** – The Company has approximately 50,000 rai (8,000 hectares) of land suitable for the cultivation of rubber trees in 19 provinces of Thailand. The majority of our rubber plantations are located in the northern and northeastern regions of Thailand and 89% of the lot has already been planted with rubber trees.

**Midstream Business** – The Company has a total 36 production facilities for natural rubber. 32 production facilities are located in Thailand, three in Indonesia, and an additional one is in Myanmar. During the year 2017, two new TSR facilities in Chiangrai and Sakonnakorn commenced operation. At the end of 2017, our engineering capacity stood at 2.6 million tons per annum, the highest in the industry.

**Downstream Business** – The Company produces a wide variety of medical examination gloves, industrial gloves and general purpose gloves from both latex and nitrile rubber with the capacity of 14 billion pieces per annum at the end of 2017.

### **Consolidated Balance Sheet**

As of 31 December 2017, the Company's total liabilities amounted to Baht 36,431 million, increasing Baht 384 million or 1% compared with at the end of 2016. The details are as follows:

### **Liabilities**

*Short-term borrowings from financial institutions accounted for 60% of the Company's total liabilities.*

As of 31 December 2017, current liabilities decreased by Baht 6,980 million or 21% comparing to the previous year. The decrease was primarily the result of the repayment of loans to finance

the share acquisition in the demerger in the amount of Baht 4,500 million, together with a decrease in derivative financial instruments recorded as liabilities in the amount of Baht 424 million.

Non-current liabilities rose by Baht 7,364 million or 229% compared with 2016. This was primarily due to an increase in long-term borrowings from financial institutions as a result of the push down of the abovementioned loan to finance the demerger in an amount of Baht 3,000 million to STGT at the end of 2017.

### **Shareholders' equity**

As of 31 December 2017, shareholders' equity rose by 17% or Baht 3,365 million mainly as a result of an increase in asset revaluation surplus and an increase in share capital from 1,280,000,000 shares to 1,535,999,998 shares at the par value of Baht 1 per share, despite a decrease in unappropriated retained earnings of Baht 1,871 million as a result of a net loss in 2017.

### **Financial Ratios** **Current Ratios**

The Company's current ratio as of 31 December 2017 was 1.1 times, increasing from 0.97 times in 2016. The increase was primarily attributable to a decrease in short-term borrowings and long-term borrowings from financial institutions.

### **Debt to Equity Ratio ("D/E")**

The Company's D/E as of 31 December 2017 was 1.57 times, decreasing from 1.81 times in 2016. The decrease in D/E was the result of a decrease in short-term borrowings and the current portions of long-term borrowings from financial institutions as a result of the increase of the Company's share capital.

### **Cash Cycle**

The Company's cash cycle in 2017 was 101.95 days, lower from 105.20 days in 2016. The decrease was attributable to a shorter inventory period, in line with a decrease in production capacity and sales volume despite an increase in average selling prices compared with 2016.

### **Fixed Asset Turnover Ratio**

The Company's fixed asset turnover ratio was at 4.12 times as of 31 December 2017, decreasing from 4.58 times in 2016. The decrease resulted from an increase of revenue at a slower rate than an increase in property, plants and equipment because of the capacity expansion, including rubber and palm plantations.



**Financial Information**  
**Book Value per Share**

Book Value per share decreased from 15.56 in 2016 to 15.15 Baht in 2017 in line with the decrease in retained earnings and capital increase.

**Earnings per Share**

In 2017, the Company had a net loss of Baht 1.05 per share, increasing from a net loss of Baht 0.57 per share in 2016.

Accordingly, to maintain our financial liquidity amid volatility in the natural rubber industry and low natural rubber prices and to support business expansion plan, the Company is not in a position to make a dividend payment for 2017 (which would be proposed in the next agenda).

In addition, the Company would like to inform shareholders of the progress on the certification by the Collective Action Coalition (CAC). The Company had declared our intent to join the CAC in the beginning of 2017 and applied for certification in 4Q 2017. The CAC Certification Sub-Committee had suggestions for the Company to improve on some issues. Currently, the Company is working on the CAC's suggestions and plans to reapply in 2Q 2018.

Mr. Prakob then allowed the Meeting to raise questions.

Mr. Nuntapon Jongwilaikasem, a shareholder, asked the following questions:

1. Did the Company's Baht 200 million investment in the Thai Rubber Joint Venture Limited, which has been operating for nearly a year now, have any effect on or yield any benefits for the Company's operations?
2. Did the Company have outright ownership of the 50,000 rai of rubber plantations or were the plantations leasehold property?
3. Why did the Company put a premium on market share and sales volume and not on net profit or gross profit? Did the fact that Company used to have a net profit margin of between 1.4% - 2% but currently have a net profit margin of -1.6% demonstrated that the Company did not have the right business strategy?

Mr. Kitichai Sincharoenkul, Director, answered the first question that the establishment of the Thai Rubber Joint Venture Limited was the initiative of the Thai Government, which came under pressure about rubber prices. The Government asked for investments from the five major rubber producers to establish a joint venture with Baht 1.2 billion in share capital. The Company complied with the request and has invested Baht 100 million thus far. The Rubber Authority of Thailand (RAOT) was the party responsible for the day-to-day management. Recently, the RAOT underwent a change in its Deputy Governor and it is now fairly certain that the joint venture would cease operation after it could not achieve its purposes of establishment and refund the investments to the shareholders. However, the exact amount would be determined by law and would be received after the ending of the specific financial statements.

Mr. Nuntapon further suggested that, since the Company had a stake in the Thai Rubber Joint Venture limited, the Company should have the monitoring process and should continue to do so until the dissolution is complete.

Mr. Kitichai said that the Company accepted the shareholder's suggestion and would discuss it in the joint venture's meeting.

Dr. Viyavood Sincharoenkul, Director, further explained that, because the joint venture was the initiative of the Government and the Government was the party responsible for the operation; the Company therefore merely provided cooperation and was not very much involved in the joint venture.

As for the question about rubber plantations, Mr. Kitichai answered that the Company had ownership of all rubber plantations.

In response to the third question, Dr. Viyavood explained that economies of scale were of tremendous importance in the current industry climate where China was wielding enormous influence, with strong consumption power and financial resources. Having economies of scale enabled the Company to have bargaining power while other smaller competitors in the industry, whether in Thailand, Malaysia or Indonesia, had had to cease operation. Dr. Viyavood asked shareholders to believe that the Company had implemented the right strategy.

Ms. Wipa Suwanit, a shareholder, asked whether it was accurate that, because having market share allowed the Company to have bargaining power, the Company must therefore endeavor to maintain or increase market share without regard for costs.

Dr. Viyavood explained that there were many factors affecting the Company's operations. For example, an oversupply of rubber that leads to low rubber prices happened because, in addition to Thailand, Malaysia and Indonesia, Vietnam is now also able to produce sizeable amount of rubber. Factors that are beyond control of the Company like this must also be taken into account by the Company's Management.

Ms. Wipa further asked whether the Board of Directors had in place any strategy to improve operating results.

Dr. Viyavood explained that the Company had strived to be a fully integrated rubber company with operations in the upstream, midstream and downstream of the industry. For many years, the Company had to spend time resolving the dispute with a former joint venture partner in the glove operations. During that period, the Company continued to focus on the midstream operations of natural rubber products. After the dispute with the partner was resolved and the Company gained total control of the glove operations, the Company had to restructure the operations and come up with a strategy. In the year since the dispute had been resolved, the Company has been able to resume production capacity and regain market share and has not encountered any significant problems. In the next five years, the Company would plan to produce 40 billion pieces per annum of gloves, a figure that would represent 60-70% of the Company's net profit. Additionally, although sales volume for gloves is lower than those for natural rubber products, gloves provide a higher rate of net profit margin. Rubber farmers are also starting to come to terms with the current levels of rubber prices.

Mr. Kiethinan Denpaisarn, a shareholder, asked whether the Baht 2 billion in a goodwill that resulted from the acquisition of Sri Trang Gloves (Thailand) Ltd. (“STGT”) would be amortized and at the rate of how much per year.

Ms. Thanawan Sa-ngiamsak, CFO-Gloves & Business Development, explained that the goodwill would not be amortized but would be subject to annual impairment. If there was an impairment, the value of the goodwills would decrease and the impairment would be recorded as expenses in the profit and loss statement.

Mr. Kiethinan further asked whether it was accurate there would be no impairment if STGT was able to generate a profit every year.

Ms. Thanawan explained that was not always such a case as STGT must achieve a level of profit that when the discounted cash flow was calculated at the present value, that value must be no less than the sum of the carrying value of the business and the goodwill on the day of acquisition.

Mr. Athiyuth Harnmontri, a shareholder, asked whether there was any other products aside from gloves that would help increase the Company’s value and how much latex would be needed if the Company were to produce condoms.

Mr. Kitichai explained that, as Dr. Viyavood informed the Company’s strategy earlier, the Company would focus on the gloves operations in the downstream business. While the Company could not ascertain the exact amount of latex required in the production of condoms, the Company was certain that the amount was considerably less than what was required in the production of gloves. Mr. Kitichai reiterated that the Company had no interest in condom production.

Dr. Viyavood further explained that the Company had been in the rubber business for over 30 years and has expertise in technology, marketing and management that would allow the Company to be successful and currently has no interest in acquiring other businesses.

Ms. Wipa Suwanit, a shareholder, asked about the Company’s social and environmental initiatives.

Ms. Tipwadee explained that the Company had various CSR projects that were related to both natural rubber and gloves businesses.

As regards natural rubber business, the Company had initiatives to support rubber farmers who deliver rubber to the Company’s production facilities. For examples, the Company worked in collaboration with the Department of Highways and the traffic police to install tracks on trucks to collect rubber that falls off during transportation which is called ‘Rod Bantook Yang Tid Rang for Happy Society’. In addition, the Company also has projects that provide support for schools, temples and communities, as well as provide educational support and support for employees and descendants.

As for gloves business, the Company had provided gloves for the Red Cross to use in the blood donation operation, an initiative that also serves as a marketing tool for the Company's products and boosts the Company's image.

Ms. Wipa further asked how the Company communicate with the community.

Ms. Tipwadee explained that the Company assigned the CSR team stationed in each factory to responsible for this issue. The Company's CSR team has provided support and assistance to the community in various occasion such as donation of dried survival food and bags during the floods in the South of Thailand.

Mrs. Uthumporn Jamornmarn, a shareholder, asked whether the feedback of villagers in communities was good or not.

Ms. Tipwadee explained that the Company was able to create good community interaction and understanding with villagers in communities as well as make them feel to be a part of the Company.

Mrs. Uthumporn provided the information to the Meeting since she lives in Amphoe Na Duang, Loei Province where the Company's factory is located in. Mrs. Uthumporn faced an odour problem for a year now and had wrote the letter of complaint to the Company which Mr. Chalermpop Kanjan, Director, replied this letter that the Company was taking action to solve this problem. There was still no result seen by the community; therefore, the villagers were raising their complaints to the Damrongdhama. Then the Provincial Industry Office came to examine the Company's factory and allowed 30 days for solving this problem. After the specific time, the problem could not be solved then the villagers would decide to raise their complaints to mass media since they could not stand with such odour. Last week, Chief District Officer of Na Duang had visited the community and acknowledge the problem. Accordingly, Mrs. Uthumporn asked when the Company would be able to solve this problem.

Mr. Chalermpop Khanjan, Director, explained that the main CSR community initiatives of the Company were separated into house, temple and school aspects. As for temples, the Company supported religious ceremonies to communities and, for school initiatives, the Company had jointly established the STEM Education Project with the Federation of Thai Industries and provided the Company's staff to share knowledge to students. As for the odour problem, Mr. Chalermpop explained that the Company operated the factory 24 hours a day thus the Company invested in technology as well as had been continuously examined and improved this problem by applying a single standard for all factories. In different areas, they might face different problems, the Company therefore needed to initiate and innovate any tool to solve such problems. In addition, the Company had cooperated with the Research Support Fund (TRF) to implement a two-year project to solve the root cause of this problem which is the natural rubber since the odour problem is the general problem occurring with all rubber factories used natural rubber as main raw materials. Mr. Chalermpop said that after receiving the complaint letter, he had visited Loei's factory and found that sometimes there were odour problem happened, which it might depend on the location of each area. Mr. Chalermpop further insisted that the Company took this problem into account, continued to develop by any means and came up with the solution to deal with.

Mrs. Uthumporn asked for the exact answer when the Company would be able to solve the problem since the time had passed for a year.

Mr. Chalernpop said that the Company has operated under relevant laws and regulations, which a government agency usually came to examine and measure such odour. From the survey with many villagers closed to the area, it was found that the odour problem was solved and dampened rapidly and the Company was certain that the operation was run under the specific regulations and requirements.

Mrs. Uthumporn said that if the Company aimed to be ECO - friendly company, the Company needed to take serious action especially the health issue of villagers at Bann Phacharoen, Tha Sa-at, Na Duang District, Loei province. As hundreds of villagers were impacted by the odour problem, the Company therefore would have to answer how to solve this problem.

Mr. Kitichai, Director, said that the Company was committed to be ECO - friendly and welcome for the cooperation with communities as well as dedicated to all parties to fully solve the problem. The Company complies with laws at each level and always realises that factories must friendly operate to communities. If villagers cannot live, the factory could not stay as well. Accordingly, the Company is committed to take serious action on this issue, however, it is quite difficult to specify the exact date.

Mr. Chalernpop further said that Executives and employees had to live with the villagers in the community as well, which was the Company's main mission.

As for employees, Mrs. Uthumporn said that they were employed by the Company which was different from villagers who had no benefit. Mrs. Uthumporn is personally pleasure Loei province as it has a good atmosphere; however, after the factory established in that area, it has caused odour problem and the villagers could not have a fresh air as before.

Ms. Tipwadee said that the Company accepted the shareholder's complaint and would improve it as soon as possible.

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 2017 and consider and approve the Statements of Financial Position and Statements of Comprehensive Income of the Company for the year 2017 ended 31 December 2017 as proposed.

Ms. Wipa Suwanit, a shareholder, asked whether shareholders would have to acknowledge the Company's performance results together with approve the Company's financial statement in this agenda and if so would like to ask to raise further questions about the financial statement and suggested that, for the next time, the approval of the financial statement should not be put in the same agenda as the report on the Company's performance results.

Mr. Prakob, Chairman of the Meeting, allowed the shareholder to pose queries.

Ms. Wipa asked whether increased financing costs in the past year were the result of excess cash flow and asked why the Company did not use the cash to pay off some debts in order to reduce financing costs. Ms. Wipa also questioned whether the increased financing costs resulted from the issuance of debenture.

Ms. Tipwadee clarified that the increase in financing costs in 2017 mainly stemmed from the Baht 4,500 million loan to finance the demerger in March 2017 and was fully repaid in December 2017, which caused interest expenses to be higher during the year. As for the Baht 2,241 million in cash and cash equivalents, the Company had to maintain cash at this level to facilitate the operations and it was considered as liquidity management, which increasing in borrowing loans during the year was explainable.

Ms. Wipa further asked if it was accurate that there would be no such interest expenses in 2018 as the loan was already fully repaid.

Mr. Patrawut, Director and CFO, explained that the interest expenses stemmed from two borrowings, one for the expansion of glove business, which was repaid by installments, and another to facilitate operations as rubber prices were higher in the first half 2017. Mr. Patrawut further explained the Company needed to reserve cash to be used for raw material purchasing from rubber farmers and therefore normally reserves Baht 1,000 – 2,000 million in cash.

Ms. Wipa asked about the Company's trade receivables with a term of over 12 months, which were significantly higher.

Mr. Kitichai explained that there was nothing unusual regarding trade receivables, but the reason for the increase in trade receivables with longer terms after the acquisition of the glove business was because trade receivables for gloves had longer terms than those for natural rubber.

Ms. Tipwadee further explained trade receivables with a term of over 365 days account for less than one percent of all trade receivables.

Mr. Prakob then requested the Meeting to acknowledge the performance results of the Board of Directors of the Company for the year 2017 and consider and approve the Statements of Financial Position and Statements of Comprehensive Income of the Company for the year 2017 ended 31 December 2017 as proposed.

After due consideration, the Meeting acknowledged the performance results of the Board of Directors of the Company for the year 2017 and resolved to approve the Statements of Financial Position and Statements of Comprehensive Income of the Company for the year ended 31 December 2017 with majority votes of the shareholders attending the Meeting and casting their votes, as follows:

Approved	947,455,938	votes,	equivalent to	99.94	per cent
Disapproved	23,320	votes,	equivalent to	0.00	per cent
Abstained	543,480	votes,	equivalent to	0.06	per cent
Voided	0	votes,	equivalent to	0.00	per cent

Mrs. Uthumporn Jamornmarn, a shareholder, then suggested that the Company process the votes using a three-digit or more decimal.

An officer from the Company informed the shareholder that the Company would consider the suggestion.

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

Mr. Prakob assigned Ms. Tipwadee Sudwayha, Investor Relations Division Manager of the Company, to inform the details of this agenda item for the consideration of the Meeting.

Ms. Tipwadee informed the meeting that 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.

Mr. Prakob then allowed the Meeting to raise questions.

Ms. Wipa Suwanit, a shareholder, raised the question why the Company decided not to pay the dividend to shareholders since the Company had received approximately Baht 4 billion of dividend income.

Mr. Patrawut Panitkul, Director and CFO, explained the reasons that the Company needed to maintain the Debt to Equity ratio (D/E) to be at the likitable and stable level.

Ms. Thanawan Sa-ngiamsak, CFO-Gloves & Business Development, further explained that approximately Baht 4 billion of dividend income received from its subsidiaries was needed to repay to a financial institution, which the Company had borrowed such a loan to finance the business acquisition. This was informed to shareholders since the Company had asked the shareholders' meeting resolution on acquiring gloves business; therefore, the Company actually did not receive cash in the amount of approximately Baht 4 billion.

Since there were no questions raised by shareholders, Mr. Prakob then requested the Meeting to consider and approve no distribution of annual dividend for 2017.

After due consideration, the Meeting resolved to approve no distribution of annual dividend for 2017 as per the details proposed in all respects with majority votes of the shareholders attending the Meeting and casting their votes, as follows:

Approved	947,458,382	votes,	equivalent to	99.94	per cent
Disapproved	474,356	votes,	equivalent to	0.05	per cent
Abstained	90,000	votes,	equivalent to	0.01	per cent
Voided	0	votes,	equivalent to	0.00	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 / Chairman of the Audit Committee / 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 Meeting 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 knowledge, capability and experiences that shall provide valuable services 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, 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 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 and the Stock Exchange of Thailand.

Mr. Prakob then allowed the Meeting to raise questions. Since there were no questions raised by shareholders, Mr. Prakob then assigned Ms. Romtham to conduct the Meeting to consider and approve the election of directors to replace the directors who retire by rotation.



## 1. Mr. Prakob Visitkitjakarn

Ms. Wipa Suwanit, a shareholder, asked whether the Company had a policy regarding the term of an independent director because she was not confident that an independent director who has been in the position for more than 20 years could retain their independence.

Mr. Kitichai Sincharoenkul, Director, responded on behalf of the Nomination Committee Member that the Company had no policy on the term of independent directors. However, all independent directors of the Company were qualified and understood the industry, which was impacted upon by external factors. The independent directors took part in and expressed their opinions and audited the performance of the Board of Directors. They also maintained their independency and protected the interests of and benefit of all shareholders equally.

Mr. Viyavood Sincharoenkul, Director, explained that Mr. Prakob; as an independent director, and Mr. Viyavood himself; as a director, performed their respective work separately. Mr. Viyavood further stated that the Company was fortunate to have such a hard working person to help develop the organization.

Mr. Prakob confirmed, in his capacity as an independent director of the Company, that he would not become a “rubber stamp” for anyone in any matter. All matters of the Company must be discussed thoroughly and supported by reason.

Mrs. Uthumporn Jamornmarn, a shareholder, requested Mr. Prakob to maintain his independence and to protect the benefit of shareholders, especially in light of her complaint.

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

Approved	929,380,616	votes,	equivalent to	98.04	per cent
Disapproved	18,522,122	votes,	equivalent to	1.95	per cent
Abstained	111,000	votes,	equivalent to	0.01	per cent
Voided	9,000	votes,	equivalent to	0.00	per cent

## 2. Mr. Viyavood Sincharoenkul

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

Approved	929,922,118	votes,	equivalent to	98.09	per cent
Disapproved	17,989,620	votes,	equivalent to	1.90	per cent
Abstained	111,000	votes,	equivalent to	0.01	per cent
Voided	0	votes,	equivalent to	0.00	per cent

3. Mr. Veerasith Sinchareonkul

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

Approved	947,714,818	votes,	equivalent to	99.97	per cent
Disapproved	196,920	votes,	equivalent to	0.02	per cent
Abstained	111,000	votes,	equivalent to	0.01	per cent
Voided	0	votes,	equivalent to	0.00	per cent

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 of the Company for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	947,705,618	votes,	equivalent to	99.97	per cent
Disapproved	196,920	votes,	equivalent to	0.02	per cent
Abstained	111,000	votes,	equivalent to	0.01	per cent
Voided	9,200	votes,	equivalent to	0.00	per cent

**5. To consider and approve the determination of remuneration of directors for the year 2018**

Mr. Prakob informed the Meeting that according to the prudent consideration of the Remuneration Committee, it is deemed appropriate to propose that the Meeting 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

The details are shown in a table as follow:

	<b>Remuneration of Directors (Baht)</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
Board of Directors	5,604,000.-	5,569,000.-	4,435,200.-
Audit Committee	2,424,000.-	2,424,000.-	2,059,200.-
<b>Total</b>	<b>8,028,000.-</b>	<b>7,993,000.-</b>	<b>6,494,400.-</b>

The Company shall pay the annual remuneration of directors in two payments per year, with the details as follows:

<b>Name</b>	<b>Position</b>	<b>Remuneration of Directors (Baht/year)</b>		
		<b>2018</b>	<b>2017</b>	<b>2016</b>
1. Mr. Viyavood Sincharoenkul	Chairman	804,000.-	804,000.-	633,600.-
2. Mr. Prakob Visitkitjakarn*	Vice Chairman, Independent Director and Chairman of Audit Committee	936,000.-	936,000.-	792,000.-
3. Mr. Chaiyos Sincharoenkul	Director	600,000.-	600,000.-	475,200.-
4. Mr. Kitichai Sincharoenkul	Director	600,000.-	600,000.-	475,200.-
5. Mr. Veerasith Sinchareonkul	Director	600,000.-	600,000.-	475,200.-
6. Mr. Lee Paul Sumade	Director	600,000.-	600,000.-	475,200.-
7. Mr. Patrawut Panitkul	Director	600,000.-	600,000.-	475,200.-
8. Mr. Li Shiqiang	Director	600,000.-	600,000.-	475,200.-
9. Mr. Chalernpop Khanjan	Director	600,000.-	600,000.-	475,200.-
10. Mr. Neo Ah Chap**	Independent Director	-	400,000.-	475,200.-
11. Mr. Kriang Yanyongdilok	Independent Director and Audit Committee	744,000.-	744,000.-	633,600.-
12. Mr. Samacha Potavorn	Independent Director and Audit Committee	744,000.-	744,000.-	633,600.-
13. Miss Anusra Chittmitrapap***	Independent Director	600,000.-	165,000.-	-

\* Mr. Prakob Visitkitjakarn was appointed as Vice chairman on 9 March 2016

\*\* Mr. Neo Ah Chap resigned as a director of the Company on 24 August 2017

\*\*\* Miss Anusra Chittmitrapap was appointed as Independent Director since 21 September 2017

Mr. Prakob then allowed the Meeting to raise questions.

Mrs. Uthumporn Jamornmarn, a shareholder, asked what criteria the Company used to determine the remuneration of directors and whether the loss and no distribution of annual dividends were considered to determine the remuneration of directors.

Mr. Kitichai Sincharoenkul, Director, explained that the remuneration of directors of the Company was determined by a fixed amount. It did not depend on the profits of the Company. The Company considered the remuneration to be appropriate for the business, taking into account the responsibility and the performance to the Company. Moreover, the remuneration of directors for the year 2018 was not increased from the previous year.

Since there were no questions raised by shareholders, Mr. Prakob then requested the Meeting to consider and approve the determination of remuneration of directors for the year 2018.

After due consideration, the Meeting resolved to approve the determination of remuneration of directors for the year 2018 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	947,911,738	votes,	equivalent to	99.99	per cent
Disapproved	21,000	votes,	equivalent to	0.00	per cent
Abstained	90,000	votes,	equivalent to	0.01	per cent
Voided	0	votes,	equivalent to	0.00	per cent

**6. To consider and approve the appointment of the auditor and determination of auditing fee for the year 2018**

Mr. Prakob informed the Meeting that 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:

1. Mr. Supachai Panyawattano, Certified Public Accountant (Thailand) No. 3930 or
2. Miss Krongkaew Limkittikun, Certified Public Accountant (Thailand) No. 5874 or
3. Mr. Nuttawut Santiphet, Certified Public Accountant (Thailand) No. 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.

Auditing fee of the Company and its subsidiaries is as follow:

Unit: Baht

	<b>2018</b>	<b>2017</b>
Auditing fee for year-end	4,249,000	5,925,000
Reviewing fee in quarterly basis	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 received the audit services for its 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 the 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 the prescribed time.

Mr. Prakob then allowed the Meeting to raise questions.

Ms. Wipa Suwanit, a shareholder, asked 3 questions as follows:

1. Why did the Company change the auditor?
2. Why did the auditing fee decrease? This was because she had never seen any company who changed the auditor and the auditing fee decreased.
3. The fact that there were other audit firms apart from EY Office Limited, how could the Company enable them to submit the financial statements within prescribed time?

Mr. Prakob Visitkitjakarn, Director, answered on behalf of Chairman of Audit Committee as follows:

For the first question, the Company changed the auditor because the Company followed a general rule that when an audit firm had audited the Company for the past 5 years, there would be a change of the auditor. For the second question, the auditing fee decreased because the fees depended on the auditing fees of each firm and the individual who would serve as auditor of the Company. For the third question, the Company would enable them to submit the financial statements within prescribed time.

Mr. Patrawut Panitkul, Director and CFO, explained further that in general when an audit firm had audited the Company for 5 years, the Company would invite top 5 audit firms to submit proposals on their auditing fees for the consideration of the Company. For 2018, it was an appropriate time to consider the change of the auditor. Since PricewaterhouseCoopers ABAS Limited and EY Office Limited have the same standards, the Company's consideration was based on the proposed auditing fee. For the third question, for the subsidiaries located in foreign countries, the Company considered the auditor in each zone and which audit firm should be employed. However, Mr. Patrawut confirmed that there would not be any problem in the submission of the consolidated financial statements within prescribed time.

Since there were no questions raised by shareholders, Mr. Prakob then requested the Meeting to consider and approve the appointment of the auditor and determination of the auditing fee for the year 2018.

After due consideration, the Meeting resolved to approve the appointment of the auditor and determination of auditing fee for the year 2018 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	947,932,738	votes,	equivalent to	99.99	per cent
Disapproved	0	votes,	equivalent to	0.00	per cent
Abstained	90,000	votes,	equivalent to	0.01	per cent
Voided	0	votes,	equivalent to	0.00	per cent

**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**

Mr. Prakob informed the Meeting that 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.

Mr. Prakob then allowed the Meeting to raise questions.

Ms. Wipa Suwanit, a shareholder, asked why there were 2 remaining shares.

Ms. Thanawan Sa-ngiamsak, CFO-Gloves & Business Development, explained that last year the Company allocated the shares to its shareholders in proportion to their respective

shareholdings (rights offering) and in excess of their entitled rights (oversubscription) to the shareholders who wished to oversubscribe. The remaining shares were allocated to shareholders until no shares remain from shares allocation. It is normal for the capital increase with a rights offering to result in fractions of shares.

Ms. Wipa expressed her concern on the time consuming and cost of registration and asked whether the Company could hold and accumulate these 2 shares.

Ms. Thanawan answered that the Company had to follow the processes required by law and could not proceed as proposed by the shareholder.

Since there were no further questions raised by shareholders, Mr. Prakob then requested the Meeting 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

After due consideration, the Meeting resolved to 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 as per the details proposed 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	947,932,738	votes,	equivalent to	99.99	per cent
Disapproved	0	votes,	equivalent to	0.00	per cent
Abstained	90,000	votes,	equivalent to	0.01	per cent
Voided	0	votes,	equivalent to	0.00	per cent

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

Mr. Prakob assigned Ms. Romtham Chalapati, Legal Manager of the Company, to inform the details of this agenda item for the consideration of the Meeting.

Ms. Romtham informed the Meeting that 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 as follows:

**Article 33.** The Board of Directors shall arrange for a meeting of shareholders to be held as annual ordinary meeting within four months from the ending date of each accounting period of the Company.

All other meetings of shareholders shall be called extraordinary meetings. The Board of Directors may summon an extraordinary meeting of shareholders whenever they think

fit or one or more shareholders holding the aggregate number of shares of not less than 10 percent of the total number of issued shares may, by subscribing their names, request the board of directors in writing to call an extraordinary meeting at any time, but the reasons for calling such meeting shall be clearly stated in such request. In this regard, the board of directors shall proceed to call a meeting of shareholders to be held within 45 days as from the date the request in writing from the shareholders is received.

In case the board of directors fails to arrange for the meeting within such period under paragraph two, the shareholders who have subscribed their names or other shareholders holding the required aggregate number of shares may themselves call the meeting within 45 days as from the date of expiration of the period under paragraph two. In such case, the meeting is deemed to be shareholders' meeting called by the board of directors and the Company shall be responsible for necessary expenses as may be incurred in the course of convening such meeting and the Company shall reasonably provide facilitation.

In the case where, at the meeting called by the shareholders under paragraph three, the number of the shareholders presented does not constitute quorum as prescribed by Article 35, the shareholders under paragraph three shall jointly compensate the Company for the expenses incurred in arrangements for holding that meeting.

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.

Mr. Prakob then allowed the Meeting to raise questions.

Mrs. Uthumporn Jamornmarn, a shareholder, asked whether the shareholders could vote to disapprove this agenda item because the Company had to follow the law as it is an Order of the Head of the National Council for Peace.

Ms. Wilairat Srisakornborisut, Legal Division Manager, explained that in relation to voting on this agenda item, the shareholders could vote either to approve or disapprove depending on the shareholders' discretion. Nevertheless, if this matter was approved, the Company had the duty to register the amendment to such Articles of the Company's Articles of Association as required by law.

Mrs. Uthumporn asked further whether the Company had to comply with such Articles if the Meeting disapprove to amend the Company's Articles of Association.

Ms. Wilairat informed that if the Meeting disapproved the amendments to the Company's Articles of Association, the Company could not proceed with the registration of the Articles of Association with the Ministry of Commerce. However, the Company was required to comply with the amended provisions of law as it was stipulated by law.

Since there were no further questions raised by shareholders, Mr. Prakob then requested the Meeting to consider and approve the amendment to Articles 33 and 52 of the Company's Articles of Association



After due consideration, the Meeting resolved to approve the amendment to Articles 33 and 52 of the Company's Articles of Association as per the details proposed 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	947,932,738	votes,	equivalent to	99.99	per cent
Disapproved	0	votes,	equivalent to	0.00	per cent
Abstained	90,000	votes,	equivalent to	0.01	per cent
Voided	0	votes,	equivalent to	0.00	per cent

## 9. Other Matters

There were no other matters proposed to the Meeting for consideration.

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

Mr. Nuntapon Jongwilaikasem, a shareholder, asked the following questions.

1. As Management focused on the capacity expansion in the gloves business, would over supply occur and would the profit not be as expected?
2. We have seen the trend of Thailand 4.0, would we see Sri Trang 4.0? For example, the change from analog to digital or a rubber tapper robot or warehouse system or other new innovations regarding rubber.
3. This was not a question but he would like to express appreciation to the Management who have shown their competence in handling the Company under the long depressed situation of the rubber industry. He was also delighted to see the directors of the Company continuously purchase shares of the Company.

Mr. Viyavood Sincharoenkul, Director, answered that for the finished product, it was suggested by shareholders for a long time. The Company had operated glove business but did not have 100% ownership until now. Now that the Company owned 100% of the glove business, it resulted in independence in ideas, planning and operations in the right and appropriate direction. The Company had technology, manpower and market and was ready to support the growth of business in the future.

For technology, it changed from time to time such as in communications, which had changed from telex to fax to email and now the Line and Whatsapp applications had been employed for easier and more comfortable communications.

Ms. Wipa Suwanit, a shareholder, proposed an idea about Start-up and that, at present, new graduates were skilled and had great ideas. Employing them to work with us might be difficult but if we wanted their ideas, we might have to form a new start-up business and asked them to join us as shareholders. This was for them to invest their skills while the Company invested in capital and then we would have new innovative products.

Mr. Viyavood stated that there were a lot of specialists but their skills were expensive. It was not worth it for our industry to employ such expensive manpower but nevertheless we would try to adapt and develop continuously.

Mrs. Uthumporn Jamornmarn, a shareholder, asked whether it was possible that the Company would stop using rubber cup lump to produce block rubber but would purchase rubber cup lump from other sources to produce new innovations and exports.

Mr. Viyavood stated that the reason that the Company set up our factory in Loei province was because there were a lot of raw materials in that area and the Company tried to promote farmers to reduce the use of chemicals in latex which would cause an odor problem. For the change to new rubber products as proposed, might be difficult to make possible.

Mr. Somporn Jongwilaikasem, a shareholder, asked that he had seen Sincharoenkul family purchased STA's shares continuously so he would like to know what the reason was.

Mr. Viyavood explained that the Company saw the future of focusing on downstream business especially in the period of low price of natural rubber. This was a great opportunity.

Mr. Viyavood informed the Meeting before adjournment of the Meeting that today was a great opportunity for the Management to meet the shareholders, discuss and share the opinions. The Company confirmed that we were standing beside the community and would find the best solution to solve the problems and was also ready to be responsible for financial institutions, societies and shareholders.

There were no further questions or opinions from shareholders. The Chairman then adjourned.

The Meeting adjourned at 13.25 p.m.

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(Mr. Viyavood Sincharoenkul)  
Chairman of the Meeting